The Price of Hot Air
Carbon Markets and the US
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](http://www.ecosystemmarketplace.com)
- News updated daily, with features and regular e-mail newsletters
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
Carbon Climbing

$10-11.3 Billion

Tons of CO2
A Volatile Commodity

EU CARBON PRICE
EUA Dec 06 - Source: Point Carbon

<table>
<thead>
<tr>
<th>Date</th>
<th>Price (Euros/tonne CO2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>23/02/06</td>
<td>29</td>
</tr>
<tr>
<td>23/03/06</td>
<td>25</td>
</tr>
<tr>
<td>23/04/06</td>
<td>21</td>
</tr>
<tr>
<td>23/05/06</td>
<td>13</td>
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</tbody>
</table>
Take the longer view

Source: Evolution Markets
And the story is still good

Source: Evolution Markets
More than one market

MarketWatch
Carbon Markets
Overview: Chicago Climate Exchange (CCX)

Mid Price: CFI 2005 Vintage [3 months]

<table>
<thead>
<tr>
<th>Month</th>
<th>Price (US$/tCO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-16</td>
<td>2.00</td>
</tr>
<tr>
<td>Apr-16</td>
<td>3.35</td>
</tr>
<tr>
<td>May-16</td>
<td>4.03</td>
</tr>
<tr>
<td></td>
<td>4.70</td>
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</table>

Market Snapshot

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Market Volume</td>
<td>n/a</td>
</tr>
<tr>
<td>Transaction Volume</td>
<td>n/a</td>
</tr>
<tr>
<td>Total tCO2e</td>
<td>2,903,400</td>
</tr>
</tbody>
</table>

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?)
"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."
"Where there's smoke, there's money."
"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."
“Look, all I’m asking is that we let market forces bring a greater degree of efficiency into our marriage.”