Cheap carbon is undermining climate action, warns climate pioneer and Balance founder Dan Morrell

Morrell calls for an end to bargain basement offsets, greenhushing and sets out a three-pillared approach designed to power the new bioeconomy

Cheap carbon credits are distorting corporate climate claims, depriving high integrity projects of investment and failing the communities they are supposed to support, according to a new warning from Balance.

Founder and CEO, Dan Morrell, co-coined the term carbon neutral and is one of the original architects of the climate movement, says the market's reliance on bargain basement avoidance credits has broken the relationship between the price paid by businesses and the impact delivered on the ground.

Balance is calling on businesses to move beyond offsetting and adopt a new peer-reviewed model that treats biodiversity, socio economic prosperity and climate action as inseparable parts of the same solution. Higher quality carbon credits already command higher prices when credible environmental or social benefits are attached. Balance Units are deliberately priced in line with this part of the market, bringing biodiversity, socio economic prosperity and climate action together rather than treating them as separate, expensive add-ons.

Morrell warned, "The carbon market was a useful experiment, but cheap carbon has broken the link between investment and impact. We have hacked the old system, kept the parts that work and moved beyond offsets. The next step is not another carbon market. It is a new bioeconomy built around restoring biodiversity, supporting local communities and fighting climate breakdown together."

The true cost of cheap carbon

For more than three decades, the voluntary carbon market has been flooded with low cost avoidance credits, including unmetered cookstove projects sold for approximately $6.50 per tonne.

Balance estimates that manufacturing, distributing, verifying and maintaining a high integrity clean cookstove project costs between $15 and $39 per tonne. When credits are sold substantially below that level, projects can come under pressure to compromise the quality of the infrastructure or issue more credits than the physical carbon reduction achieved.

The consequences can be significant. Communities may receive poor quality stoves without long term maintenance, spare parts or local supply chains. When the equipment fails or is abandoned, families can return to traditional open fires or use both systems simultaneously.

Morrell said:

"Bad carbon drives out good. High integrity developers cannot compete with phantom credits, communities receive inadequate infrastructure and corporate buyers are given the illusion that climate responsibility costs almost nothing.

“It also subsidises corporate sloth. When a company can supposedly erase a tonne of emissions for $6.50, there is less financial pressure to invest properly in efficiency, reduction and supply chain transformation.

“This is not about asking businesses to pay a massive premium. Balance is priced in line with good quality carbon credits that already deliver credible benefits. The difference is that we bring biodiversity, communities and climate action together within one transparent and permanent framework.”

Balance says that around 80 percent of businesses purchasing carbon credits do not disclose them publicly. Morrell argues that this widespread greenhushing reflects a deeper lack of confidence in the credits businesses are buying and the claims attached to them.

Morrell added:

“There is a reason so many businesses do not talk about the carbon credits they buy. Too often, they do not feel confident defending them.

“Businesses need an approach where they can communicate transparently, without pretending their emissions have disappeared.”

Beyond offset: powering the new bioeconomy

Balance is not seeking to fix the carbon market or create another form of offsetting. Instead, it has re-engineered the carbon credit mechanism, retaining its strongest institutional features while removing the elements that enable weak claims and greenwashing.

Balance retains force majeure protections, buffer pools, direct capital pipelines to project developers and transparent, public verification through the retirement of underlying credits on S&P Global.

It removes unverifiable avoidance baselines, short term timber cycles, isolated environmental metrics and speculative claims of carbon neutrality.

Businesses buying Balance Units do not claim that their emissions have been offset. Instead, they can demonstrate that they have generated biodiversity, supported local communities and are fighting climate breakdown.

Under the hood, the underlying carbon credits are upgraded and retired on S&P Global, maintaining financial transparency and a clear audit trail. Balance is a methodology not a standard so is interoperable with the existing system as well as being operable with article 6 of the Paris accord.

Above the line, clients are claiming something much more powerful and communicating the biodiversity, socio economic and climate outcomes it has funded. These claims are supported by annual reporting that tracks biodiversity and socio economic outcomes as they accrue, giving businesses verified evidence to share with stakeholders.

One Balance Unit, three inseparable pillars

At the centre of the methodology is the Balance Unit, which brings together three pillars within a single framework.

The first is biodiversity. Balance supports the restoration of diverse native ecosystems rather than short term monoculture timber plantations.

The second is socio economics. Communities receive verified, long term economic support, helping projects remain viable and protected across generations.

The third is climate action. Projects deliver measurable carbon outcomes anchored in a minimum 100 year stewardship cycle, aligned with the true lifecycle of CO_2.

The pillars are designed to work together. Without long term local income and community participation, projects cannot achieve permanence. Without permanence, complex biodiversity cannot develop. Without permanent biodiversity, nature cannot reliably sequester carbon over climate relevant timescales.

The Balance methodology is peer reviewed and open source and is designed to evolve alongside ecological science, monitoring technology and practical project experience.

It gives businesses a route to support environmental restoration without relying on questionable offset claims, while providing credible evidence that can be used across sustainability, finance, legal, marketing and public affairs teams.

Morrell concluded:

“Nature, climate and economic prosperity are not separate markets or optional co benefits. They are one interconnected system. By bringing them together, we can replace offset guilt and greenhushing with something businesses, employees and customers can support with confidence.

“The principle is simple: efficiency, reduction, then Balance.”