



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  
December 16, 2008**

EUA 2008  
€15.30

EUA 2008  
week prior  
€14.19

EUA 2008  
month prior  
€17.25

EUA 2008  
year prior  
€22.65

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

**India Tracker**

**India may allow companies to trade energy efficiency credits**

December 16, 2008

India is considering allowing trading of energy efficiency certificates and giving concessions such as capital subsidies to promote solar energy, seeking to mitigate damage from the changing climate. "We are relying on incentives and market mechanisms to trigger larger investments," Shyam Saran, special envoy of the prime minister on climate change, said in New Delhi today after unveiling the India Carbon Disclosure Project 2008 report. India, the world's fourth-largest emitter of carbon dioxide, in June said it will form eight commissions to encourage solar power, energy efficiency and water conservation as part of plans to address global warming and cut fossil-fuel dependency. India is seeking to spur adoption of efficient technologies and systems as it can reduce consumption of energy by at least 25 percent in some high-energy industries, Saran said. It is considering using existing laws such as the Energy Conservation Act and the building code to apply various benchmarks, Saran said. "We can have something like an energy efficiency certificate where those installations that are above the benchmarks get credits and

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London

January 22-23, 2009

[3rd Renewable Energy Finance Forum Central and Eastern Europe \(REFF-CEE\)](#)

Prague

those below buy those allowances," said Saran. "This would be a market-based mechanism and many aspects have to be carefully studied before we can go for an exchange-based system."

[Bloomberg](#)

## Market Tracker

### Societe Generale cuts EU carbon emissions forecast

December 15, 2008

LONDON- Societe Generale cut its forecasts for European Union industrial emissions, saying an EU recession may depress EU carbon permit prices for years. Prices for carbon permits traded under the EU's Emissions Trading Scheme in 2009 could average 17 euros a tonne, down a third from a previous forecast of 25.5 euros, it said. "Prospects on emission levels for 2008 and 2009 reduce every day, with an increasing number of industrial firms announcing temporary shutdown ... and downward revised output productions for next year," SocGen carbon analyst Emmanuel Fages said. Deutsche Bank cut its emissions forecasts earlier this month, saying EU emissions could fall by 10 percent below 2007 levels next year. Prices for U.N.-approved carbon offsets, which EU industry can import from developing nations to lower the cost of meeting compliance targets, would also stay muted, Fages said.

[Reuters](#)

### AirShares: The new carbon ETF, sort of (ASO)

December 15, 2008

There is a new ETF in town, or at least a vehicle that is like an ETF, and this one tracks carbon allowances. AirShares™ EU Carbon Allowances Fund (NYSE Arca: ASO) began trading on the NYSE today. It was launched by XShares Advisors LLC, and this is the first US-traded product that can give exposure to the carbon market by holding European Union Allowances (EUAs) futures contracts. Technically, a commodity pool and not an ETF, AirShares seeks to provide results similar to the performance of a basket of four carbon credit futures contracts expiring December 2009 to 2012. This instrument can also be bought by individuals or institutions and will allow individuals to not be required to set up a margin account to purchase the fund. Because of the ETF-like construction, institutions will be able to consider AirShares as an equity. ASO's portfolio initially holds unleveraged long positions in ICE Futures or European Climate Exchange Carbon Financial Instrument Futures Contracts.

[247wallst.com](#)

## Climate Policy Tracker

### Australia sets sights on 15% carbon cuts

December 16, 2008

SYDNEY- Australia, the developed world's biggest emitter of carbon per capita, pledged yesterday to cut emissions by up to 15 per cent from 2000 levels by 2020. Kevin Rudd, prime minister, dubbed the move as the most important structural reform to the economy in a generation and said the target was appropriate because the government balanced the need to tackle climate change with support for the economy. The emissions plan calls for an unconditional 5 per cent cut from 2000 levels regardless of international agreement, rising to a maximum 15 per cent in the "unlikely" event a deal is struck by developed nations to make similar reductions. Australia will offer free permits to coal-fired power stations and certain other

February 25-26, 2009

[Asia Forum for Clean Energy Financing](#)

Singapore

March 3-4, 2009

[The Wall Street Green Trading Summit](#)

New York

April 1-2, 2009

[2nd Renewable Energy Finance Forum Latin America \(REFF - LatAm\)](#)

Rio de Janeiro

April 27-28, 2009

[4th Renewable Energy Finance Forum China \(REFF-China\)](#)

Beijing

May 12-13, 2009

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businesses and assistance to households and business. Liquefied natural gas producers secured concessions designed to cut costs following the start of the emissions trading scheme. The government said the projected cuts would reduce economic growth by 0.1 per cent a year from 2010 to 2050.

[The Financial Times](#)

### **Poznań climate talks leave 'heavy lifting' for 2009**

December 15, 2008

Despite great expectations, UN climate talks in Poznań have failed to deliver a coherent plan for action, with activists and environmentalists voicing disappointment that much of the "heavy lifting" negotiations had been postponed until next year. Delegates will seek to strike a deal on a new international climate change agreement in Copenhagen next December. After 12 days of extenuating negotiations at the UN Framework Convention on Climate Change (UNFCCC), delegates were able to agree on a work programme for next year. They also made progress on technical details, including how to measure deforestation and the principles of financing a fund to help poor and vulnerable countries to cope with the impacts of global warming (rising seas, floods, droughts, storms and wildfires). However, key issues like the need to set long-term goals for slashing emissions and avoiding dangerous climate change impacts, as well as the introduction of a technology-transfer mechanism to allow developing countries to move towards low-carbon economies, were left untouched.

[EurActive.com](#)

### **EU reaches final 2020 climate deal**

December 15, 2008

Leaders of the EU's 27 member nations have reached agreement on the shape of the bloc's climate and energy package. The deal maintains overarching targets to cut greenhouse gas emissions by 20 per cent by 2020 and set a 20 per cent renewable energy target, but softens the impact on eastern European industry in order to swing the deal. At the heart of the compromise was the decision to slow the progress towards making emitters pay for emissions permits under the EU Emissions Trading Scheme (EU ETS), rather than receive them free as is currently the case. The EU Council, a summit of leaders meeting in Brussels, agreed the policies to cover the period 2013 to 2020, proposed in their original form back in January by the European Commission. The amendments were backed the next day by EU parliament negotiators to allow its approval in a full vote this week. The cornerstone of the climate policy is the EU ETS, underway since 2005, tightened in 2008 and set to be tightened further in 2013 for its third phase.

[Carbon Positive](#)

### **Hard task for new team on energy and climate**

December 15, 2008

WASHINGTON- The team President-elect Barack Obama introduced on Monday to carry out his energy and environmental policies faces a host of political, economic, diplomatic and scientific challenges that could impede his plans to address global warming and America's growing dependence on dirty and uncertain sources of energy. Transition officials confirmed that Obama would select Senator Ken Salazar, a first-term Democrat from Colorado, as interior secretary. Mr. Salazar's appointment will complete the team of environmental and energy officials in the new administration. The most pressing environmental issue for the incoming team will almost certainly be settling on an effective and politically tenable approach to the intertwined issues of energy security and global warming. The point person for

these issues will be Carol M. Browner, who was named on Monday to the new position of White House coordinator for energy and climate. Ms. Browner, the administrator of the Environmental Protection Agency under President Bill Clinton, will oversee two former aides, Lisa P. Jackson, who was selected as the new agency administrator, and Nancy Sutley, who will be the chairwoman of the White House Council on Environmental Quality. Joining the group will be Steven Chu, a Nobel laureate in physics whom Mr. Obama designated to lead the Energy Department. The new team faces political urgency to deliver on promises made by Mr. Obama on the campaign trail. One was his pledge to use a cap-and-trade bill for curbing heat-trapping gases as both the means of shifting investments away from energy sources that cause emissions of such gases and also as the source of the \$15 billion a year he promised to invest in advanced energy technology. That figure may be dwarfed by spending on stimulus programs, including so-called green projects like building wind farms and making buildings more energy efficient.

[The New York Times](#)

## Forestry Tracker

### After Poznan, trees still in the balance

December 15, 2008

In a classic Catch-22, negotiators at the 14th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 14) in Poznan, Poland in a key advisory body that was expected to provide guidance on scientific and technical matters (the so-called "Subsidiary Body for Scientific and Technological Advice", or SBSTA) said they couldn't offer any advice on the best way to measure and evaluate the amount of carbon captured by changes in land use practices until they had a better idea of what the overriding post-Kyoto policies might look like. At the same time, a higher-level body charged with defining those policies (the so-called "Ad Hoc Working Group on Long-term Cooperative Action under the Convention", or AWG-LCA) hadn't even considered the matter because it was waiting for word on which methodologies worked best. Only after matters of science, technology, and policy are worked out can AWG-LCA kick the matter up to the ministers and elected officials who make up the UN's "high-level" negotiators. "That won't happen for a while," says UN Climate Change boss Yvo de Boer. "This one isn't ready for politicians yet." Although SBSTA is charged with "scientific and technical" matters, negotiators say it's nearly impossible to disentangle methodology from policy. Indeed, there appears to be little debate about the science of measuring and monitoring carbon stocks in forests, farms, and peat bogs - and plenty about where to draw the lines that the science will be applied to. Many negotiators tell Ecosystem Marketplace that REDD (Reduced Emissions from Deforestation and Degradation) itself is no longer a contentious issue, but that things get hairy when they try to digest the decision made in Bali to expand the land-use debate from REDD alone into broader issues of "conservation, sustainable management of forests, changes in forest cover and associated carbon stocks and greenhouse gas emissions and the enhancement of forest carbon stocks to enhance action on mitigation of climate change and to the consideration of reference levels."

[Ecosystem Marketplace](#)

## Investment Tracker

### US venture capitalists optimistic on carbon market

December 7, 2008

WASHINGTON- U.S. venture capitalists say they see a bright spot amid the international economic gloom: a potential trillion-dollar market in carbon spurred by new regulations and a growing awareness of climate change. The growth areas are less in traditional "green" businesses like solar panels and windmills and more in new infrastructure, such as a "smart" grid that would get alternative energy from where it's generated to where the customers are, said Martin Whittaker of Mission Point Capital Partners. Despite the overall economic crisis, "Capital is still available for low carbon projects," Whittaker said by telephone. "There's still a lot of optimism and a lot of growth in and around the carbon market at all levels: the trading level, at the project level and at the company level." "I think everyone's quite bullish on it," Arrun Kapoor of SJF Funds, a venture capital fund where half of the investment is in "green" projects. He said rising concerns about climate change, energy security and the volatile price of oil are pushing demand for these products. President-elect Barack Obama supports a mandatory cap on all carbon emissions, with an 80 percent reduction in carbon emissions by 2050. Getting this idea into U.S. law is unlikely to occur until 2010 at the earliest, but venture capitalists are not waiting. "Business is good at taking risks, and as long as the perception is that something will happen, the businesses will be developed ahead of the U.S. legislation," said Veronique Bugnion, of Point Carbon, which tracks global carbon markets.

[Reuters](#)

## Asia Forum for Clean Energy Financing

4 March 2009, Singapore



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