



Dear Colleagues,

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

Kind regards,

Olivia Fussell

President, Carbon Credit Capital

**EUA Market Price as of
October 7, 2008**

EUA 2008
€22.50

EUA 2008
week prior
€22.63

EUA 2008
month prior
€24.45

EUA 2008
year prior
€21.55

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

Policy Tracker

Euro MPs stick to climate targets

October 7, 2008

European MPs have refused to dilute pollution reduction targets despite widespread concern about the cost to business in an era of low growth. The European Parliament's Environment Committee backed a tougher Emissions Trading Scheme (ETS) and plans to install carbon capture technology. EU leaders have pledged to cut CO2 emissions by 20% by 2020. The planned reduction - compared to 1990 emission levels - will rise to 30% if an international agreement emerges embracing developing countries. As part of the plan, full auctioning of emission permits will be introduced for the power sector from 2013. The ETS will also be expanded gradually to include CO2 emissions from aircraft. The MEPs' decisions on Tuesday will feed into the revision of EU policy on climate change, which France - current holder of the EU presidency - wants finalized by the end of this year. The MEPs on the committee voted on Tuesday in favor of fitting carbon capture and storage (CCS) technology to power plants - a technology that would help meet the emission targets. MEPs now agree that ETS revenue should be used to finance 12

Conferences

[Renewable Energy Finance Forum
West](#)

Seattle, Washington, US
October 27-28, 2008

[Renewable Energy Finance Forum
India](#)

Mumbai, India
November 20-21, 2008

commercially viable carbon capture plants across Europe, with plans for more in future.

[BBC](#)

China shying from climate obligations, adviser says

October 7, 2008

BEIJING- China and other rising economies must shoulder growing obligations to cut greenhouse gases as they climb the development ladder, said a prominent Chinese adviser who has broken ranks with his government on global warming. Hu Angang, a public policy professor at Tsinghua University in Beijing, is the most influential Chinese expert to criticize his government's stance that the fast-growing country should not assume international obligations to curb carbon dioxide and other pollutants stoking global warming. In recent papers and now in an interview with Reuters, Hu said global climate talks culminating in Copenhagen late next year could be a final opportunity for the planet to avoid calamitous damage from more extreme storms, droughts and floods. China should act even if rich nations drag their feet, because its geography leaves it especially vulnerable to drought, rising seas and other ravages of a changing climate, Hu said. "Don't think that if China does not participate and assume obligations then it can avoid disaster," he said during Reuters Global Environment Summit.

[Reuters](#)

Market Tracker

US starts obligatory carbon trading

September 24, 2008

The first mandatory US inter-state carbon trading system, Regional Greenhouse Gas Initiative, or RGGI, will begin September 25th with the auction of carbon permits to power stations. It will limit the amount of carbon dioxide that 233 power stations and factories in 10 north-eastern states can emit. Companies will buy, at auction or from each other, permits to cover the amount of CO2 they produce from 2009 to 2011. Industrial installations - power plants and companies operating their own generators - with a generating capacity of more than 25mw from fossil fuels are included in the scheme. However, Henrik Hasselknippe, of Point Carbon, a carbon analyst company, was skeptical, saying too many permits had been allocated in the first year. "This is bad news," he said. Companies faced little incentive to cut their emissions, and it would leave the price of permits very low. Mr Schrag pointed to the floor price of \$1.86 (£1) per tonne of CO2 and said: "If there is over-allocation, it is short term". Plans were in place to start reducing the carbon cap by 2.5 per cent a year from 2014, resulting in a 10 per cent cut in emissions by 2018.

[Financial Times](#)

Energy Efficiency Tracker

Shippers to seek carbon-efficient carriers for green supply chain

October 7, 2008

SOUTH AFRICA- Alex Novitzky, supply chain development manager at Maersk Logistics, identifies two drivers for entities incorporating green supply chains in South Africa. The first is legislation such as the Kyoto Protocol which was signed by South Africa and affects all importers and distributors as global brands that ship to South Africa are looking to reduce the CO2 emissions of supply chain partners. The second driver is consumer pressure which affects local exporters and retailers as EU retailers are starting to source CO2 neutral products. Two of the biggest sources

[2nd Energy Efficiency Finance & Investment Forum](#)

London, UK

December 1 - 2, 2008

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of CO2 emissions can be found during the manufacturing and transporting process. Solutions include better stuffing practices, which means better container utilization; converting to different modes of transport, especially to sea from air and to rail from road; and shipping with a more CO2-efficient ocean carrier as an unpublished Clean Cargo Working Group survey shows that there is a difference between carriers' emissions.

[Fibre2Fashion](#)

Climate Initiatives Tracker

Reuters Summit-US coal exports seen as target in climate fix

October 6, 2008

The next U.S. president may have to address rapidly rising U.S. coal exports because their emissions abroad could hinder global efforts to tackle global warming, said the head of the coal campaign at the country's largest grass-roots environmental group. "As we begin to show leadership under a new administration come January ... it is going to become very important that we don't simply offshore our pollution by sending our coal overseas," the Sierra Club's Bruce Nilles told the Reuters Global Environment Summit by telephone from Washington. The United States has the world's largest reserves of coal, which is the dirtiest fossil fuel in terms of the greenhouse gas, carbon dioxide. U.S. exports of the fuel have shot higher in the last two years as global demand grows. The Sierra Club has waged a battle against new U.S. coal-fired power plants that has helped lead to the canceling of tens of those plants over the last several years. Some 150 U.S. plants had been on the drawing board and now more than 40 plants are being built or have full permitting. Nilles said several options may regulate exports. The U.S. Congress sent President George W. Bush a bill last month that would eventually stop exports of elemental mercury because of its dangers to the environment. That is one example of how coal exports could be controlled, Nilles said. "Instead of exporting coal and pollution, we can be exporting technologies and clean energy that we have manufactured and developed here in the U.S," Nilles said.

[Reuters](#)

Carbon Offset Tracker

Tighter credit threatens Asia CO2 credit pipeline

October 6, 2008

SINGAPORE- The deepening credit crisis in the Western world has slowed buying of secondary carbon offsets and threatens to stymie financing for emissions-reducing projects across Asia, putting in doubt the future flow of credits. While the impact is thus far muted, thanks to the relative stability of major Asian lenders and expectations of unrelenting demand from European and Japanese firms who will need to meet mandated emissions limits, industry officials say the risks are growing and trading volumes have already suffered. "In terms of project development, it appears the ramifications of what's been going on in the U.S. and elsewhere has led to quite a tightening up of credit," said Wayne King of Carbon Market Solutions in New Zealand. Asia relies on Western, and particularly European, demand for offsets from carbon-reduction projects under the U.N.'s Clean Development Mechanism (CDM). Many analysts have said tumbling industrial output would not be enough to curb rising carbon emissions, expecting instead a stabilization in industrial output and emissions over the next few years, supporting demand for offsets. But Tim Hanlin, managing director of the Australian Climate Exchange, the country's first carbon trading exchange, disagreed, saying a recession in the West

could curtail carbon emissions enough to limit demand for new projects.

[Reuters](#)

Renewable Energy Tracker

Renewable energy bill nears ratification

October 8, 2008

PHILIPPINES- The bicameral conference committee on Tuesday approved the Renewable Energy bill, providing incentives to lure investors into ventures that develop so-called "clean" energy. Panels of the Senate and of the House of Representatives agreed to provide an income tax holiday for seven years to renewable energy developers. Carbon credits generated from renewable energy projects will also be exempted from all taxes. A 10% corporate income tax, against the regular 30%, is also provided once the income tax holiday expires. Renewable energy facilities are also given a 1.5% realty tax cap on original cost of equipment and facilities used to produce "renewable" energy. The bill also puts a priority on the purchase, grid connection and transmission of electricity generated by companies from wind, solar, ocean, run-of-river hydro-power and biomass resources. For consumers, purchase of electricity generated from renewable energy sources is free from value-added tax. A net metering scheme is also provided, giving capable consumers the option to generate their own power, which in turn will give them the possibility of being paid by their power distributor or given discounts for the power they give back to the grid. Members of the panels of both chamber vowed to ratify the bicameral conference committee report today.

[GMA News](#)

U.S. announces 'Biofuels Action Plan'

October 7, 2008

U.S. government officials have released the National Biofuels Action Plan, an interagency plan to accelerate development of a sustainable biofuels industry. U.S. Department of Agriculture Secretary Ed Schafer and Department of Energy Secretary Samuel Bodman said the plan is in response to President George Bush's goal of cutting U.S. gasoline consumption by 20 percent in the next 10 years. "Federal leadership can provide the vision for research, industry and citizens to understand how the nation will become less dependent on foreign oil and create strong rural economies," Schafer said. "This National Biofuels Action Plan supports the drive for biofuels growth to supply energy that is clean and affordable and always renewable." The Energy Department said it's dedicated more than \$1 billion to research and development of cellulosic biofuels technology through 2009. The Agriculture Department said it has invested nearly \$600 million since 2006 for similar projects.

[UPI.com](#)

Forestry Tracker

Carbon credits: Government to hold session with experts, industry

October 7, 2008

INDIA- Moving ahead with his ambitious plan to make Himachal Pradesh a carbon neutral state, Chief Minister Prem Kumar Dhumal has convened a day-long session with top experts, NGOs, representatives of the industry and Government officials here on October 16. The session has on its agenda three contentious issues - effect of climate change, assessing carbon footprints (impact of human activities on environment) and opportunities in earning carbon credits. The Department of

Environment and Scientific Technologies has already prepared a draft policy on climate changes, identifying forests, hydro-power projects, industry, transport, renewable energy and waste management as key areas for carbon credits. "The Chief Minister is very keen to see that Himachal, being a state with rich biodiversity and forests and less environmental pollution, takes a lead in the country to become a carbon-neutral state" said Dr Nagin Nanda, Director, Environment and Scientific Technologies.

IndiaExpress.com

Forestry clearance put on hold

October 7, 2008

NEW ZEALAND- Landcorp has put a hold on converting further forestry land to dairying in the central North Island, because of penalties in the new Emissions Trading legislation. Under the new law, passed just before Parliament wound up for the election, land cleared of trees and not replanted incurs a carbon tax. The State-owned farmer has already converted about 12,000 hectares of former forestry land between Lakes Taupo and Rotorua into dairy farms. The land is owned by Wairakei Holdings, which has sold the cutting rights and is leasing the blocks back to Landcorp for farm conversion as they're cleared. But under current conditions, Landcorp's chief executive Chris Kelly says it's not economic to continue that process in the meantime. He says Landcorp hopes that offsetting will be allowed from 2012, so that forests can be replanted on other land without incurring carbon taxes.

Radio New Zealand News

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