



Issue 27

July 16, 2008



EUA Market Pricing

as of 7/15/2008

EUA 2008
€27.25

EUA 2008
week prior
€26.10

EUA 2008
month prior
€27.55

EUA 2008
year prior
€19.80

Dear Colleagues,

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

You are encouraged to contact us with new section areas that you would like to see included in our newsletter.

Kind regards,

Mark Chapman

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

Policy Tracker

Ambiguous G8 Climate Change Policy Targets Questioned

July 8, 2008

The Group of 8 nations have pledged to reduce global emissions to 50% by 2050, but have not established a clear rationale or reference year for this number and timeframe. Initial proposals for emissions targets ranged from 45% by 2012 and 95% by 2050, to 50% by 2020 and 60-80% by 2050 - each based on 1990 emissions levels. The US deemed the latter target unrealistic, but such is to be expected from a nation subject to heavy import drivers given China's rising economy. China, now the global leader in emissions, pledged to reduce domestic emissions by 60-80% by 2050, although President Hu Jintao did not offer short-term plans. What is unclear and core to the G8 agreement are interim milestones set, and means planned, for achieving such a reduction. Yvo de Boer, Head of the UN climate Change Secretariat said of the agreement that "it's positive in that it recognizes there is a difference between rich and poor nations and what they should be expected to do". There is, however, a lack in indication on where emissions should be by 2020,

Conferences

2nd US Carbon Finance Forum
24-25 September 2008, New York

Please contact Mark Chapman at mchapman@carboncreditcapital.com with information about additional upcoming conferences you would like us to share with our readers.



a leadership target that "developing countries wanted from rich nations and the kind of investment clarity the private sector was looking for".

[Yahoo! News](#) / [Reuters](#)

Market Developments Tracker

Carbon Market Flourishing Despite Drop in Carbon Price

July 8, 2008

Despite recent lowered prices for carbon, the disparity between EUA and CER prices has decreased by more than €7 from mid-June to July. Traders have commented that this market dynamic indicates a greater confidence in clean energy project-based offsets. Higher overall CER prices are being attributed to higher primary CER prices in Asia, regulatory bottleneck supply shortages, and talk of an International Transaction Log link between the EU trading scheme and Kyoto being operational in December. Point Carbon reports that 1.8B tonnes of carbon dioxide permits were traded in the global carbon market in the first half of 2008, equating to a value of €38B and comparing strongly to €40B for all of 2007.

[Reuters](#)

Alternative / Renewable Energy Tracker

"Pickens Plan" Touting Largest Public Ad Campaign Ever

July 8, 2008

T. Boone Pickens, founder of Mesa Petroleum and current Chairman of BP Capital Management, is determined to stimulate lasting awareness of the US' options for freeing itself from a yearly US\$700B reliance on foreign oil imports. The public policy ad campaign that highlights this reliance, and opportunity for national use of wind and natural gas for power, is forecasted to air as much as presidential campaign ads placed by US Senators McCain and Obama. Pickens states that "if you don't solve the energy problem, it's going to break us before we even get to solving health care and some of these other important issues". By the end of 2008, Pickens claims there will be \$1,500 turbines operating in Nolan County, Texas alone, representing US\$5B in investment. Added to those operating in the Permian Basin region, the Nolan turbines will contribute to more than 3,000 turbines producing 6,000 Megawatts of power across the region as a whole.

[USA Today](#)

Airline Tracker

EU Lawmakers Pass Airline Emissions Cap Deal

July 8, 2008

Now official following a favorable 640-30 vote in the European Parliament, the agreement to include airlines under an emissions cap is to be realized in the EU. Starting in 2012, all flights into, within and out of the EU will be subjected to an emissions reduction cap of 3%, increasing to 5% in 2013. Concern still exists with green advocates

who say the plan is not strict enough and must be scaled up quickly, while airlines say the additional cost estimated to range from €2-9 will be passed on to the consumer. In the case of fareless airline RyanAir, (already cutting emissions by 50% per passenger) the increased cost will be closer to €50 per customer and is regarded as an unjustified tax theft. Sylviane Lust, Director General of the International Air Carrier Association said "today's vote creates the worst of all worlds - even more financial pressure on airlines without any proven benefits for the environment".

[Reuters](#)

Investment Tracker

NYC to Invest US\$2.8B in Greenhouse Gas-Cutting Initiative

July 7, 2008

In an effort to reduce city emissions by 30% in the next 30 years, New York City Mayor Michael Bloomberg said US\$2.3B will be invested into energy performance contracts and efficiency repairs. The PlaNYC initiative will target improvements to heating, cooling and ventilation systems in city buildings to achieve 57% of the reductions, while another 17% of reductions will originate from sewage treatment plants and water runoff where methane will be captured to power electrical generation. Bloomberg said that "the city is doing its part, I hope the private sector follows our example and finds conservation savings of their own". City government presently consumes 6.5% of the city's energy and 10% of its peak energy demand.

[Reuters](#)

Forestry Tracker

Macquarie Bank Seeking Offset Generation in Forests

June 24, 2008

Australia's largest investment bank is planning to develop carbon credits through forest protection in southeast Asia, South America and Africa. Fauna and Flora International will manage the projects which are designed to stop deforestation which accounts for 20% of carbon dioxide emissions worldwide. The projects will identify tracts of forest land and work with the village inhabitants to prevent logging and ensure alternate sources of livelihood.

[Bloomberg](#)

Cleantech Tracker

Cleantech Sees Sizable Investment in Q2

July 8, 2008

Investment totals across 96 companies in North America, Europe, China and India reached US\$2B in the second quarter of 2008. This repeat of first quarter investment sets a record and counts solar, thermal and second-generation biofuels as leaders in investment recipients. "Investors are seeing opportunity in funding technologies and companies that are trying to solve some of these problems [that

cleantech addresses] versus putting capital into other segments of the market", said Brian Fan, Senior Director of Research at the Cleantech Group.

[Cleantech](#)



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