



# Recycling Wastewater: A New Frontier in Carbon Credits

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#### What if your wastewater could fight the increasing carbon dioxide (CO<sub>2</sub>) levels?

Imagine a world where the water you flush down the drain doesn't just disappear but helps in reducing the carbon emissions and thus combating the climate change. No, this isn't a sci-fi anymore but is currently ongoing. Big giant companies like Google, Stripe and H&M are pouring millions into technologies that transform wastewater into a powerful tool for earning carbon credits and reducing CO<sub>2</sub> emissions. These efforts are at the forefront of a growing movement to retrofit older industries with advanced carbon removal technologies. For instance, CO280 uses oil industry methods in paper mills while CREW employs limestone in sewage plants, to absorb CO<sub>2</sub>. Such projects highlight how traditionally polluting sectors can be reimagined in creating carbon credits.

#### What are these carbon credits that are highly sought after by companies?

The answer is simple. Carbon credits are market-based tools designed to target the reduction of greenhouse gas (GHG) emissions and became prominent after Kyoto Protocol in 1997 and Paris Agreement in 2015. Carbon credits are permits issued by governments that allow companies to emit a specific amount of CO<sub>2</sub>, usually one ton per credit and turns GHG emissions into a tradable commodity, offering financial incentives for businesses to lower their carbon footprints thus becoming a part of cap-and-trade systems, where regulators set an overall emissions cap that decreases over time. If a company exceeds its allocated credits, it must purchase more from others who have surplus credits. This makes companies to opt for cleaner technologies to reduce their GHG emissions. The market for carbon credits has grown significantly, with more than 40 national jurisdictions and numerous regions implementing carbon pricing initiatives. This expansion is driven by increasing corporate social responsibility (CSR) and consumer awareness of GHG-driven climate change. Thus offering new revenue streams and investment opportunities, making carbon credit a vital tool in the global effort to combat rising GHG emissions.



BioThink E – Magazine, Vol. -2, Issue -4, October 2025 ISSN No. – 3048- 7943 www.biothink.in

#### What is water recycling and what are its economic-environmental benefits?

Water recycling includes treating and reusing wastewater for various purposes, with drinking water requiring higher standards and treatment processes than irrigation. Application of treated water ranges from agriculture and public parks to industrial cooling and toilet flushing. Recycled water includes grey-water from sinks, bathtubs and washing machines which can be reused for irrigation and toilet flushing while treated municipal wastewater can be used in industrial processes, cooling and irrigation. Groundwater recharge can be done via injecting recycled water into aquifers to restore supplies and prevent saltwater intrusion.

Wastewater recycling provides significant economic and environmental benefits. Economically, it helps reducing the demand for potable water, saving on treatment and transportation costs and supports industries by supplying non-potable water for irrigation and cooling. Environmentally, it replenishes groundwater, protects ecosystems by reducing freshwater diversion and eventually minimizes pollution in oceans and rivers. Recycled water restores wetlands and habitats, supports wildlife and decreases reliance on synthetic fertilizers by providing plants with beneficial nutrients like nitrogen, fostering sustainability.

Real-world examples of successful water recycling projects lie in Orange County, California where injecting treated recycled water into aquifers to prevent saltwater intrusion while augmenting groundwater supplies is done. Another example is the South Bay Water Recycling Program in San Jose/Santa Clara, which provides 21 million gallons of recycled water daily for irrigation and industrial use, protecting local saltwater marshes.

# Are there hurdles in wastewater recycling?

Even after many benefits provided by wastewater recycling, it faces several hurdles that must be addressed. A significant hurdle is public perception, as many people view recycled water as unsafe as it is often labeled "toilet-to-tap." Overcoming this stigma requires transparent communication and awareness campaigns to build trust in its safety and benefits. High costs of advanced treatment facilities pose another hurdle. Governments and organizations must provide subsidies, tax incentives and cost-sharing mechanisms to make these technologies accessible. Regulatory complexities further slow progress which can overcome by simplifying regulations and establishing & adopting clear guidelines. Additionally, environmental concerns, such as improper treatment or disposal, can harm ecosystems which can be easily mitigated by robust systems and regular monitoring.

## What is the future of wastewater recycling?

Addressing the above mentioned hurdles through public engagement, financial support, streamlined policies and sustainable practices is crucial for advancing wastewater recycling and achieving UN's Sustainable Developmental Goals (SDGs). The future of wastewater recycling is promising and driven by innovations in carbon capture assisting



BioThink E – Magazine, Vol. -2, Issue -4, October 2025 ISSN No. – 3048- 7943 www.biothink.in

in creating carbon credits and recycling technologies supported by public and private investments. As these technologies advance, they can transform wastewater into valuable resources. Wastewater recycling ensures a sustainable, reliable water future while contributing to environmental conservation and resource efficiency.

#### How is wastewater recycling linked with carbon credits?

Globally, wastewater recycling is gaining momentum. The connection between carbon credits and wastewater recycling represents a promising avenue for reducing GHG emissions, while simultaneously addressing water security challenges. One of the best examples is Singapore's NEWater program where wastewater is recycled and used for drinking and has become a model of public acceptance and sustainability. Initiatives like California's on-site water reuse systems further demonstrate how recycling can address both water scarcity and GHG emissions challenges. In the above mentioned cases; wastewater ceases to be a liability and becomes a valuable resource in the fight against the increasing CO<sub>2</sub> levels. Wastewater treatment facilities can generate carbon credits through an activity that reduce GHG emissions, particularly methane, a potent GHG, are often produced in wastewater treatment processes, especially in anaerobic conditions. By implementing technologies to capture and flare methane, such as those used in the Kinoya sewage treatment plant in Fiji, wastewater treatment facilities can reduce emissions and earn carbon credits.

The Voluntary Carbon Market (VCM) plays a pivotal role in linking wastewater recycling with carbon credits. In this concept the companies and organizations that invest in wastewater treatment projects and reduce GHG emissions can generate carbon credits, which can then be sold in the carbon market. This creates an additional revenue stream for wastewater projects, encouraging investments in infrastructure and technology that includes both water recycling and CO<sub>2</sub> reduction. Additionally, by addressing water recycling within the carbon credit framework, wastewater recycling can be integrated into broader nature-based solutions strategies, such as those projects contributing to UN's SDGs, especially SDG-6 i.e. clean water and sanitation.

As per a report from the University of Colorado Boulder and Castalia, carbon credits generated from water-related activities could amount to over 1.6 billion tonnes of CO<sub>2</sub> equivalent per year signifying the substantial potential for carbon credits from wastewater projects and presents an opportunity to channel significant investments into global water security. As the global market for carbon credits grows, driven by corporate net-zero commitments and governmental policies, the role of wastewater recycling in reducing GHG emissions and generating carbon credits will become increasingly important. The intersection of wastewater recycling and carbon markets offers a dual benefit: it addresses the urgent need for improved wastewater infrastructure while simultaneously contributing to the global effort to combat climate change.



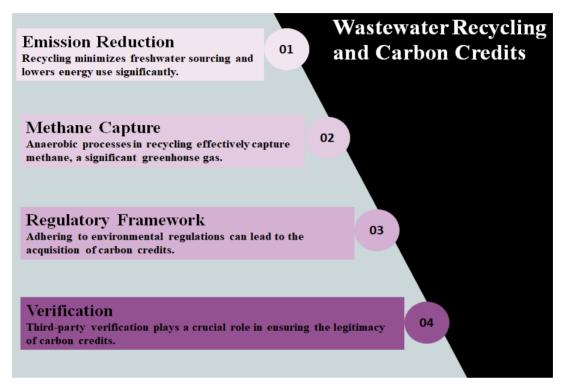


Fig. 1. Linking wastewater recycling and carbon credits.

## Innovative technologies in enabling carbon credit generation through wastewater recycling.

Innovative technologies in wastewater recycling are playing a vital role in enabling carbon credit generation addressing both environmental and sustainability challenges. Advanced treatment methods, such as bioreactors and artificial intelligence, are transforming how wastewater is processed, making it more efficient and sustainable. Renewable energy integration, including solar and wind power, further enhances these systems, reducing their reliance on fossil fuels. Additionally, techniques like anaerobic digestion and methane capture not only minimize GHG emissions but also produce energy that can be reused. Advanced oxidation processes and sludge management strategies, including biofuel production, are also key contributors to energy recovery and waste reduction.

#### Can policy development help in encouraging carbon credit generation via wastewater recycling?

Yes, policy development is a critical factor driving progress in this area. Governments worldwide are encouraging wastewater recycling by providing subsidies and implementing carbon credit systems. These incentives promote sustainability and make it economically feasible for industries to adopt eco-friendly technologies. Tax incentives further support the transition to sustainable wastewater recycling practices, while policies emphasizing carbonneutral goals push organizations to align with UN's SDGs by 2030.





#### Does public participation play a vital role in acceptance of wastewater recycling?

Public participation is equally essential in fostering widespread acceptance of recycled water initiatives. Raising awareness about the benefits of wastewater recycling and its role in sustainability can led to growing public support. This acceptance is crucial for the successful implementation of recycling projects on a larger scale. Further the combination of technological advancements, supportive policy measures and active public participation forms a robust framework for carbon credit generation through wastewater recycling.

#### Conclusion

There is enormous potential for combining carbon capture with wastewater recycling. In addition to addressing water scarcity and lowering greenhouse gas emissions, this creative strategy tackles important environmental issues and generates financial incentives through carbon credits. Cities and companies may set the standard for sustainability by turning wastewater into a useful resource. Wastewater treatment may play a key role in addressing climate change and preserving water by combining cutting-edge technologies with well-thought-out policy. Because of these two advantages, wastewater recycling is essential to a robust and sustainable future for both communities and companies. It also promotes economic growth.

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