



Dear Colleagues,

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

Kind regards,

Olivia Fussell

President, Carbon Credit Capital

Climate Policy Tracker

U.S. cap and trade plans risk European mistakes

May 18, 2009

LONDON/BRUSSELS - Plans by the United States to tackle climate change through a cap and trade scheme must learn from the mistakes of Europe if they are to avoid giving away multi-billion-dollar windfalls to industry. "The U.S. debate is really U.S.-centered. There is so much focus on buying the 60 (Senate) votes needed, and each senator's vote that is bought comes with something attached, some type of concession for a sector or for trade unions," said Susanne Droge of the German Institute for International and Security Affairs. The European Union scheme, launched in 2005, has struggled to shake off two early mistakes: handing out too many permits which removed the requirement to buy them, and giving them to power plants for free. Analysts say utilities pass on the price of carbon permits to consumers regardless, making billions of euros (dollars) in windfall profits across the sector as a result. So far the U.S. plans appear aware of the risks -- allocating free permits for example to the steel sector according to average emissions -- meaning if you pollute less you'll still get the same number of permits, and a surplus

Market Price as of

May 19, 2009

EUA DEC 2009

€14.70

Secondary CER DEC 2009

€12.10

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

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to sell as a reward for being clean. The ruling Democrat plans would also avoid some of the risks of EU-style windfall profits, because in the electricity sector the permits would go to local distribution companies regulated by states which could limit how far utilities pass on costs.

[Reuters News](#)

EU defends cap-and-trade scheme as 2008 data unveiled

May 18, 2009

Factories covered by the EU's emissions trading scheme (EU ETS) saw their emissions drop by 3.06% last year, according to the European Commission, which sees the data as evidence that the system is working despite the ongoing economic recession. The emissions amounted to the equivalent of 2.118 billion tonnes of CO₂, with Germany, the UK and Italy topping the list of the most polluting countries, according to final data published on Friday (15 May). These were also the countries that faced the biggest shortages of emissions allowances, forcing industries there to go out shopping for more rights to pollute. "The 3% reduction was partly due to businesses taking measures to cut their emissions in response to the strong carbon price that prevailed until the economic downturn started. It confirms that the EU has a well-functioning trading system, with a robust cap, a clear price signal and a liquid market, which is helping us to cut emissions cost-effectively," said EU Environment Commissioner Stavros Dimas.

[EurActiv](#)

Mexico's alternative to global cap and trade gains steam

May 13, 2009

Mexico's proposal for a global climate change fund, instead of the rigorous cap-and-trade function favored by the European Union and President Obama, may win out for its pragmatic approach, one of the EU's top climate negotiators indicated. Mexico's approach would establish a central fund, with each nation paying in based on their population, gross domestic product and greenhouse emissions. The funds in the central pot would be divided among all countries based on their level of need to cut emissions, build green technologies or adapt to climate change impacts, reports Reuters. Such a proposal may find favor for its flexibility, said Jos Delbeke, of the European Commission's environment directorate. "It's not a question of what we like, but of what may work, and the Mexican proposal gives flexibility that may be appreciated by the United States, Japan and by other donors," he told Reuters. For its part, the EU would like to see a global cap and trade program by 2015. The two ideas are not mutually exclusive, Delbeke said, indicating that a central pot could be funded by programs like the EU's cap and trade facility.

[Environmental Leader](#)

Industry Emissions Tracker

Report: shipping would profit from 20 per cent emission reduction

May 18, 2009

The global shipping sector could slash its greenhouse gas emissions by at least a fifth at no net cost to the industry, according to a new report from the International Maritime Organisation (IMO). The study - which is to be presented at a meeting in July of the IMO's Maritime Environment Protection Committee intended to finalise the sector's position ahead of the UN's climate talks in Copenhagen - argues that the wider roll out of various fuel saving measures can help the industry cut costs

Shanghai, China

July 6-7, 2009

[Carbon Markets Mexico and Central America](#)

Mexico City, Mexico

July 7-8, 2009

[3rd US Carbon Finance Forum](#)

New York

September 9-10, 2009

[11th Renewable Energy Finance Forum London \(REFF-London\)](#)

London

September 21-22, 2009

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and carbon emissions. "A significant potential for reduction of [greenhouse gas emissions] through technical and operational measures has been identified," the report states. " These measures could increase efficiency and reduce the emissions rate by 25 per cent to 75 per cent. There is a range of measures whose cost efficiency is negative. That means that these measures are profitable even when CO2 emissions have no price."

BusinessGreen.com

Solar Tracker

Solar industry turns to utility-scale projects

May 18, 2009

In the span of a few short years, the solar-energy business has elbowed its way from the fringe of the global energy game to become its fastest-growing segment, according to a report published by the Paris-based Renewable Energy Policy Network (REN21). Installed grid-connected solar photovoltaic (PV) capacity grew by 5.4 gigawatts (GW) -- a rate of 70% -- to reach a total of 13 gigawatts (GW). Annual PV-module production capacity grew at the even faster rate of 90% last year to hit 6.9GW, as nearly every significant global solar firm expanded existing facilities and began building new ones. In contrast to the wind-power industry, which is dominated by a handful of first-mover countries, the solar-power business is more diversified and globalised - both in terms of its major players and markets. The industry remains frenetic and liquid, with new companies and fresh markets wrestling with each other for prominence. Difficulty raising project financing may depress that growth in 2009, but many solar firms now consider the development and construction of large-scale solar plants a pillar of their future business.

[Recharge News](#)

SolarWorld bounces back with a 5% rise in sales

May 14, 2009

After seeing a sharp fall in earnings at the end of 2008, Germany's SolarWorld found a surer footing in the first quarter of this year, and says it will stick to its growth strategy focused on the US and European markets. Sales rose by 5.2% in the first quarter to €176.3m (\$239m) compared with the same period last year. Earnings before interest and taxes remained roughly flat at €39.2m. The news was a positive turn for the company, which saw its earnings tumble 38.7% in the fourth quarter of 2008. Even as many of its competitors in Germany and around the world adopt defensive postures to deal with painfully low prices for solar modules and depressed demand, Bonn-based SolarWorld insists it is sticking to the growth strategy it articulated in 2008. The company, which is increasingly focused on delivery full-scale solar photovoltaic plants, says it is seeing rapid growth in "young solar markets" in Europe, such as Italy, France, Belgium and Greece.

[Recharge News](#)

Carbon Market Tracker

The Bank of New York Mellon launches the Global Environmental Markets ('GEM') platform

May 14, 2009

NEW YORK AND LONDON - The Bank of New York Mellon (NYSE: BK), the global leader in asset management and securities servicing, announced today the launch of a universal custody and trade settlement platform for carbon credits. Global

Environmental Markets ("GEM") has been developed to help customers manage credits through a single web-based interface. The platform addresses the challenges of administering the variety of regulated and unregulated standards of environmental credits recorded on different registries. Typically these are managed separately through various systems and spreadsheets which can make reporting and tracking complex and time-consuming. In response, GEM brings registries, units and standards into one place allowing clients a single entry point to manage all credits in their portfolio. The Bank of New York Mellon's GEM platform provides a powerful reporting system, which is at the heart of the company's carbon credit custody and escrow services. This system acts as a client's books and records and generates detailed account statements, allowing it to meet the specialized reporting needs of this sector.

[PR Newswire](#)

ECX expects to double emissions trading volume in 2009

May 11, 2009

LONDON - The world's largest exchange for trading carbon emission credits expects to more than double its trading volume this year as more companies come to the bourse to manage their environmental costs. The European Climate Exchange (ECX), owned by Climate Exchange Plc, has overseen trading in credits for 2 billion tonnes of carbon emissions so far this year and predicts 2009 volume will top 6 billion tonnes, up from 2.8 billion last year, its chief executive said on Monday. "The volume growth is phenomenal," Patrick Birley told the Reuters Exchanges and Trading Summit in London. "The existing people subject to the (emission) caps are becoming more sophisticated and thinking more about how to manage their risks. We have a growing number of these people and geographically, more and more countries are getting involved." ECX covers trading in pollution permits for electricity companies, oil and gas producers, cement and steel companies and pulp and paper makers -- the industries which encompass about 5,000 companies and account for 46 percent of all emissions in Europe, Birley said.

[Reuters News](#)

Wind Tracker

UK's London Array given green light

May 12, 2009

DONG Energy, E.ON and Masdar have announced that they will invest EUR 2.2 billion (US \$3 billion) in building the first 630-megawatt (MW) phase of the London Array offshore wind farm in England's Thames Estuary. The wind farm is set to be the world's largest offshore wind farm. The announcement comes after the UK Government's recent proposal to increase its support for offshore wind power. The partners are satisfied that the project is now financially viable and are now keen to push ahead with construction and to produce the first renewable power in 2012. Onshore work is now due to start in the summer, with offshore work due to start in early 2011. The consortium hopes the first phase of 630 MW will be completed and generating in 2012. The first phase will consist of 175 turbines. The second phase will add enough capacity to bring the total to 1000 MW. The project will supply enough power for around 750,000 homes - or a quarter of Greater London homes - and displace the emission of 1.9 m tonnes of carbon dioxide every year. Once complete, the scheme will be the world's largest, and the first 1 gigawatt, offshore wind farm.

[Renewable Energy World](#)

Global wind power capacity up 29% in 2008

May 8, 2009

LONDON - Global wind capacity grew by 29 percent in 2008 with the United States surpassing Germany to become the world's leading wind power generator, Worldwatch Institute said. The Washington-based research organisation said on Thursday that global wind capacity rose by over 27,000 megawatts (MW), or enough to power around 27 million homes, to some 120,798 MW last year. Wind now provides 1.5 percent of the world's energy demand, up from 0.1 percent in 1997. U.S. wind capacity increased by 50 percent to 25,170 MW, or 21 percent of world capacity. In Europe, wind represented the leading source of new power capacity, with 8,877 MW installed last year. This was 28 percent more than new natural gas capacity and over 10 times more than new coal, Worldwatch said. Europe now generates 65,946 MW of wind power, or 55 percent of global capacity. Germany still leads the region, generating 23,903 MW of wind power, but it saw new installations drop slightly in 2008. In Asia, China ranked second globally in new capacity last year, adding some 6,300 MW to bring its total to over 12,200 MW.

[Reuters News](#)

Technology Tracker

SAP buys into carbon management

May 11, 2009

Having mastered ways to automate manufacturing and dozens of other business processes, SAP is now acquiring expertise in managing carbon emissions. The enterprise software giant said on Monday it has acquired 2-year-old, privately held Clear Standards, a Sterling, Va.-based software company with tools for tracking and reporting a corporation's environmental impact. No financial terms were disclosed. Clear Standards' Web-based hosted applications are designed to help a company develop a strategy for managing carbon emissions and reducing its environmental impact. The software can create an inventory of a company's emissions and then give an environmental regulations manager, for example, a way to track efforts to reduce energy and waste. SAP said that the carbon management software is designed for companies that are regulated, such as heavy polluters in Europe, as well companies that are doing voluntary sustainability programs. The Clear Standards software will be integrated with SAP application financial data and its Environment, Health, and Safety Management application.

[CNET](#)

Forestry Tracker

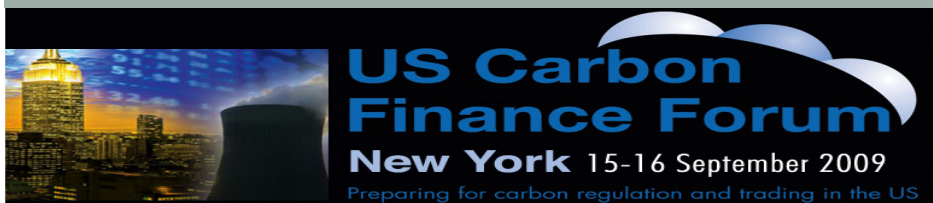
Indonesia firms up REDD rules

May 11, 2009

Indonesia has finalized some of the rules to govern carbon market payments for forest preservation, the first country to do so. The so-called REDD initiative aims to reduce the alarming rates of tropical rainforest destruction by paying forest communities not to cut them down and to actively protect them. The idea is that developed world governments or companies would pay for forest protection and earn carbon credits that could count toward their greenhouse emissions obligations. Up to 20 per cent of global emissions are estimated to come from deforestation. What hasn't been decided yet are rules on the financial aspects of the system.

These include how payments might be shared between parties and how much the Indonesian government would demand in revenue from projects under a tax or licensing system. It's still not clear to what degree Indonesia's REDD rules will dovetail with the UN global REDD initiative. Last month the country's forestry minister MS Kaban was quoted as saying Indonesia might go its own way with REDD in the voluntary carbon market rather than fit in with a UN scheme.

[Carbon Positive](#)



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