

Intro to the Voluntary Carbon Markets

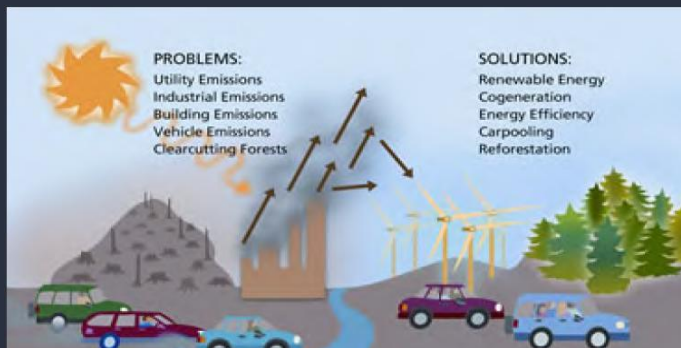
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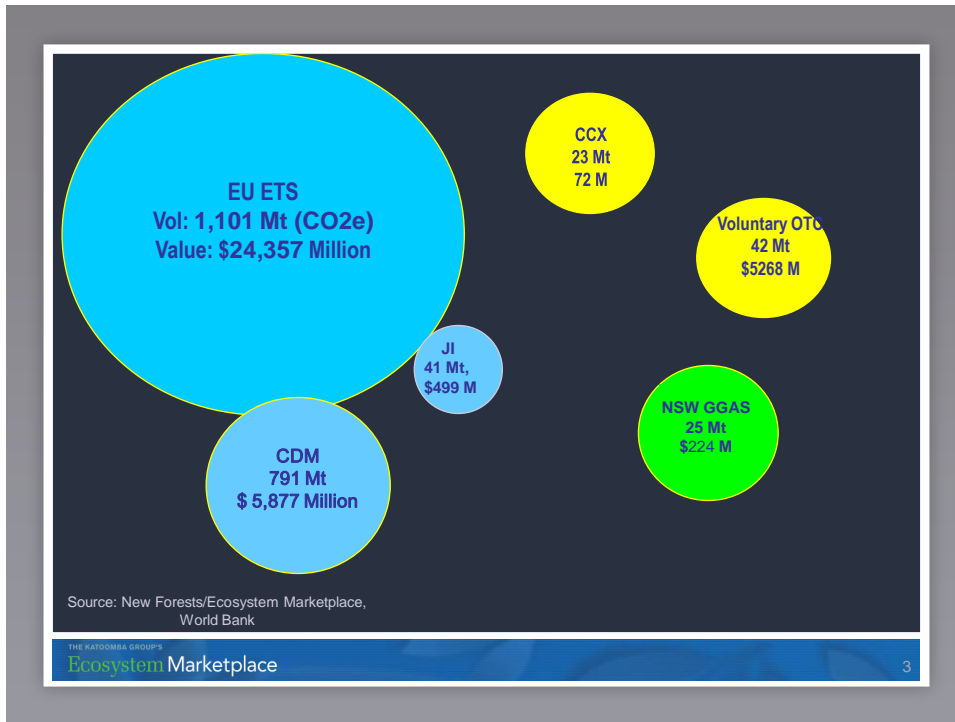
Key Principles of Carbon Markets/ Offsetting:

- Greenhouse gases circulate evenly around the earth
- Created to reduce GHG emissions at lowest price— which ideally allows more emission reductions
- Puts a price on GHG emissions
- Offset projects may include other env. or social co-benefits



Source: The Climate Trust

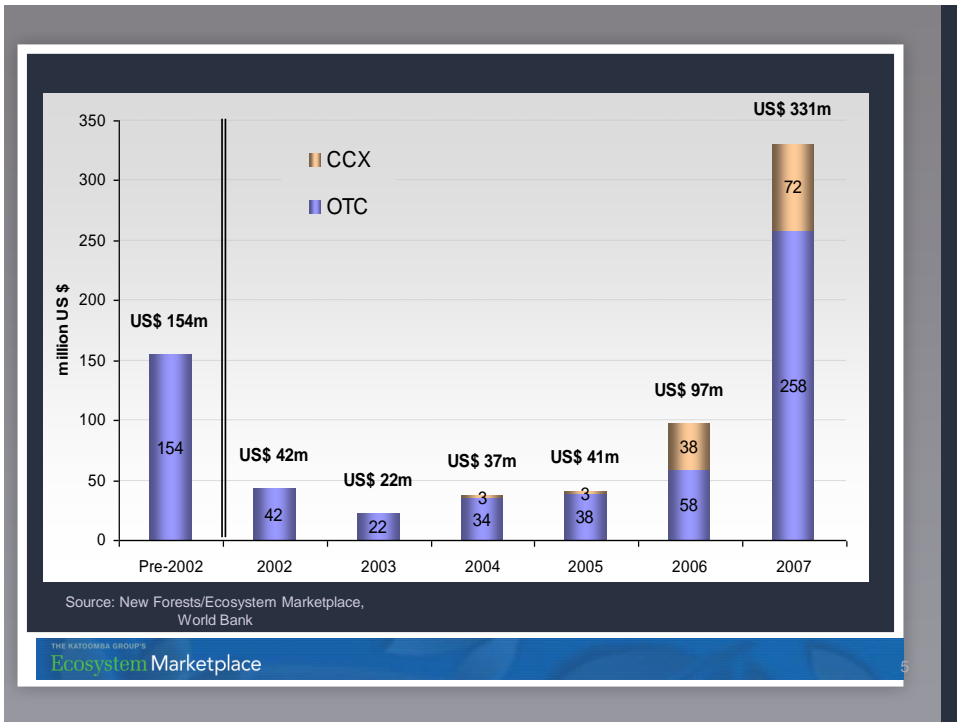
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The Voluntary Carbon Markets

The Chicago Climate Exchange (CCX)	“Over the Counter” Voluntary Carbon Markets
<ul style="list-style-type: none"> • Voluntary, but legally binding U.S. based Cap & Trade system • Membership based • Internal standards • Includes offset credits but also allowance based credits 	<ul style="list-style-type: none"> • Operating outside of any formal exchange • Scattered transactions • Almost completely offset based credits • Represents consumer demand for carbon offsets • Wild West/ Buyer beware

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Lessons for WQT markets

- Mental model
- Willingness to pay
- A distraction?
- Tool for education
- Incubator for testing new ideas
- Flux in market difficult for early movers
- Need for structure & certainty




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