

 south pole  Mitsubishi Corporation

Scaling carbon removals: About the **Next Generation Carbon Removal Purchase Facility**





The Next Generation Carbon Removal Purchase Facility aims to facilitate the purchase of certified technical carbon removals, deliver permanent carbon storage and act as a catalyst for net zero strategies.

In addition to drastic decarbonisation efforts, the removal of carbon dioxide from the atmosphere will be required to meet the goals set by the Paris Agreement and to achieve net zero emissions by 2050. Both nature-based solutions — such as planting trees — and technical carbon removal solutions are key to meeting these goals, and need to be scaled urgently. Since nature-based solutions depend on scarce resources like land and water, these may not be sufficient in the long-term. Next Generation

carbon removals will therefore be essential in the long run to limit global warming to 1.5°C.

In order to drive down costs, accelerate technological development and increase the volume of robust solutions, it is imperative to start investing in carbon removal technologies today. The NGCRPF addresses this urgent need by supporting technical carbon removal projects and catalysing unparalleled infrastructure development around the world.

“ The Next Generation Carbon Removal Purchase Facility will provide a secure revenue stream for new carbon removal technologies to accelerate their development. Importantly, it will help drive down the price per tonne of CO₂ removed over time. ”



Patrick Buergi, South Pole

Project examples from the NGCRPF pipeline

Focus on groundbreaking negative-emission engineered carbon removal solutions which deliver on global net zero targets in the long run.



Direct air carbon capture and sequestration (DACCS)



Carbon mineralisation in construction products



Biomass energy carbon capture and sequestration (BECCS)

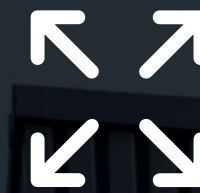


Biochar



Enhanced weathering

Quick facts about the NGCRPF:



Size: US\$300m–800m worth of certified carbon removal credits



Who: managed by Mitsubishi Corporation and South Pole



Timeline: from early 2022, for at least 10 years



Anticipated number of buyers: 3–10 anchor buyers and 30–100 co-buyers



Anticipated average carbon price: US\$100–200 per tonne of CO₂

NGCRPF objectives

The facility aims to accelerate development and commercialisation of carbon removal technologies, while reducing the long-term costs and risks of achieving net zero. It will do this by:

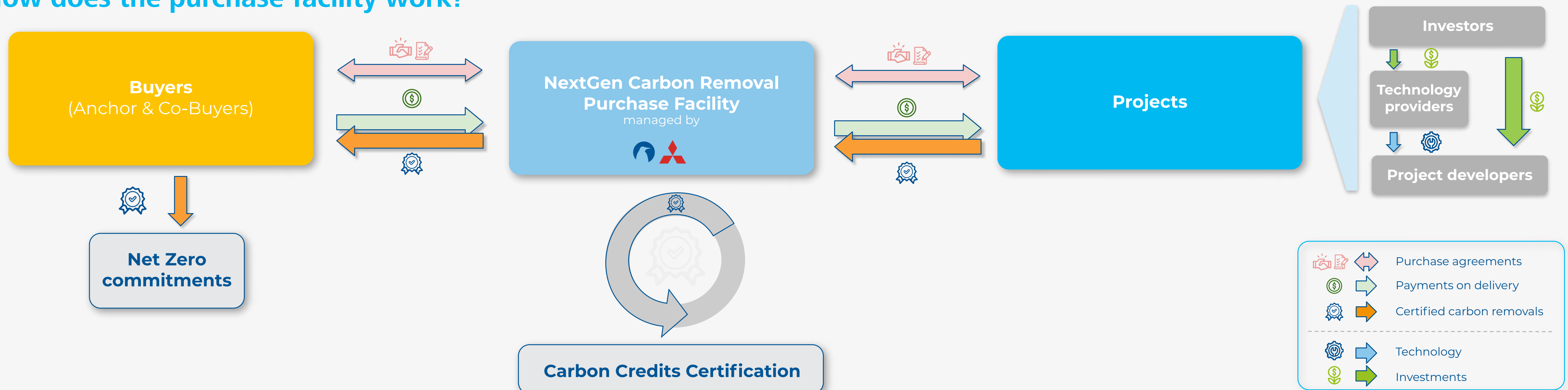
- Ensuring supply: the most advanced pipeline of next generation carbon removal projects.
- Ensuring highest quality: certification of net negative emission projects under the most recognised carbon standards in the space.
- Lowering entry barriers: lower unit prices through aggregation of demand.
- Enhancing project bankability: long-term offtake contracts and revenue certainty helps unlock financing sources for technical carbon removal projects.
- Creating a market: a market to access and upscale the next generation carbon removal industry.

NGCRPF activities

To achieve these objectives, the facility will conduct the following activities.

- Aggregate demand for certified technical carbon removals from a range of buyers — from the private, philanthropic and public sectors.
- Select the most promising next generation carbon removal projects for offtake agreements that make such projects bankable.
- Continuously match supply and demand and provide counterparty security to both buyers and sellers.
- Direct demand towards projects with the highest potential carbon removal impact over the next thirty years — laying the foundations to scale carbon removal technologies.

How does the purchase facility work?



Why get involved?

NGCRPF benefits for project owners:

1. Strengthening project feasibility and assisting with project certification.
 - Project preparation: Feasibility reports and early-stage project support; Financial structuring;
 - Technical assistance: Methodology development; Project preparation and certification;
2. Ensuring revenue certainty and closing the finance gap.
 - Payments on delivery: Long-term carbon removal purchase agreements at required carbon price to ensure project bankability.

NGCRPF benefits for carbon removal credit buyers:

- Achieve the last mile of your net zero commitments with highest quality carbon removals, certified under globally recognised standards.
- Reduce your transaction costs and purchase next generation carbon removals at lower prices by joining forces with other buyers.
- Benefit from declining prices for certified carbon removals over time — thereby reducing total net zero costs.
- Diversify your carbon removal portfolio beyond nature-based solutions, which face higher non-permanence risks and supply bottlenecks in the future.
- De-risk your carbon removal procurement by predominantly paying on delivery of the removal credits.

“ By purchasing certified removal credits from our new facility, companies with net zero commitments can diversify their carbon removal portfolios and create enabling environments for technological carbon removal solutions at scale. In this sense, voluntary carbon markets can support the Paris Agreement goals while bringing down the cost of net zero compliance globally – for companies, countries, and the planet. ”



Patrick Buergi, South Pole

The NGCRPF is a collaboration between two global leaders, Mitsubishi Corporation and South Pole. Both parties are bringing their expertise to this facility to unlock the potential of carbon removal technology.



Why South Pole?

- Established leading player in carbon markets
- Early mover in the carbon removal space
- Trusted carbon fund and facility manager

Why Mitsubishi Corporation?

- Financial and trading partner
- Global network in multiple industries and sectors
- Pioneer in the engineered carbon removal space

“ We are proud to work with leading climate action experts South Pole to bring this facility to the market. It's a perfect match: Mitsubishi Corporation's 10 business groups operate across virtually every industry in more than 90 countries, including in the investment and business development for carbon removal technologies. We intend to help a range of stakeholders — from carbon removal project owners to carbon removal credit buyers — gain access to the opportunities provided by the new facility. ”



Masao Koyama, Mitsubishi Corporation

Get in touch

If you are interested in becoming involved in the facility to develop your carbon removal technology or as a buyer of carbon removal credits, please get in touch.

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