

# Chicago Climate Exchange

## *Briefing to the North Carolina Legislative Commission on Global Climate Change*

*December 11, 2006*



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# Many Options for Reducing Greenhouse Gases

- Lower carbon fuel: natural gas, CO<sub>2</sub> neutral fuel (biomass)
- More efficient fuel use: MPG, lighting, insulation
- Methane capture/combustion
- Abatement devices, alternative chemicals
- Carbon sequestration:
  - reforestation, carbon accumulation, preservation
  - agricultural soils
  - geologic



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# Rationale for Emissions Trading

- GHGs mix, cause warming throughout common global atmosphere
- Proven tool, with flexibility to meet a global problem: find least-cost means of reducing emissions anywhere in the world
- Clear and enforced emission limits
- Reduce cost to society of achieving specified emission limits: static efficiency at each point in time
- Harness capital markets to efficiently deploy new technologies
- Clear, market incentives to innovate: dynamic efficiency, improvement over time
  - **President Bush had proposed CO<sub>2</sub> cap-and-trade for power plants in his first campaign**
- **Numerous GHG cap-and-trade legislative proposals are circulating in the U.S. Congress, with sponsors as diverse as Senators McCain, Lieberman, Feinstein, Bingaman, etc.**



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# The Growing CCX Family

## **Chicago Climate Exchange (CCX)**

- Launched 2003 with 14 members, now 220+ members (US, CA, MX, BR, NZ, AU, CH)

## **European Climate Exchange (ECX)**

- FSA-regulated futures market for European CO<sub>2</sub> Allowances
- Launched April, 2005 – accounts for 80-90% of total exchange traded volume in the EU ETS

## **Chicago Climate Futures Exchange (CCFE)**

- CFTC-regulated futures exchange for U.S. SO<sub>2</sub> allowances
- Launched in December 2004, world's first environmental derivatives exchange

## **Montreal Climate Exchange (MCeX)**

- Joint venture with the Montreal Bourse
- To host Canadian GHG trading, other environmental markets

## **New York Climate Exchange™ and Northeast Climate Exchange™**

- Developing instruments for northeast Regional Greenhouse Gas Initiative (RGGI)

## **Indian Climate Exchange**

- Partnership with the Multi-Commodity Exchange of India
- In development



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**“Business Increases pressure on G8 to set up global emissions trading system”**

“Steve Lennon, chair of the environment and energy commission of the International Chamber of Commerce, which represents hundreds of thousands of companies in 130 countries, said:

**“We see a global system of emissions trading as inevitable”**

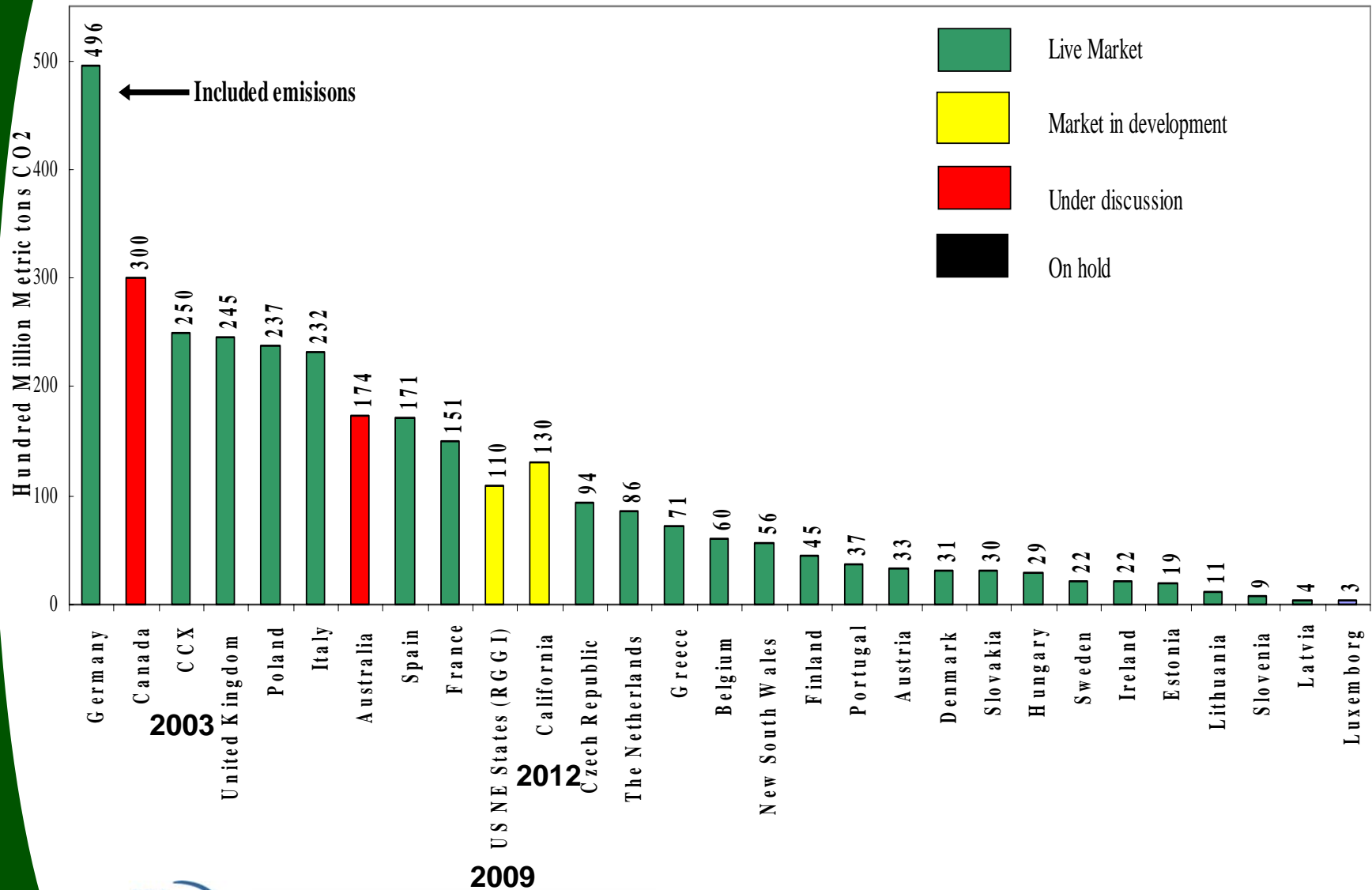
*Financial Times*, June 10, 2005, page 1



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# Size of Live, Emerging, Possible GHG Markets



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# What is Chicago Climate Exchange?

*Chicago Climate Exchange (CCX<sup>®</sup>) is the world's first and North America's only voluntary, legally binding greenhouse gas reduction and trading program for emission sources and offset projects in North America, Brazil and elsewhere.*



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# CCX Advisory Committee

## Honorary Chairman

**The Honorable Richard M. Daley, Mayor, City of Chicago**

**Warren Batts**, former CEO, Tupperware Corporation, Mead.

**David Boren**, President, The University of Oklahoma; former governor of Oklahoma and U.S. Senator

**Ernst Brugger**, President, Brugger, Hanser & Partner

**Paula DiPerna**, former President of the Joyce Foundation

**Elizabeth Dowdeswell**, former Executive Director, UN Environment Program

**Jeffrey Garten**, Dean, Yale School of Management

**Lucien Bronicki**, Chairman, ORMAT International

**Donald Jacobs**, Dean Emeritus, Kellogg Graduate School of Management, Northwestern University

**Jonathan Lash**, President, World Resources Institute

**Joseph Kennedy II**, Chairman, Citizens Energy Group; former U.S. Representative (MA)

**Israel Klabin**, President, Brazilian Foundation for Sustainable Development

**Bill Kurtis**, Journalist and television producer

**Thomas Lovejoy**, President, Heinz Center; former Chief Biodiversity Advisor, the World Bank

**David Moran**, President, Dow Jones Indexes

**R.K. Pachauri**, Chairman, Intergovernmental Panel on Climate Change

**Michael Polsky**, President and CEO of Invenergy

**Les Rosenthal**, former Chairman, Chicago Board of Trade

**Donna Redel**, former Executive Director, World Economic Forum

**Maurice Strong**, former United Nations Under-Secretary General

**James Thompson**, Chairman, Winston & Strawn; former four-term Governor of Illinois

**Sir Brian Williamson**, Chairman, London International Financial Futures Exchange

**Robert Wilmouth**, President and CEO, National Futures Association

**Klaus Woltron**, Austrian entrepreneur and Vice President of the Vienna Club

**Michael Zammit Cutajar**, former Executive Secretary, UN Framework Convention on Climate Change



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# Chicago Climate Exchange Members

## Aerospace and Equipment

Rolls-Royce

## Automotive

Ford Motor Company

## Beverage Manufacturing

New Belgium Brewing Company

## Chemicals

Dow Corning  
Dupont

## Electric Power Generation

American Electric Power  
Central Vermont Public Service  
Duquesne Light Company  
Green Mountain Power  
Manitoba Hydro  
TECO Energy, Inc.

## Electronics

Motorola, Inc.  
Square D/Schneider Electric N.A

## Environmental Services

Waste Management, Inc.

## Food Processing

Premium Standard Farms

## Forest Products Companies

Abitibi-Consolidated  
Aracruz Celulose, S.A.  
Cenibra Nipo Brasilliera, S.A.  
International Paper  
Klabin, S.A.  
MeadWestvaco Corp.  
Stora Enso North America  
Temple-Inland, Inc.

## Information Technology

IBM

## Manufacturing

Bayer Corporation  
Interface, Inc.  
Ozinga Bros., Inc.

## State & Local Governments

The State of New Mexico\*  
King County, WA\*  
City of Aspen  
City of Berkeley  
City of Boulder  
City of Chicago  
City of Oakland  
City of Portland\*

## Pharmaceuticals

Baxter International, Inc.

## Universities

The University of Iowa  
Michigan State University  
The University of Minnesota  
The University of Oklahoma  
Tufts University

## Recreation

Aspen Skiing Company

## Retail

Safeway Stores

## Semiconductors

Freescale Semiconductor  
STMicroelectronics

## Steel

Roanoke Electric Steel Corp.

## Transportation

Amtrak  
San Joaquin Regional Rail  
Commission



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\*in process

*State of Illinois has announced*

# CCX Associate Members

## Architecture/Planning

Mithun, Inc.

## Brokerage Services

Amerex Energy

## Consulting

Domani, LLC

Global Change Associates

Natural Capitalism, Inc.

RenewSource Development,  
L.P.

Rocky Mountain Institute

## Documentary Production

Cloverland, Inc.

## Energy and Management Services

Orion Energy Systems Ltd

Sieben Energy Associates

Thermal Energy International

## Engineering

Rumsey Engineers, Inc.

Vanasse Hangen Brustlin, Inc.

## Financial Services

Access Industries, Inc.

MB Investments, LLC

## Financing Agencies

Ohio Air Quality Development Authority

## Green Power Marketers

Green Mountain Energy Company

## Information Technology

Open Finance LLC

Intercontinental Exchange

## Legal Services

Foley & Lardner, LLP

Sullivan & Cromwell, LLP

## Non-Governmental Organizations

American Coal Ash Association

American Council on Renewable Energy

Delta Institute

Houston Advanced Research Center

Midwest Energy Efficiency Alliance

World Resources Institute

## Private Colleges

Presidio School of Management

## Risk Management

The Professional Risk  
Managers' International  
Association

## Religious Organizations

Jesuit Community of Santa  
Clara University

## Renewable Energy

Airtricity

Intergy

Reknewco, Ltd.

## Retiring/Offsets

Carbonfund.org

Terrapass, Inc.

## Social Investment

KLD Research & Analytics

Pax World

## Technology

Millennium Cell

Polar Refrigerant Technology

## Trade Associations

Confederation of British Industry



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# CCX Participant Members

## Offset Aggregators

C-Green Aggregator, LLC  
Delta Institute  
Environmental Carbon Credit Pool,  
LLC  
Environmental Credit Corp.  
First Capital Risk Management, LLC  
Iowa Farm Bureau  
National Carbon Offset Coalition  
North Dakota's Farmers Union

## Offset Providers

Beijing Shenwu Thermal energy Trading  
Co., Ltd.  
Intrepid Technologies, Inc.  
Lugar Stock Farm  
Precious Woods Holdings  
Sustainable Forestry Management, Ltd.

## Liquidity Providers

AGS Specialists, LLC  
Amerex Energy  
Breakwater Trading, LLC  
Calyon Financial, Inc.  
Cargill Power Markets, LLC  
Eagle Market Makers, LLC  
Evolution Markets, LLC  
EXO Investments  
FCT Europe, Ltd.  
First New York Securities, LLC.  
Friedberg Mercantile Group,  
Ltd.

Galtire International Master  
Fund, LP  
GFI Securities, LLC  
Goldenberg, Hehmeyer & Co.  
Grand Slam Trading, Inc.  
Grey K Environmental Fund, LP  
Haley Capital Management  
ICAP Energy, LLC  
Kottke Associates, LLC  
The League Corp.  
Marquette Partners, LP  
Natsource, LLC

Peregrine Financial Group  
Rand Financial Services, Inc.  
Serrino Trading Co.  
Shatkin Arbor, Inc.  
S.R. Energy, LLC  
SwissRe Financial Products  
Corp.  
TEP Trading 2 Ltd.  
TradeLink, LLC  
Tradition Financial Services,  
Ltd.  
TransMarket Group, LLC



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# Why do Companies Become CCX<sup>®</sup> Members?

## *Practical drivers:*

- Competitive advantages through leadership:
  - obtain practical expertise through “hands-on” participation
  - build institutions: first-mover; global linkages
  - get ahead of disparate regulations, prepare for policy
  - reduce long-term mitigation costs
  - improve focus on energy efficiency, identify free savings
  - build carbon price into minds of operators and planners
  - trading profits, possible early action crediting



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# Why do Companies Become CCX® Members?

## *Strategic drivers:*

- Reputation advantages: customers, employees, regulators
  - Major value of corporate goodwill
- Create shareholder value:
  - \$2.3 trillion in socially responsible investments
  - Monetize emission reductions and sequestration
  - Save money by paying attention!
- Corporate risk management:
  - fiduciary responsibility: manage exposure
  - corporate governance concerns
  - reduce legal risks



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# Carbon markets and cutting-edge energy policy go hand-in-hand



"I declared New Mexico "the Clean Energy State" in a 2004 executive order, based not only on our tremendous wind and solar potential but also on our aggressive new policies to encourage energy efficiency and clean energy development."

... governors... around the U.S. don't have to sit on their hands. Like major corporate partners who recognize the threat of climate change, they can make the binding commitment to the Chicago Climate Exchange, and move our nation forward to a new energy and emissions future.



*"I decided to sign up the state of New Mexico"*

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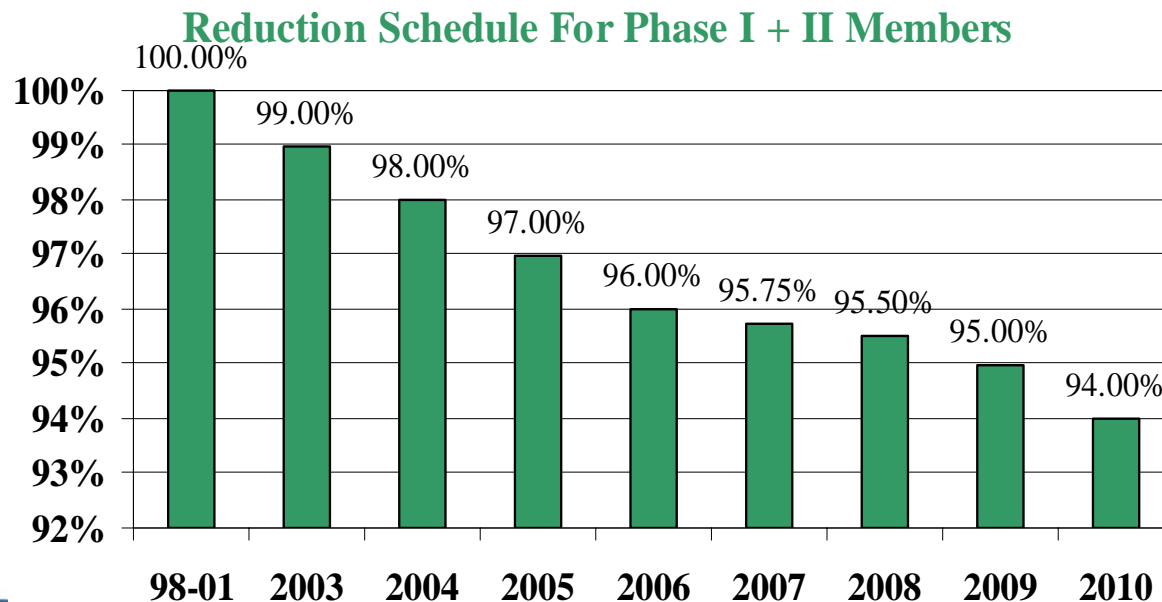
# CCX Market Architecture (2003-2010)

Phase I: Members made legally binding commitments to reduce or trade 1% per year from 2003-2006, for a total of 4% below baseline.

Baseline = Avg. emissions from 1998-2001, emissions in 2000 (Phase II)

Phase II: Members make a legally binding commitments to reduce to 6% below baseline by 2010.

Economic Growth Provision limits recognized emission increase to 2% above baseline in 2003, 2004, 3% above baseline 2005-2010

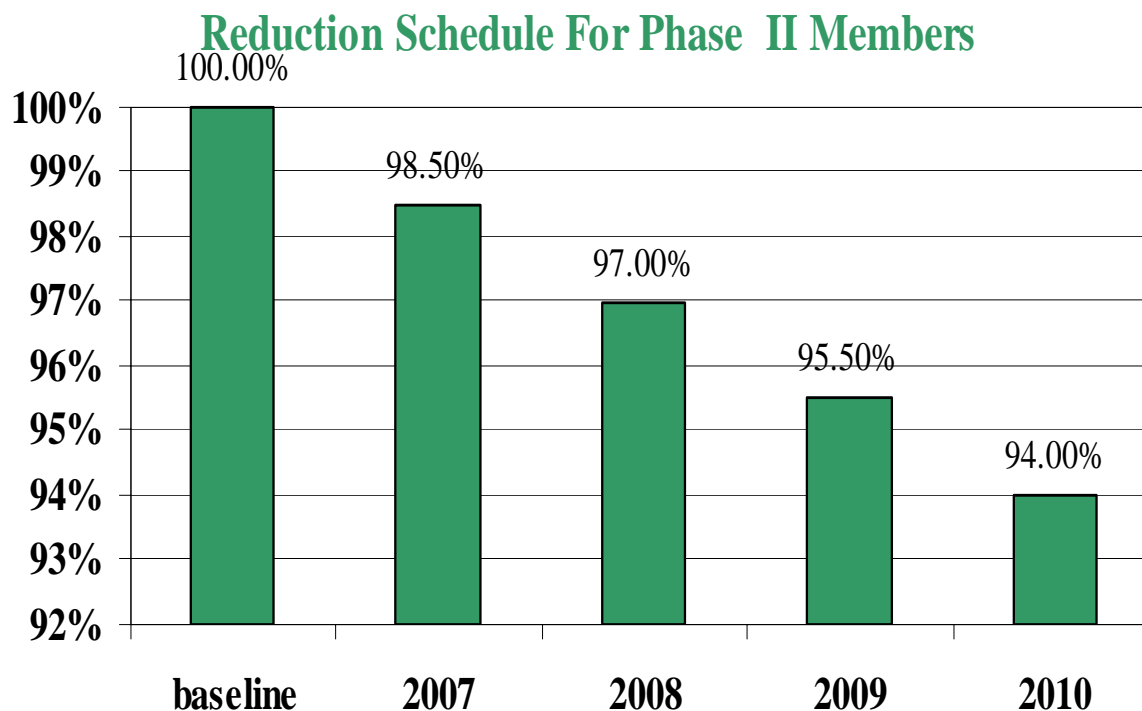


# CCX Market Architecture: Phase 2 Only

Phase II: Members made legally binding commitments to reduce or trade 1.5% per year from 2007-2010, for a total of 6% below baseline.

Baseline = Avg. emissions from 1998-2001 OR emissions in 2000

Economic Growth Provision limits recognized emission increase to 3% above baseline 2007-2010



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# CCX Registry

You are logged in as nclarkccx  
Logout

Select Organization: CCX View Only Company

CHICAGO CLIMATE EXCHANGE  
Registry Position Summary Page v1.0.6

CCX View Only Company

Organization Summary

Positions Summary

Transaction History

Emissions Summary

Admin



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## Chicago Climate Exchange Position Statement

Organization: CCX View Only Company

as of Sun, Feb 15, 2004

Direct Emission Baseline: 0  
metric tons CO2 equivalent (unaudited)

### 1. Total holdings of CCX Carbon Financial Instruments

(Exchange Allowances plus Offsets plus Early Action Credits, in hundred metric tons CO2)

Vintage:	2003	2004	2005	2006
Total CFI Holdings:	0	0	0	0

### 2. Exchange Allowance holdings

Vintage:		2003	2004	2005	2006
Original Allocation of Exchange Allowances:		0	0	0	0
Item	Action				
1% auction pool withholding	debit	0	0	0	0
bought in sept 2003 auction	credit	0	0	0	0
current holdings		0	0	0	0

### 3. Exchange Offset holdings

Vintage:	2003	2004	2005	2006
Holdings of exchange offsets	0	0	0	0

### 4. Exchange Early Action Credit holdings

Vintage:	2003	2004	2005	2006
Holdings of Exchange Early Action Credits:	0	0	0	0

All Carbon Financial Instrument quantities are rounded to the nearest hundred metric tons CO2



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# CCX Trading Screen

ChicagoClimateExchange - quotes-ccx5 @ CCX View Only Company

View Admin Help Logout

Kill All Activate All **Live Only** Hold Bids Hold All Hold Offers

Orders Deals **CCX Carbon Financial Instruments (CFI) and CCFE Sulfur Financial Instrument Futures (SFI)** CCX Carbon CCFE Sulfur Dioxide Futures

Product	Hub	Strip	+	-	Sell	Qty	Bid	Offer	Qty	Buy	High	Low	Last	Volume	Settlement	Change	Pin	+	-
CCX CFI	Carbon Financial Instrument	Vintage 2003	+			10	3.95	4.10	10		4.10	4.10	4.10	45	4.10	0.00		+	
CCX CFI	Carbon Financial Instrument	Vintage 2004	+			25	3.90	4.05	5		4.00	4.00	4.00	25	4.05	-0.05		+	
CCX CFI	Carbon Financial Instrument	Vintage 2005	+			50	3.95	4.05	25		4.05	4.00	4.00	72	4.05	-0.05		+	
CCX CFI	Carbon Financial Instrument	Vintage 2006	+			10	4.00	4.05	25		4.00	4.00	4.00	30	4.05	-0.05		+	
CCX CFI	Carbon Financial Instrument	Vintage 2007	+			25	3.95	4.10	25		4.00	4.00	4.00	400	4.05	-0.05		+	
CCX CFI	Carbon Financial Instrument	Vintage 2008	+			25	3.95	4.10	25		4.00	4.00	4.00	300	4.10	-0.10		+	
CCX CFI	Carbon Financial Instrument	Vintage 2009	+			100	3.75	4.25	10		4.00	4.00	4.00	300	4.10	-0.10		+	
CCX CFI	Carbon Financial Instrument	Vintage 2010	+			5	3.75	4.25	10		4.00	4.00	4.00	400	4.00	0.00		+	
CCFE SFI Futures	Sulfur Financial Instrument Futures	Aug06	+			5	672.00	681.00	5		678.00	671.00	676.00	36	674.00	2.00		+	
CCFE SFI Futures	Sulfur Financial Instrument Futures	Sep06	+			5	672.00	700.00	40		675.00	675.00	675.00	2	675.00	0.00		+	
CCFE SFI Futures	Sulfur Financial Instrument Futures	Oct06				10	665.00	715.00	10						676.00				
CCFE SFI Futures	Sulfur Financial Instrument Futures	Dec06	+			5	681.00	690.00	5		692.00	682.00	686.00	111	677.00	9.00		+	
CCFE SFI Futures	Sulfur Financial Instrument Futures	Mar07				10	675.00	725.00	10						686.00				
CCFE SFI Futures	Sulfur Financial Instrument Futures	Dec07						760.00	10						711.00				
CCFE SFI Futures	Sulfur Financial Instrument Futures	Dec08				10	680.00	790.00	10						738.00				
CCFE SFI Futures	Sulfur Financial Instrument Futures	Dec10				1	360.00								420.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Aug06/Sep06				100	-5.00	0.00	100		-4.00	-4.00	-4.00	1	-1.00	-3.00			
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Aug06/Dec06	+			81	-12.00	-9.00	90		-10.00	-10.00	-10.00	10	-3.00	-7.00		+	
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Aug06/Mar07				5	-53.00								-12.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Aug06/Dec07				5	-88.00								-37.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Aug06/Dec08				5	-118.00								-64.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Dec06/Dec08						10.00	5						-61.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Mar07/Dec08						45.00	10						-52.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Dec07/Dec08						80.00	10						-27.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Oct06/Dec06				5	-25.00								-1.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Oct06/Dec07				10	-95.00								-35.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Oct06/Dec08				10	-125.00								-62.00				
CCFE SFI Futures Spd	Sulfur Financial Instrument Futures	Oct06/Mar07	+			100	-16.00	-10.00	100						-10.00			+	

CCFE SFI Futures - Sulfur Financial Instrument Futures - Dec06, 10 @ 686.00 (Aug 22, 2006 13:01:12 CDT)  
 CCFE SFI Futures - Sulfur Financial Instrument Futures - Aug06, 10 @ 676.00 (Aug 22, 2006 13:01:12 CDT)  
 CCFE SFI Futures Spd - Sulfur Financial Instrument Futures - Aug06/Dec06, 10 @ -10.00 (Aug 22, 2006 13:01:12 CDT)  
 CCFE SFI Futures - Sulfur Financial Instrument Futures - Aug06, 5 @ 678.00 (Aug 22, 2006 12:47:20 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2003, 10 @ 4.10 (Aug 22, 2006 12:08:23 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2004, 25 @ 4.00 (Aug 22, 2006 12:06:31 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2006, 15 @ 4.00 (Aug 22, 2006 12:06:21 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2007, 100 @ 4.00 (Aug 22, 2006 11:22:27 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2005, 31 @ 4.00 (Aug 22, 2006 10:53:39 CDT)  
 CCFE SFI Futures - Sulfur Financial Instrument Futures - Aug06, 10 @ 675.00 (Aug 22, 2006 10:04:32 CDT)  
 CCFE SFI Futures - Sulfur Financial Instrument Futures - Dec06, 60 @ 682.00 (Aug 22, 2006 10:04:14 CDT)  
 CCFE SFI Futures - Sulfur Financial Instrument Futures - Dec06, 40 @ 682.00 (Aug 22, 2006 10:04:06 CDT)  
 CCFE SFI Futures - Sulfur Financial Instrument Futures - Dec06, 1 @ 692.00 (Aug 22, 2006 10:03:43 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2003, 10 @ 4.10 (Aug 22, 2006 09:53:51 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2005, 4 @ 4.05 (Aug 22, 2006 09:52:25 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2003, 25 @ 4.10 (Aug 22, 2006 09:49:00 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2007, 300 @ 4.00 (Aug 22, 2006 09:46:37 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2008, 300 @ 4.00 (Aug 22, 2006 09:46:35 CDT)  
 CCX CFI - Carbon Financial Instrument - Vintage 2009, 300 @ 4.00 (Aug 22, 2006 09:46:32 CDT)

13:03:30 CDT

bids and  
offers

completed  
trades  
(each  
contract  
is 100mt  
CO<sub>2</sub>)



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# CCX Emission Offsets Program

- Verified Offset projects sequester or eliminate GHGs and earn Carbon Financial Instruments that can be sold to other CCX members.
- **Pre-defined offset projects:**
  - Carbon sequestration: reforestation, agricultural soils
  - Landfill and agricultural methane destruction
  - Renewable energy, fuel switching, energy efficiency
  - Independent verification by authorized entities: SGS, DNV, First Environment, BvQi
  - Others in development

*SES Field Inspector conducting soil sampling in no-till corn*



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# Emission Offsets Concept

- Get emission reductions from sectors/activities/locations not included in cap-and-trade portion of the system
- Offsets issued for doing better than baseline
  - “with project” situation has lower emissions /higher sequestration than “without project”
- Low-cost mitigation
- Economic development and opportunity (e.g. CDM goals)
- Broaden engagement
  - more players involved in action/trading
  - help prepare for deeper participation (caps?)



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# Defining CCX Offsets: Principles

- **General provisions:**
  - Conservative crediting
  - Reserve pools for sequestration assurance
  - All Carbon Financial Instruments are equivalent
  - *Compliance through use of Offsets can be no more than half the required program-wide cut*
- **Project Eligibility:**
  - Predictability: facilitate carbon finance
  - Other than “Business as Usual”: beyond regulation, rare (e.g. best-in-class), recent
  - Verifiable: eligibility, quantities, ownership
  - No cherry picking – emitters must take entity-wide reductions
  - Avoid perverse incentives: avoid encouraging bad acts



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# Defining CCX Offsets: Principles

- Target Actions with Major Mitigation Potential
  - Non-CO<sub>2</sub> gasses: low-cost, multi-benefit
  - Agriculture: soils hold 183 years of global CO<sub>2</sub> emissions
  - Forestation: forests hold 75 years of global CO<sub>2</sub> emissions
  - Advance broader societal goals: sustainable agriculture and forestry, energy efficiency, renewables

*Minnesota dairy farmer receives first check from sales of methane-destruction CCX Offsets*



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# Stable, predictable offset rules contribute to successful GHG mitigation financing

**IDAHO FALLS, Idaho, Sept. 8 /PRNewswire-FirstCall/ --**

Intrepid Technology and Resources, Inc. (ITR) (OTC Bulletin Board: IESV), a renewable energy company, has recently signed an Engagement Letter with the brokerage firm of Ferris Baker Watts, Washington D.C., to commence the marketing and placement of 17,790,000 dollars in Tax Exempt Industrial Revenue Bond financing. The financing, expected to be completed within 45-60 days, will provide ITR the capital to triple the size of their existing biogas facility near Rupert, Idaho,(and) construct the Westpoint Dairy biogas plant, ...

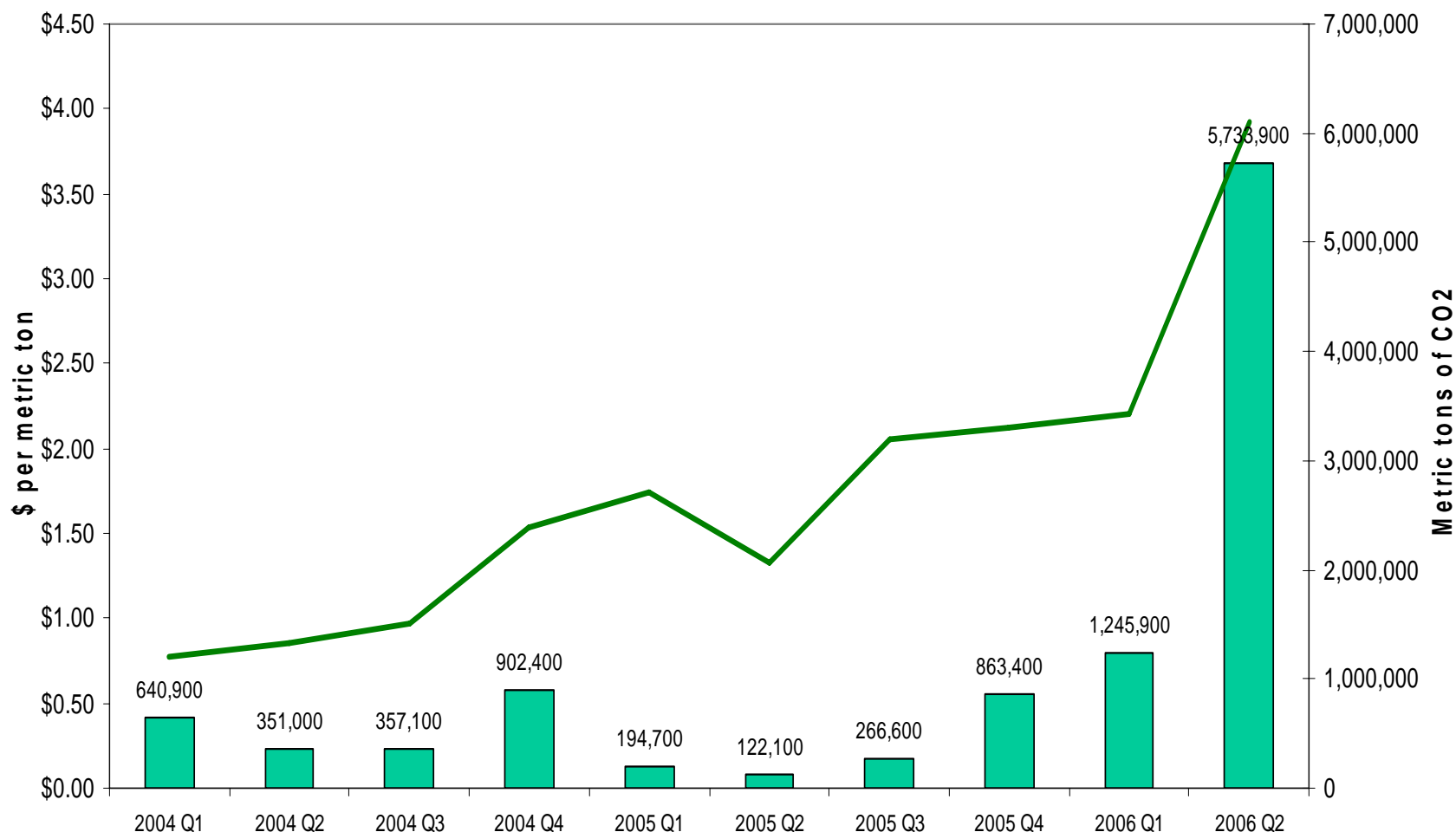
*our ability to sell the substantial number of green credits that the system produces on the Chicago Climate Exchange makes these four projects very attractive to ITR's shareholders. At the same time we provide enhanced air, ground and water quality for the livestock owner.*



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# CCX Price\* and Volume History 2003 - 2006



\* Prices shown are last price of the quarter



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# CCX<sup>®</sup> Progress to Date

- Complete operation implemented: rulebook, trading, clearing, registry, market, governance
- Member Baselines and 2003, 2004, 2005 Emissions Independently Audited
- Program-wide emission reductions achieved
- Trading and clearing mechanisms fully functional
  - > over 12 million tons exchanged
  - prices now in range of \$4.00/metric ton CO<sub>2</sub>
- Offsets from methane, ag soils, forestry, renewables verified, issued and sold



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# Conclusions: CCX Big Picture Results

- Major pool of private and public sector talent engaged
  - Members
  - Other experts
- Thousands of individuals now far more informed on carbon management and trading
- Detailed rules and methods tested and refined
  - many second generation procedures now in place
  - hands-on experience for emissions and project verification experts
  - detailed expertise accumulated by members
  - practical experience now informing policy discussions



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# Views on CCX®

"We are joining the Chicago Climate Exchange for two reasons. We want to strengthen a pioneering effort to create market-based solutions to the problem of climate change, and CCX helps us maintain our own organizational commitment to keep our net carbon dioxide emissions at zero,"

***Jonathan Lash, President, World Resources Institute***

"... you could help to create the conditions for efficient emission trading systems, standardized accounting methods and the like. The successful launch of the Chicago Climate Exchange here in the United States is one example of an initiative to create a carbon market. We need more such innovative thinking on financing mechanisms and new insurance products."

***United Nations Secretary-General Kofi Annan***

"I want to congratulate the Exchange, which is the first comprehensive voluntary pilot program for domestic trading of greenhouse gases, on the announcement of its founding members. Their progress is great news for Chicago's economy and for America's environment." ***Senator Joe Lieberman***



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[www.chicagoclimateexchange.com](http://www.chicagoclimateexchange.com)

# Views on CCX

“What would be wrong, at least on a theoretical basis, with taking what you have come up with by way of requirements for your (CCX) members and essentially mandating that everybody in the country comply with those?”

*Senator Jeff Bingaman (D-NM), ranking minority member, Senate Energy & Natural Resources Committee, April 4, 2006*

“the Chicago Climate Exchange is providing an innovative means of involving American businesses and citizens in the effort to protect the environment. Our nation’s leading companies are buying and trading units of carbon as a way to reduce their impact on climate change. I am hopeful that the economic opportunities provided by the Exchange will enhance the incentives farmers already have to participate in the sequestration of carbon.”

*Senator Richard Lugar (R-IN), Chairman of Senate Foreign Relations Committee, May 18, 2006*

“The CCX is leading the way toward a future in which reducing greenhouse gases could bring not only environmental rewards, but financial ones too.”

*Al Gore, from An Inconvenient Truth (book version), 2006*



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