

Management platform raises \$10 mln to help carbon project developers streamline operations, ditch spreadsheets

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BlueLayer raised \$5.6 mln in a recent seed round led by European software venture capital investor Point Nine, together with high network of individuals experienced in carbon markets.

This comes on top of its pre-seed round in 2022, bringing its total investment to date to \$10 mln as the company exits stealth mode, the company announced on Tuesday.

BlueLayer's software management platform helps developers streamline the credit generation process, by integrating data around project development and inventory into one digital platform.

In doing so, developers of all sizes and project types can maximise credit revenues and scale up operations faster, said Alexander Argyros, co-founder and CEO at the Berlin-based startup.

Project developers so far using its platform include Permian Global, developer of the REDD+ Katingan project in Indonesia, and New Forests.

Oil major Shell has been an active buyer of Katingan credits, having retired some 1.33 mln credits last year (<https://carbon-pulse.com/248160/>) from the project in Indonesia, listed as VCS 1477 on the Verra registry.

At BlueLayer, the team has been working in stealth mode since being founded in late 2022 and has been building its supply-side carbon product since Jan. 2023.

"The BlueLayer platform allows developers to communicate one single information set consistently and at scale, 24/7, both internally and externally," including organising data collection from the field and validating the credits, to managing credit orders and sharing data with relevant stakeholders, Argyros told Carbon Pulse.

PAIN POINTS

Up until now, project developers have faced many pain points in getting their projects off the ground, from understanding which methodology to select, to choosing the relevant auditor, all while housing complex information across different teams and spreadsheets, leading to a lot of manual work and errors, he said.

The BlueLayer team spoke with over 200 carbon project developers and industry stakeholders, which confirmed the laborious, costly, and time-consuming manual processes still used by many developers, despite the capital flowing into carbon markets.

BlueLayer aims to tackle these challenges by bringing all the information together into one central software platform, which improves accuracy, avoids costly mistakes, and allows developers to scale up faster, said Argyros.

The voluntary carbon market has come under significant scrutiny in the past year or so, with criticism levelled against it for pervasive over-crediting (<https://carbon-pulse.com/188182/>) as highlighted by some media outlets such as the Guardian.

More than 50 investors participated in BlueLayer's pre-seed round in 2022 including Generation Investment Management, TPG Rise, KKR Climate, SystemIQ, ICE NYSE, Galvanize Climate Solutions, and BloombergNEF.

The founding team brings together Argyros as CEO, who previously co-founded investment platform Moonfare; Vivian Bertseka as chief operating officer and head of climate, who was previously at Generation Investment Management and founding partner at investment platform Just Climate; and Gerardo Bonilla as chief product officer and former head of product at Moonfare.

Appetite for carbon deals was particularly strong last year, even as overall investment in climate tech dropped 30% on the year prior, according to Sightline Research.

The number of deals in carbon (<https://carbon-pulse.com/254744/>), including marketplaces, removals, point-source capture (from power plants), MRV, and ratings, totalled 96 last year, up 39% on 2022 levels, analysts from the research house said during a recent webinar.

“We work with developers of all sizes, from early-stage developers with one project under development, to enterprise grade developers like Permian Global with large pipelines of projects,” Argyros said in an interview with Carbon Pulse prior to the funding announcement.

For large-scale project developers, BlueLayer helps them to better communicate their project impact publicly. However, for small-scale developers, BlueLayer enables them to scale up their operations without making costly mistakes, said Argyros.

The BlueLayer platform ensures that the credits reflected on the carbon registry are actually in sync 24/7 with a company’s internal inventory, he explained.

“Enterprise customers are willing to pay for that kind of accuracy and avoiding manual work, while early-stage developers see BlueLayer as an opportunity for them to scale faster. They want the data to be housed in a software which is accessible by everyone and is fully auditable.”

Developers pay a software-as-a-service fee to access BlueLayer, based on a per-user basis per number of projects, size of projects, and the related complexity.

The platform is also agnostic to mitigation type, so could be used by developers of afforestation or reforestation projects for carbon, just as it could for developers of engineering-based solutions like direct air capture (DAC).

“We started with nature, because that is where we had some of the big developers already issuing credits. They had complexity internally and they actually were generating material revenues, so we could go in and build something for a complex use case,” said Argyros.

“But we are already in advanced discussions with some of the most exciting engineering-based developers including DAC and enhanced rock weathering ... we cater our platform to the needs of different mitigation types.”

SCALING UP

BlueLayer aims to be the credit management system of choice for the highest quality and largest project developers globally, across a range of mitigation types from nature-based solutions like reforestation and peatland restoration, to DAC and enhanced rock weathering, said Argyros.

The company has no intention of expanding to be a marketplace for the actual sale of carbon credits as it wants to avoid any potential conflict of interest.

“We aim to be 100% on the side of developers, not taking commissions in the form of brokerage and only being paid when developers are successful,” said Argyros.

BlueLayer hopes to be an enabler of quality and transparency for the VCM, but says that it can’t do things alone and that all stakeholders have a responsibility to ensure carbon credits are of high quality.

“Registries set the rules of engagement, auditors check whether rules are followed, and rating agencies assess to what standard. We empower communication to help this happen easier,” said Argyros.