



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

Market Developments Tracker

Euronext to open carbon trading market as sales hit €25bn a year

October 23, 2007

An international carbon trading market will be launched next year mainly by partners, NYSE Euronext and French state-owned bank Caisse des Dépôts et Consignations, in the anticipation of a market boom for emissions credits trading from the private sector and government alike. This new trading market will bring the industry a comprehensive exchange for all forms of carbon credit instruments. Market research indicates that trading could increase to €100B by 2020 from €9B in 2005 due to the following reasons: the EU has doubled the fines for non-compliance for the second phase of the European Emissions Trading Scheme (EU ETS) starting next year; and, the Aviation sector is to be included starting 2010. The new market "will be backed by NYSE Euronext's international network and its know-how in managing securities markets and by the acknowledged expertise of Caisse des Dépôts et Consignations."

(Source: *The Independent*)

Renewable / Alternative Energy Tracker

Germany to support Chilean renewable energy efforts

October 22, 2007

The Chilean minister of energy, Marcelo Tokman, visited Berlin, Germany on October 10, 2007 and the result of which, seems it to be the start of a healthy environmentally focused relationship between the two countries. The major

Market Pricing EUA as of 10/23/2007

EUA 2008
€22.35

EUA 2007
€0.08

EUA 2007
week prior
€0.07

EUA 2007
month prior
€0.09

EUA 2007
year prior
€12.75

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



outcome of the meeting is that Germany is to provide Chile with US\$126M to fund renewable energy and energy efficiency research, of which US\$11.5M will be donated and the remainder, US\$114.5M, will be lent. In addition, Chile has accepted an offer to become a founding country of the new Germany-led International Renewable Energy Agency (IRENA); the agency's goal is to promote renewable energy sources worldwide. Tokman, in appreciation of the invitation, said in a press release that "to become a member of this agency is a recognition of the work the government is doing to boost sustainable energy development in Chile by promoting non-conventional renewable energies and energy efficiency." Examples of developments in Chile related to renewable energy include research and projects, as well as pending bills that contain ambitious nationwide renewable energy portfolio goals.

(Source: SciDev Net)

Energy Efficiency Tracker

ADB to allocate \$1B for energy efficiency initiatives

October 16, 2007

The Asian Development Bank (ADB) has created the Clean Energy and Environment Programme, which will bring US\$1B for funding several initiatives in Asia, with particular emphasis on India and China. The ADB will provide upfront financing and technical support to developers and sponsors of the projects, specifically those that qualify as CDM projects. Some of the projects that the ADB has financed in India include the Sipta Super Thermal Power Plant and the Tata Power Wind Energy Financing Facility. Apart from the projects, the bank will support the creation of knowledge hubs to promote innovation in concept and technology to deal with mounting environmental issues in the region.

(Source: The Economic Times)

Project Tracker

Brazilian forestry project to earn 800,000 CERs by 2012

October 23, 2007

After a new methodology for generating carbon credits through reforestation of degraded grassland areas was accepted last week, AES-Tieste, the Brazilian company responsible for the new methodology, is implementing a corresponding reforestation project. The methodology would concurrently protect the land from being used for other purposes while also sequestering carbon through the natural process of photosynthesis. The project entails 16M saplings to be planted alongside the banks of 10 hydro-electric reservoirs in the state of Sao Paulo, Brazil. The plan utilizes a mathematical model to verify the reforestation to have more sequestration potential than allowing the land to regenerate naturally. The director of environment for AES-Tiete, Demosthenes Barbosa, said that a conservative figure of 3.5Mt CO₂e would be consumed by the growth, and through two issuances of CERs within the first commitment period of the Kyoto protocol, the total volume of credits released would be approximately 800,000. A significant contribution, this methodology could potentially be used for quantifying and crediting reforestation efforts in other parts of the world.

(Source: Point Carbon)

Policy Tracker

NYC Mayor establishes committee to reduce greenhouse gas emissions from city owned buildings and operations by 30 percent

October 22, 2007

As part of his plan (PlaNYC) to create a greener, greater New York, Mayor Michael R. Bloomberg of New York City has signed an executive order to establish a steering committee that would be responsible for reducing energy consumption and greenhouse gas emissions from City-owned buildings and operations by 30% over the next 10 years. US\$80M has been earmarked for FY2008 funding to implement the related energy saving measures. Deputy Mayor and Steering Committee Chairman Edward Skyler praised the progress Mayor Bloomberg has made with PlaNYC, "today the Mayor is fulfilling another of the commitments laid out in PlaNYC by creating this steering committee...one of the most fundamental goals he laid out in April." The signing of this executive order is 1 of 127 initiatives that the Mayor announced in an Earth Day speech six months ago.

(Sources: New York City Mayor)

Investment Tracker

Japan pledges to give \$10 million to new fund to save forests

October 22, 2007

On Sunday, October 21, 2007, Japan pledged US\$10M to the Forest Carbon Partnership Facility (FCPF). Established last month, the FCPF is being developed by the World Bank with the intention of protecting and replanting forests. With the pledge, Japan follows an equal investment by Australia with other countries and private-sector financial institutions considering providing funds as well. According to the World Bank, 20 countries have already expressed interest in the fund.

(Source: Point Carbon)

Conferences

Cleantech: Cleantech Forum XIV

Ontario, Canada, 10/23/07 - 10/26/07

PGS Energy: Introduction to Carbon Market Trading & Finance

Atlanta, GA, 10/24/07

IETA, World Bank Carbon Finance, Koelnmesse: Carbon Expo Asia- Carbon Market Trade Fair & Conference

Beijing, China, 10/25/07 - 10/27/07

Point Carbon: Carbon Markets Insights Americas

New York, NY, 10/29/07 - 10/31/07

[Euromoney Conference: Renewable Energy Finance Forum India](#)
Delhi, India, 11/29/07 - 11/30/07

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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