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# Carbon Monitor

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## Soaring Carbon Trade Reaches \$30bn in 2006

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Reuters

COLOGNE — The global carbon market last year trebled to \$30bn from \$11bn in 2005, says the World Bank's carbon finance unit.

Carbon markets put a price on carbon, and so are seen as a possible key weapon against climate change, driving people and businesses to think harder about their greenhouse gas emissions.

The bank said in a report presented at a news conference in Cologne yesterday that the European Union's (EU's) emissions-trading scheme was the hub of the global market, and turnover trebled to \$24bn last year. Through a linked project-based market, European companies can meet EU emissions caps by funding clean energy projects in developing countries, through carbon trade under the Kyoto Protocol on global warming.

That project-based market doubled to \$5bn last year, and raised an extra \$16bn finance for development of clean energy technologies, the World Bank said.

"We believe that carbon finance and the carbon market has a real development role," said Warren Evans, director of the World Bank's environment department. "There's a clear role for carbon finance to support the sustainable development in those countries both in terms of finance and providing new clean technologies," he said.

Many policy makers in rich and poor countries pin their hopes on carbon markets to finance cleaning up heavy industry in poor countries, which are expected to contribute the lion's share of future increases in greenhouse gas emissions.

The World Bank report showed that the EU scheme traded about 1,1-billion tons of carbon dioxide emissions permits last year while the project-based market amounted to 466-million tons.

The EU private sector accounted for 75% of demand while China led the world's sellers of carbon pollution allowances at 61% of the total, well above India and other Asian countries, the bank said.

It also looked ahead at the period from next year to 2012, the second phase of the EU-emissions trading scheme, which coincides with the target period of

Kyoto. Basing a forecast on analysts' assumptions, the report said the EU trading scheme would be short of permits. The scheme handed out too many permits in its 2005-07 first phase, prompting a carbon price crash.

"Most analysts believe that phase 2 will be short," said Karan Capoor, main author of the report, pegging the percentage of the shortfall at perhaps 8%-10%.

The first few months of EU emissions trading this year had seen daily trades worth \$80m of 4-million tons of CO<sub>2</sub>, said Garth Edwards of Royal Dutch Shell's environmental products unit.

The World Bank expected demand from European and other rich countries for Kyoto carbon credits to stay robust. "There is no reason to believe in a fall-off from here," Capoor said. This week, certificates for next year hit their highest level so far at €19,5 a ton.

### Act Now and Make a Difference!

**More than 30 billion kilowatt-hours of energy is wasted because many of us simply forget to shut down our computers when we're not using them.** If we could just improve the efficiency of how we use our PCs, the savings in energy costs would be over \$3 billion! The CO<sub>2</sub> emissions from just 15 computers are equivalent in energy terms to the gas consumption used by one car.

A barrel of oil contains 42 gallons and produces an average 556 kilowatt hours of electrical power. Now consider your computer. A good spec PC can use up to 200 watts per hour. If you have a CRT monitor, it adds a further 80 watts (TFT screens use less). So your system is consuming over 1 KWh of power for every four hours of normal use. If you leave your computer on 24/7, that's the equivalent of a whole barrel of oil every 90 days! If you optimize your computer with LocalCooling and power down when you're not using it you could extend this to over six months!

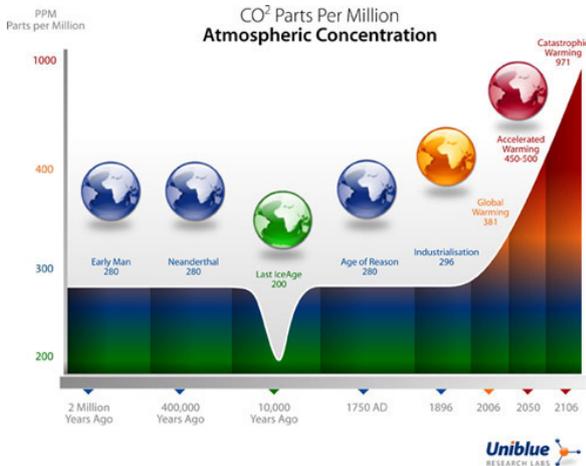
Remember, if you leave the PC on with just a screen saver on the CRT when you're not using it, it's STILL using up to 280 watts per hour of completely wasted power. Power that pumps out 1.5lbs of CO<sub>2</sub> emissions into the atmosphere for every KWh. If left on for 24 hours that's 9lbs of CO<sub>2</sub> every day and 3,285lbs per

year. That's more than 1.6 tons of CO2 thrown up into the atmosphere just to keep your one single PC working.

Now if you're reading this at work, how many computers does your company operate every day? Do you switch them off every night or do the PCs have to run through the night? Millions of computers are left switched on 24 hours a day doing absolutely nothing for most of the time...except using CO2 emitting power. And there are more than 660,000,000 PCs in the world today, which is still less than 10% of the world's population.

Today's waste of 30 billion kilowatt-hours of energy every year is responsible for putting 45 billion lbs or 30 billion kgs of CO2 into the atmosphere every year. A figure that will DOUBLE within five years if we don't improve the power efficiency of the way we use our PCs.

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Join the PATT Group: Log in to your account, scroll to the bottom where you can see Join a Group. In the box, type **Plantatreetoday** (in the exact format you see it here - Upper case 'P', then all lower case. No spaces.)

**It's important you join the Plantatreetoday group!**

The programme starts working immediately. It only takes a minute to download and uses just 2.5MB.

You can find out more about PATT at [www.plant-a-tree-today.org](http://www.plant-a-tree-today.org)

**EU Price Update**

The Dec08 climbed to a 13 month peak of €25.40 today (30<sup>th</sup> May) with traders returning from the long weekend in a bullish mood. Recent gains in German



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energy prices and the tough line taken by the commission regarding P2 NAPs has been the driving force behind the huge gains witnessed recently.



[www.leba.org.uk](http://www.leba.org.uk)

**Commentary**

Actual prices expose the inaccuracy of some government estimates of cost of emissions credits. At \$47 NZD these allowances would make New Zealand treasury out by billions of dollars in its estimates.

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