



Markettracker®

Issue 3

September 12, 2007



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

[Letter from Olivia Fussell, President, CCC](#)
September 12, 2007

Dear All,

Welcome to the third issue of Carbon Credit Capital's Markettracker.

Are you aware that for the world to meet a 450 parts per million (ppm) climate stabilization goal by 2030, we need to include forestry and agriculture in the mix?

Forestry and agricultural changes contribute 32% of global greenhouse gases emitted into the atmosphere. Deforestation and other land-use change account for 18% and agriculture accounts for a further 14%.

Market Pricing EUA

12/08 - forecast
€20.78

9/11/07 - present
€0.08

9/04/07 - wk. prior
€0.10

8/14/07 - mo. prior
€0.10

9/11/06 - yr. prior
€16.75

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



Recent calculations show that to prevent the global temperature from rising 2°C, a medium stabilization target of 450 ppm would be a challenge to meet by 2030 and this implies business as usual (BAU) of 31 Gt CO₂/year.

Since BAU will reach 58 Gt CO₂/Yr by 2030, the abatement required in emissions will be 27 Gt CO₂/Yr at a cost of €40(\$54)/ton CO₂e

According to studies conducted by McKinsey - Vattenfall, forestry accounts for 25% of additional reduction potential in emissions. Including forestry could reduce emissions by approx. 6.75 Gt CO₂/Yr.

Decreased deforestation and reforestation each account for about 50% of this sector. The potential 2030 abatement from reduced deforestation is about 3.3GT CO₂e/Yr and reforestation is 3.5GT CO₂e/Yr.

Forestry has the greatest potential to reduce the concentration of atmospheric carbon dioxide over the next 25 years.

I am pleased to have covered this subject at the US Carbon Finance Forum in New York City (September 11, 2007). <http://www.uscarbonfinance.com>

Bottom-line, the message is that land-based carbon credits are vital to stabilize climate change. In 2006, credits traded from land-based projects account for approximately 8.7M tons in the voluntary markets, but only about 4.91M tons in the regulated markets.

Please review the presentation at www.cincs.com. Comments and suggestions are welcome. Please note that I have given this presentation in the capacity of CEO of CINCS.

CINCS' business is focused on building a comprehensive

web-based system to be used by developers of land-based projects to provide accurate, quantitative information for sellers and buyers of carbon from land-use projects. CINCS also provides project design support for these projects.

Sincerely,

Olivia J. Fussell

*President - Carbon Credit Capital
CEO - CINCS*

Market Developments Tracker

Kyoto trading log ready for action

September 4, 2007

The International Transaction Log (ITL), built by the Belgian company Traysys, for parties trading under the Kyoto Protocol to transfer and trade carbon credits, is said to be ready for action. The ITL links carbon registries of individual Kyoto nations to an online network. For example, the ITL will link in with the EU Emissions Trading Scheme's transaction log in November, thus connecting the EU carbon market with the Kyoto carbon markets. At present, Austria, the Czech Republic, Hungary, Japan, New Zealand, Switzerland and the UK are the only Annex I nations of the Kyoto Protocol to be approved for linking their national registries to the ITL.

(Source: www.carbonpositive.net)

Renewable / Alternative Energy Tracker

NTPC plans to add 1,000 MW of renewable energy capacity

September 5, 2007

NTPC Ltd, India's largest power generation utility, has announced a Corporate Plan to add 1,000 MW of renewable energy capacity, and 650 MW of which will be from wind by 2017. NTPC and Asian Development Bank have signed an MOU that details a joint venture to create a JV company to undertake the renewable energy projects. NTPC has also approached the Centre for Wind Energy Technology for consultancy services. The Centre for Wind Energy Technology is a research and development institution under the Ministry of New and Renewable Energy, Government of India.

(Source: Economic Times - India Times)

Energy Efficiency Tracker

Massachusetts Farms to Receive Energy Efficiency, Renewables Incentive

September 2007

The Berkshire-Pioneer Resource Conservation and Development Area, Inc. was awarded a \$250,000 grant to implement a program to provide energy audits and offer incentives to Bay State farmers, according to a Massachusetts Farm Energy Program. The program, funded through the Massachusetts Department of Agricultural Resources' Agriculture Innovation Center and the USDA Natural

Resources Conservation Service, will be available to farmers across the Commonwealth, who seek to lower their energy costs through on-farm conservation and renewable energy projects. Energy-efficiency and on-site renewable energy generation is intended to bring long-term sustainability to the farmers of the Commonwealth.

(Source: www.RenewableEnergyAccess.com)

Project Tracker

Brazil and Finland sign deal to co-operate on CDM projects

September 10, 2007

Brazil's foreign minister, President Lula Da Silva, and Finland's minister of foreign trade and development, signed a MOU for CDM-potential projects. According to the Finnish environment ministry, the goal of the MOU is to exchange information and ultimately set up a task force that would strengthen the two nations' alliance in their effort to cut emissions. Under the Kyoto Protocol, Finland has plans to buy 10 million tones of emission credits during 2008-20012, and Brazil is an optimal nation to have an allegiance with due to it being the third-largest host country for CDM projects.

(Source: www.PointCarbon.com)

Policy Tracker

APEC Leaders Set Measurable Energy Efficiency Goal

September 8, 2007

The 21 APEC member economies, including China, the US, Japan, Australia and Russia, met for five-days prior to September 8, 2007, at which point they issued the Sydney Declaration. Included in this non-binding declaration on climate change is an APEC-wide regional aspiration goal to reduce energy intensity by 25% by 2030, and in addition, calls to increase the region's forest cover by 20 million hectares, to advance the development and use of "clean" coal and carbon storage technologies, and to promote trade in environmental goods and services. The Sydney Declaration is meant to assist in the development process of a post-Kyoto international mechanism.

(Source: www.Euractive.com)

Investment Tracker

Climate Change Capital closes fund

September 2007

Climate Change Capital has closed its Private Equity fund of 200M Euro. Assets have been pooled from the investors; HSBC, UK university pension scheme, Alliance Trust, Robeco, AlInvest, Bankinter, Woelbern Group and Harcourt. The fund will be used for European investment ranging in size of €5-20M, with the purpose of investing in expansion and later-stage opportunities. The sectors of investment are clean power, clean transport, energy efficiency, waste recovery and water segments.

(Source: AltAssets)

Conferences

Global Change Associates: Introduction to Carbon Market Trading & Finance

NY, NY, 09/19/07

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

GreenPower: Carbon Markets India

Mumbai, India, 09/25/07 - 09/26/07

Infocast: Power Assets

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

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

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