



Dear Colleagues

Carbon Credit Capital is pleased to send you its first issue of *Markettracker*, which will provide an edited weekly snapshot of global climate change news.

Market News

Cover Story

"Western Climate Initiative Provides a Statement of Regional Goal"

August 22, 2007

Launched in February of this year, the eight members of the North American Western Climate Initiative (WCI) announced a regional goal to aggregate reductions of greenhouse gas emissions by 15% across all parts of their economies below 2005 levels by 2020. Similar initiatives to make reductions of 80% by 2050 have been taken by New Jersey and Florida, as well as the Regional Greenhouse Gas Initiative in the U.S. East to reduce power plant emissions starting in 2009.

The WCI welcomes new entrants; however they must have similar efforts of reducing the effects of climate change. According to the [Statement of Regional Goal](#) released by the WCI, such criteria are: a GHG reduction goal with a multi-sector action plan for achieving it; a commitment to adopt GHG tailpipe standards for passenger vehicles; and is participating in The Climate Registry.

The reduction commitment is only the beginning but shows dedication from the WCI to reach their goals. The members, six of which are U.S. states, while the other two are Canadian provinces, will next work on establishing a market-based policy to meet the stated goals. To be completed by August of 2008, a potential system is a cap-and-trade program.

(Sources: Western Climate Initiative Statement of Regional Goal; PointCarbon; Reuters)

Market Developments Tracker

South Korea carbon market

August 22, 2007

Market Pricing EUA

12/08 - forecast
€19.30

8/28/07 - present
€0.11

8/21/07 - week prior
€0.11

7/31/07 - month prior
€0.11

8/28/06 - year prior
€16.85

*Source: Point Carbon - The prices above are equivalent to one metric tonne of carbon dioxide emissions



According to the government of South Korea, the country aims to introduce a voluntary carbon market by the end of 2007 for the commercial trading of greenhouse gas offsets. This will provide an opportunity for companies to earn voluntary emission reduction certificates by registering their emissions reductions. Korea, with much reliance of heavy industry, ranks as the 10th largest greenhouse gas emitter in the world.

(Source: The Korea Times)

Renewable / Alternative Energy Tracker

Aerospace and defense company makes unprecedented REC purchase

August 23, 2007

AAR Corp., an international provider of products and value-added services to the worldwide aerospace and defense industry, purchased enough RECs to cover 100% of the electricity that the company used in its North American operations, equal to 27,500,000 kilowatt hours per year. This is the largest purchase of RECs by an aviation services company among the partners of the EPA's Green Power Partnership. Renewable Choice Energy, a leading national provider of renewable energy, will supply the RECs.

(Source: AAR Press Release)

Energy Efficiency Tracker

India expects to change procurement policy by end of this year

The finance ministry of India has approved mandatory eco-labeling and energy efficiency standards for suppliers and the government is now accepting proposals that will provide maximum energy efficiency. The new policy, which has stemmed from the Integrated Energy Policy approved by the Indian government, would be first implemented in government departments and PSUs before the private sector will be forced to comply under the same regulations. Domestic suppliers may be required to receive certification from the Bureau of Energy Efficiency (BEE), while international suppliers could get certification from an international agency.

(Source: The Economic Times [India Times])

Project Tracker

MOU signed to add 1,500 MW of renewable energy power to Karnataka, India state grid

August 20, 2007

Power Finance Corporation and Karnataka Renewable Energy Development Limited (KREDL) signed an MOU to add 1,500 MW of renewable energy power to the state power grid by the end of the state's 11th five-year-plan. Power Finance Corporation is a Financial Institution dedicated to Power Sector financing in India and committed to the integrated development of the power and associated sectors, and, Karnataka Renewable Energy Development Limited (KREDL) is a nodal agency of the Government of Karnataka to facilitate the development of non conventional energy sources.

(Source: The Times of India)

Policy Tracker

China to launch \$925 million energy fund this year

August 2007

A country with considerable effects of climate change, China has committed to

launch a \$925 million energy fund to reduce energy inefficiencies and energy use within the country. The overall goal is to save approximately 35 million tons of coal. The China Daily reported that this will be done through the use of efficient lightbulbs, alterations to boilers, power generation with excess heat and development of oil substitutes.

(Source: Reuters)

Investment Tracker

Kentucky House approves bill in support of alternative fuel and renewable energy plants

August 22, 2007

The bill, HB1, will provide tax incentives for developing alternative fuel facilities in the state of Kentucky. For example, the bill would bring an investment of \$1.8-3 billion through St. Louis-based Peabody Energy to build a coal conversion facility. In addition, the bill provides funding for energy research, initiatives for energy efficiency in small businesses, and \$300,000 to the Kentucky Department of Education for an energy technology career track program.

(Source: www.bizjournals.com)

Conferences

Institutional Investor: US Carbon Finance Forum

09/10/07 - 09/11/07

NY, NY,

GreenPower: Carbon Markets USA

San Francisco, CA, 09/11/07 - 09/12/07

San

Infocast: Power Assets

York, NY, 10/1/07 - 10/3/07

New

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