

Carbon Markets Marketing

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Environmental Markets Newsletter

Sherman's Lagoon

by Jim Toomey



All ACES

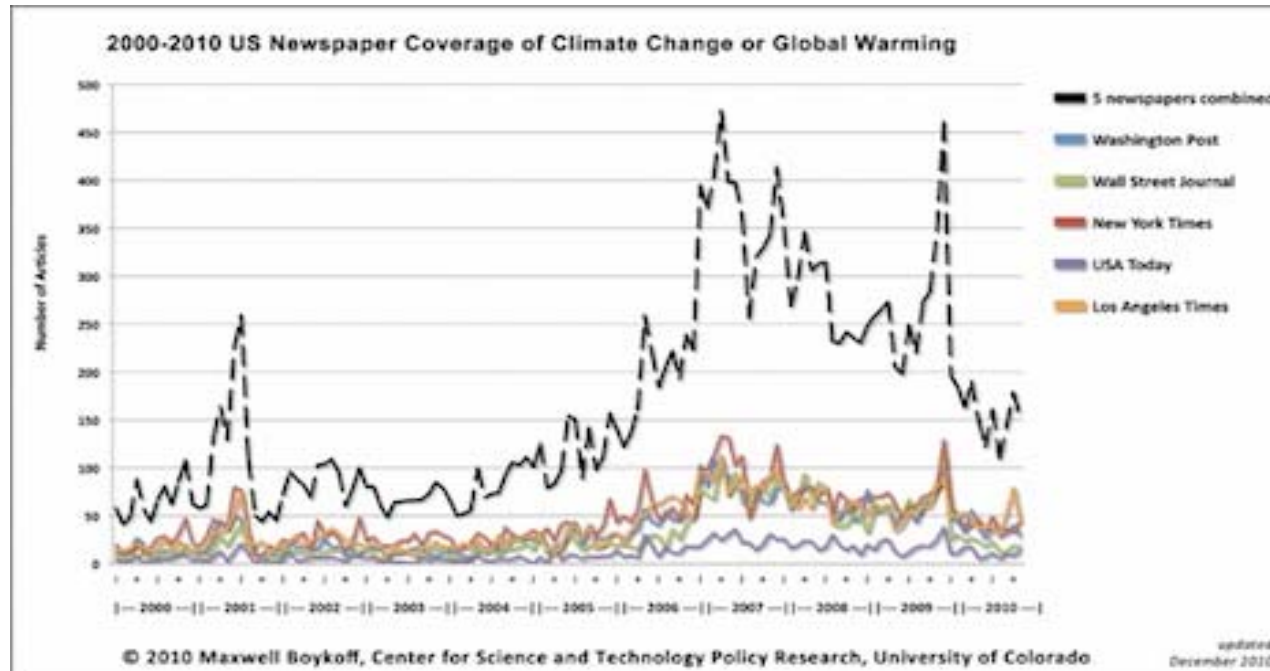
American Clean Energy and Security Act of 2009

- Passes June 26, 2010 219-212 (No Republicans)
 - Established a “marker” for international negotiations
 - 17 percent reduction in GHG emissions
- And includes a cap-and-trade program, with 85 percent of allowances free

So what happened?

- Perfect storm:
 - 1) Economic crisis
 - 2) Wall Street backlash
 - 3) Climate Change fell on the political agendaPLUS: ClimateGate
 - 5) Failure at Copenhagen
 - 6) Critics got the upper hand

Haiti Effect



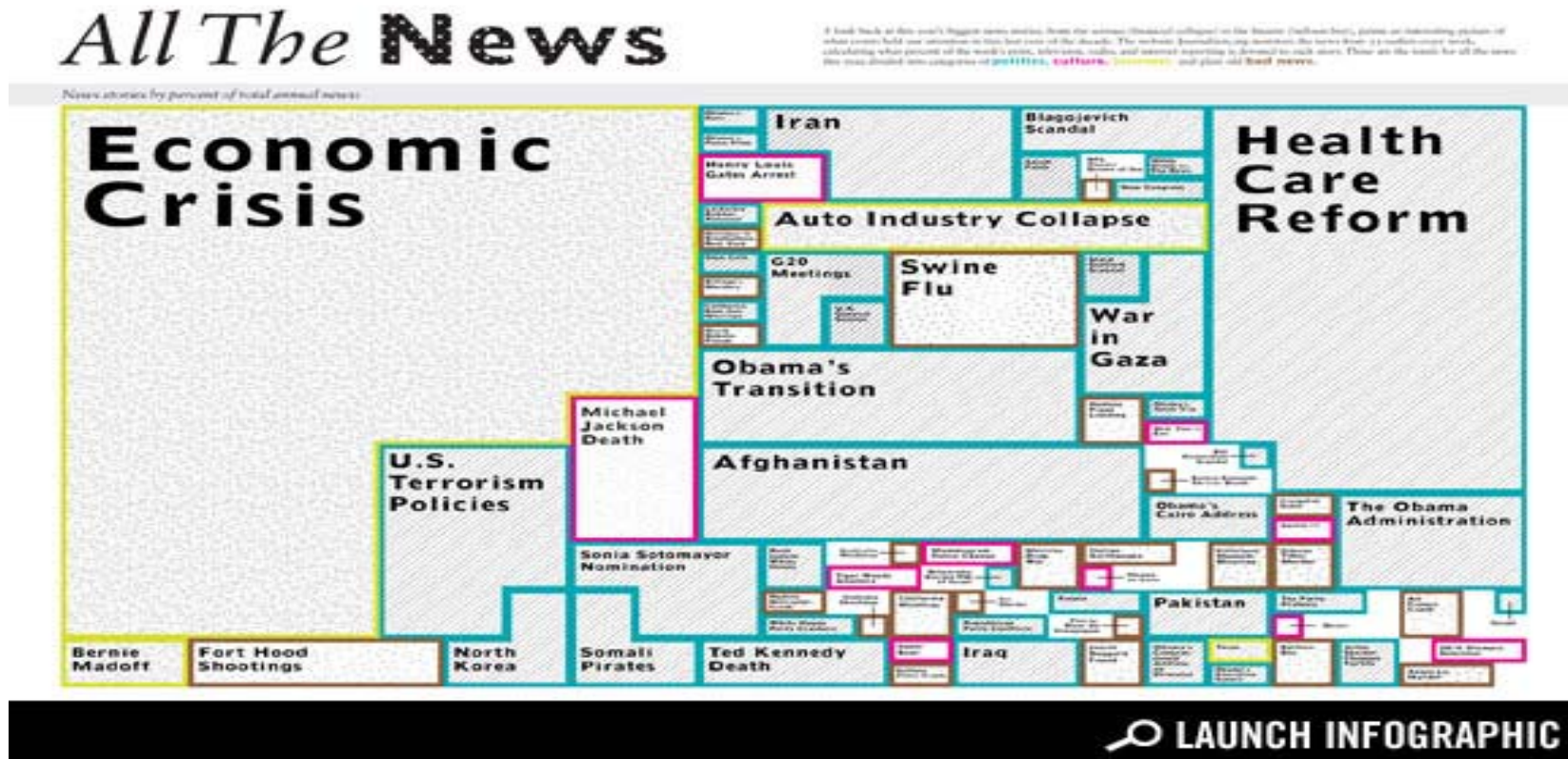
*2007 Inconvenient Truth spike and *2009 Copenhagen coverage

- Total number of stories in 2010 hit lowest point since 2005
- News networks – according to Drexel University’s Robert Brulle said coverage of Cancun in December was one 10-second clip

Next!

- DailyClimate.org's tracked global media coverage of climate
- 2010: 23,156 climate related stories in English, down 30% from 2009.
- Reuters led news outlets with 1,683 stories, NY Times 1,116, Guardian 941, AP 793.

The World of News in 2010



Source: Journalism.org -Good Politics, December 22, 2009

What is happening now

- Obama's \$150 billion promise on clean energy over next 10 years.
- Climate Change fatigue
- EPA is under political attack
- Fear of economic damage

WCI /RGGI

- California and four Canadian provinces set to start
- WCI plans to launch in January 2012
- Arizona, New Mexico the latest to drop out
- RGGI opened in September 2008 – auction price of \$3.07; Dec 2010 auction = \$1.86
- Mixed use of funds for RGGI states

European Market Trip-ups

- January theft of permits, worth almost €30 million
- Suspension of permit transfers between EU member states
- 2009 Carousel/VAT Fraud
- CDM suspension of auditors: SGS and DNV in 2009
- The European Trading Scheme collapsed in April 2006 due to over-allocation of carbon credits. Prices fell from €33 per ton to €.20, basically worthless.
- Free allocation of carbon credits has also led to windfall profits for utilities and large manufacturers – effectively paying the biggest polluters while utilities passed the costs onto customers.

ClimateGate

- University of East Anglia
- Investigations criticized
- Served as political fodder in the US
- Tipping the media balance on global warming science
- Nearly 50% of Americans and almost 33% of Brits believe that the extent and seriousness of global warming is exaggerated.

What you need

- A clear message about what emissions markets do
- Do not let critics go unchallenged
- Unify the message – market structure that lowers carbon emissions in the least expensive most incentivized way.
- Markets are just one part of an overall energy policy
- Educate

This is me

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