



The Price of Hot Air

Carbon Markets and the US



THE KATONDA GROUP'S

Ecosystem Marketplace



About the Ecosystem Marketplace

- ▶ “Bloomberg” for Emerging Markets in Ecosystem Services:
 - ▶ Carbon Markets , Water markets, Biodiversity Markets, Easements and Other Conservation Transactions
 - ▶ www.ecosystemmarketplace.com
- ▶ News updated daily, with features and regular e-mail newsletters



Current Highlights

NEXT >>

Waiting for the Bell

After years of planning, Pennsylvania is finally poised to begin water quality trading. The **Ecosystem Marketplace** checks in with one business eager for the bell to ring.

> [Go to Article](#)



MarketWatch

Tracking transactions, pricing trends, and buyers listings across 14 markets where ecosystem services are paid for. Markets are arranged under the categories of biodiversity, carbon, and water. Visit [MarketWatch](#) | [CNBC Coverage: Street Signs; Squawkbox](#)

INDIVIDUAL MARKETS:

Select One

MARKET SECTORS:

Select One

Carbon Mid-price* [3 month]



* CCX - 2005 | EU ETS - 2006 | NSW - Spot

WHAT'S NEW

- Coming Soon - EM Launches Spanish Site

TODAY'S NEWS

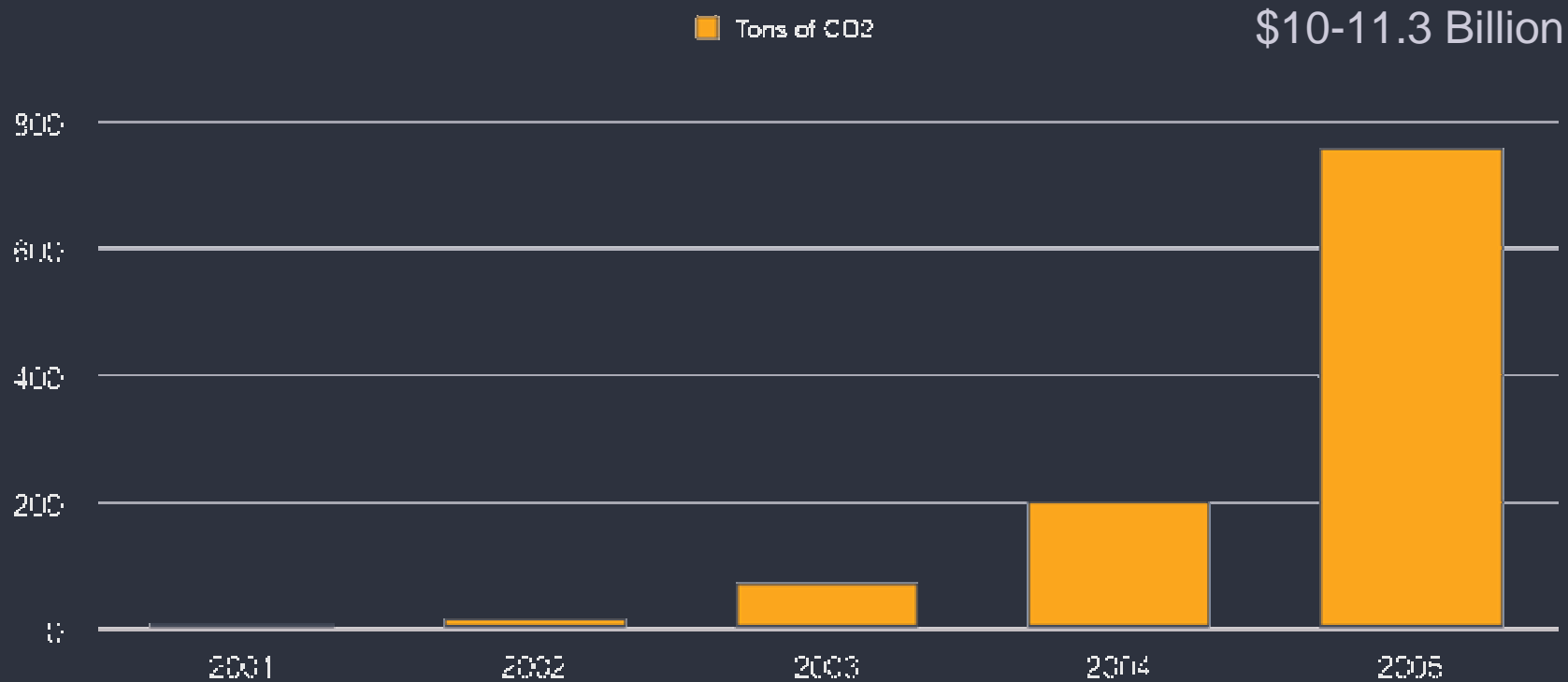
- Wall Street develops tools to invest in climate change
 - E.U. expects Canada to respect its Kyoto commitments
 - UK 'A laggard in climate change policy'
 - Berkeley researchers say model underestimates climate change
 - For Wal-Mart, profit wears earthy green
 - New Report Details Impacts of Global Warming on Texas
- > [View and Search News](#)

Profile

Features



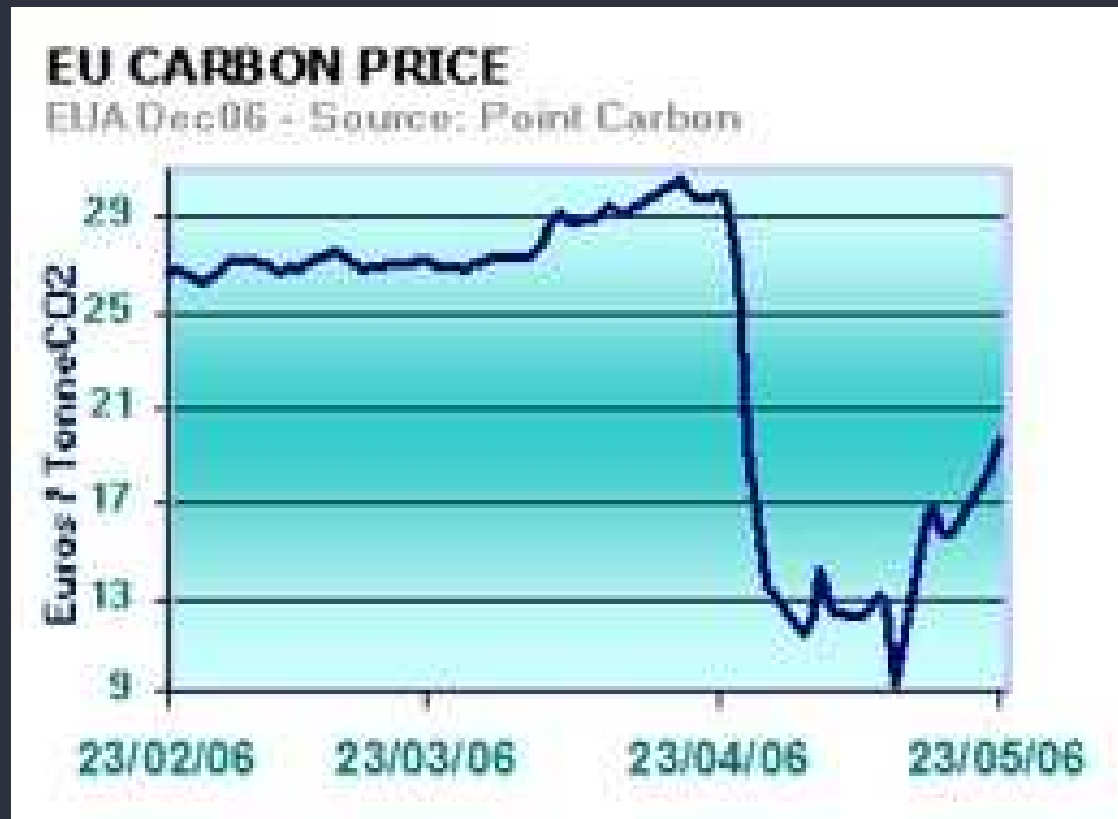
Carbon Climbing



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A Volatile Commodity



Take the longer view

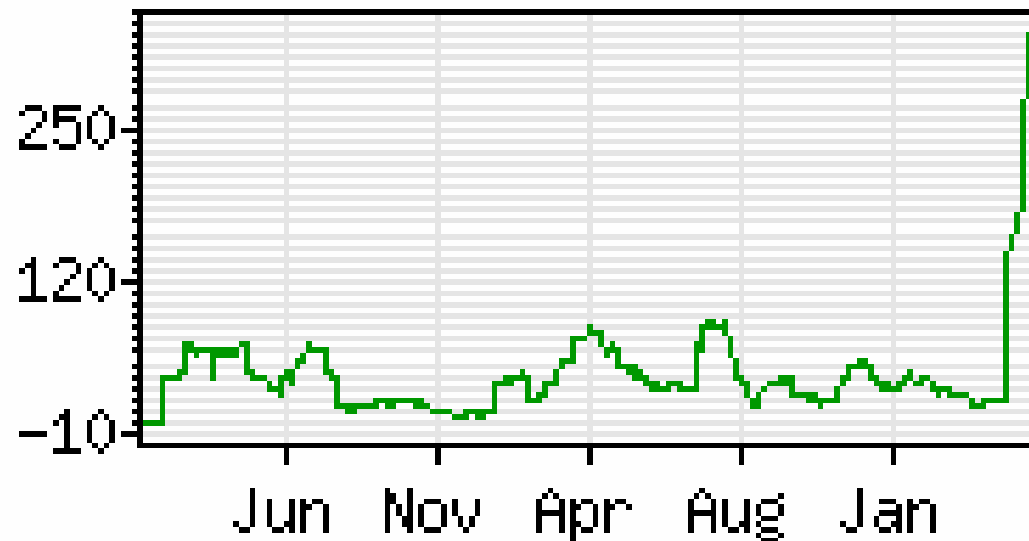
> EUA 06 price (Jan04-May06)



Source: Evolution Markets

And the story is still good

> EUA 06 hist.vol (Feb04-May06)



Source: Evolution Markets

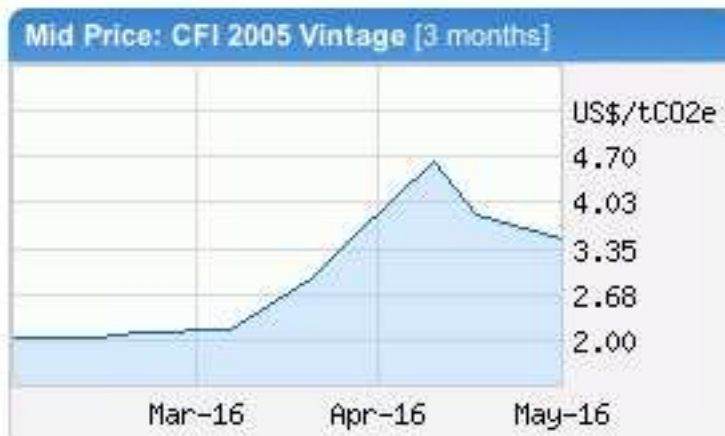
More than one market



Carbon Markets

Overview: Chicago Climate Exchange (CCX)

[View Market Backgrounder](#) | Data Source: Chicago Climate Exchange (CCX)



Market Snapshot

Market Volume	n/a
Transaction Volume	n/a
Total tCO ₂ e	2,903,400

January 7, 2005 to May 16, 2006

More than two markets



Carbon Market: It's here

- ▶ Can already buy credits on E-bay
 - ▶ Need I say more?
- ▶ Seriously though:
 - ▶ There are carbon investment funds, carbon brokers, carbon hedge funds
 - ▶ Credits are being bought and sold globally
 - ▶ People in Uganda, Chile, etc. are getting paid to reduce emissions
 - ▶ World Cup, SuperBowl carbon neutral



Key Questions

- ▶ What markets are out there? Is there a “carbon” market? How do they work and get set up?
- ▶ What is the voluntary carbon market? How does it relate to regulated markets?
- ▶ What is happening in the US? What can/should happen in the US? (& PNW?)



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"Just give me a minute, Mr. Vice-President, and I'll try to explain the difference between contributions to the Nature Conservancy and greens fees."

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"It's great! You just tell him how much pollution your company is responsible for and he tells you how many trees you have to plant to atone for it."

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"Look, all I'm asking is that we let market forces bring a greater degree of efficiency into our marriage."