



Dear Colleagues

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

## Market News

### Cover Story

#### Targets Agreed upon for Greenhouse Emissions in Post-Kyoto Era

August 31, 2007

The delegates of the United Nations Framework Convention on Climate Change met in Vienna on August 27-31 for the "Vienna Climate Change Talks 2007". The purpose of these climate change talks was to initiate discussions among industrialized countries bound by the Kyoto Protocol, on an international regime to succeed the protocol post-2012.

The talks are mostly considered a success, as this group of 158 countries has settled on a range of post-Kyoto Protocol targets for reducing greenhouse gas emissions. The new target was important to decide upon because it is the first step in creating a follow-up to the Kyoto Protocol, a system which is to be established within the next few years.

To avoid the worst effects of climate change, the group has officially recognized the findings of the UN's Intergovernmental Panel on Climate Change that greenhouse gas emissions will "need to peak in the next 10 to 15 years and then be reduced to very low levels, well below half of levels in 2000 by mid-century". It has been decided that greenhouse gases must be reduced by 25-40% by 2020 compared to 1990 levels.

### Market Pricing EUA

12/08 - forecast  
€20.75

9/04/07 - present  
€0.10

8/28/07 - wk. prior  
€0.11

8/03/07 - mo. prior  
€0.10

9/04/06 - yr. prior  
€16.45

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



Delegates stated that the 25-40% range "provides s useful initial parameters for the overall level of ambition of further emissions reductions", and will, according the executive secretary of the United Nations Framework on Climate Change, provide the groundwork for the Bali Conference in the first half of December.  
(Source: *EurActiv.com, Environment News Service, UNFCCC Press Release*)

## Market Developments Tracker

### Doha Bank to Start Gulf's First For-Profit Carbon-Credits Exchange

August 2007

Doha Bank and California-based RainTrust Foundation are working together to create a for-profit, carbon-credit exchange for the Arabian Gulf in 2009. Doha Bank has already spent \$7 million on a plot of land in Qatar's Energy City and is planning to invest an additional \$27 million on its electronic Qatari exchange. The business plan for the exchange is set for completion in September of 2008.

(Source: *Gulf Times*)

## Renewable / Alternative Energy Tracker

### United States Nationwide Renewable Fuels Standard Began Saturday September 1

August 30, 2007

Authorized by the Energy Policy Act of 2005, the program was designed to require refiners, importers and blenders of US fuel to meet fuel standards with increasing annual percentages of ethanol, biodiesel or other fuels made from renewable sources. In addition, the program requires that at least 7.5 billion gallons of renewable fuel be blended into motor vehicle fuel for sale in the US by 2012. For 2007, 4% of fuel sold or dispensed to US motorists will have to come from renewable sources.

(Source: *Environment News Service*)

## Energy Efficiency Tracker

### Delhi has Developed Schemes to Decrease Energy Consumption with a New Street Lighting System

August 30, 2007

Chief Minister Sheila Dikshit announced two schemes for energy-efficient lighting for Delhi's streets. One scheme is to install energy-saving street-lighting systems and the other is to implement a pilot scheme of carbon credit accumulation to help bring down the cost of energy-efficient compact fluorescent lamps to that of normal bulbs. These two schemes, along with other initiatives, are meant to decrease Delhi's increasing energy consumption by 9% per annum.

(Source: *The Hindu*)

## Project Tracker

### Coal-fired Power Plant, Big Stone II, Receives Approval from South Dakota and Finds Controversy from Environmental Groups

August 2007

Controversy has arisen as a \$1.6 billion, 630 MW, coal-fired power plant was proposed for construction on the South Dakota border. The seven regional utilities that have proposed the new plant, (which is to serve a total of 2.3

million people), have agreed to independently offset Minnesota's share of annual CO2 emissions (2.35 million tons). Environmental groups, however, are not satisfied, complaining the new coal-fired plant diverges from a recent bill signed by the South Dakota Governor to reduce utility induced GHG emissions by 15% by 2015 and 80% by 2050. Environmental organizations, including the Sierra Club, argue this regardless of the offsetting initiative and the additional fact that the plant aims to bring in 180 MW from wind farms by local communities and cooperatives.

*(Source: TwinCities.com)*

## Policy Tracker

### China's "Circular Economy" Draft Law

August 26, 2007

A draft law, with specific aims of reducing emissions and increasing energy savings, is being considered by lawmakers of the 29<sup>th</sup> session of the Standing Committee of the National People's Congress in China. The main components of the draft law are that governments should make plans to recycle and establish systems to control energy use and emissions, assist companies in developing energy and water consumption strategies and create policies to divert capital into environmentally-friendly industries. The draft law also has an incentive program for companies that are responsible businesses and have recycling programs.

*(Source: CCTV, Reuters India)*

## Investment Tracker

### SBI to raise about Rs 89,600cr in next 5 yrs

August 31, 2007

The Minister of State for finance Pawan Kumar Bansal announced in the Lok Sabha that the State Bank of India will plan to raise approximately Rs 896,000,000, or roughly \$21.9M, as a capital fund over the next five years. For CDM consultancy needs, SBI has entered into an MOU with India-based MITCON Consultancy Services, EcoSecurities India and CantorCO2e India. This Rs 896,000,000 capital fund will provide the assets necessary for investing in the Clean Development Mechanism segment.

*(Source: Business-Standard.com)*

## Conferences

### Institutional Investor: US Carbon Finance Forum

NY, NY, 09/10/07 - 09/11/07

\* Rena Gelb, Dir. of Carbon Finance Services speaking on 09/11/07

### GreenPower: Carbon Markets USA

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

Terrapinn:Carbon Finance World 2007

Chicago, IL, 09/17/07 - 09/20/07

Infocast: Power Assets

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

Please contact Stephen Donofrio at [sdonofrio@carboncreditcapital.com](mailto:sdonofrio@carboncreditcapital.com) with information about additional upcoming conferences you would like us to share with our readers.

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