

THE Emissions Trader

THE PRESIDENT'S CORNER...



A Publication of the Emissions Marketing Association
Serving the International Emissions Trading Community

VOLUME 3, ISSUE 2, APRIL 1999

We are working in an environment of accelerating change and challenge for emissions trading both domestically and internationally. In response, the Emissions Marketing Association has developed an educational program that draws on some of the best minds and key opinion leaders working in emissions trading today.

The EMA 3rd Annual Spring Meeting and International Conference, to be held June 14-16, 1999 at the San Diego Mission Valley Hilton in San Diego, California, USA, will offer the opportunity to participate in a conference with 18 hours of high quality educational content focused solely on emissions trading issues. The conference will deliver up to the minute analysis and informed perspectives on possible futures for emissions trading both domestically and globally.

The conference will begin with an intense overview of emissions trading covering SO₂, NO_x, OTC, SIP, GHG, and Risk Management.

We will follow up with presentations on topics such as...

- Market-Based Systems in Domestic Energy Policy
- Credit for Early Action Update
- How International Emissions Trading Works
- NO_x Market Analysis, and
- Trading Trends – SO₂ and NO_x

I am very pleased with the high quality of our scheduled and invited presenters, including **Dirk Forrister** – White House Climate Change Task Force, **John Palmisano** – Enron, **David Sandalow** – President's Council on Environmental Quality, and U.S. Senator **John Chafee**.

Both topics and presenters allow EMA to again deliver a high quality, high value educational conference with plenty of opportunities for interaction and networking. Please review the preliminary program for more details.

Our conference site, the San Diego Mission Valley Hilton in San Diego, California, USA, is centrally located and minutes from the Airport, Downtown, Old Town, and golf! We've secured a meeting rate of only \$140 for single or double occupancy. This rate will be available on a limited number of rooms and will only be available until May 17, 1999. So register early.

While the meeting dates are June 14-16, 1999, the special room rates are good June 11-17 to allow attendees the opportunity to mix business with pleasure. Make your reservation today by calling 1-800-733-2332 and asking for the Emissions Marketing Association meeting rate.

Visit the Hilton website www.hilton.com/hotels/SANMVHF/index.html for more hotel information and www.sandiego.org for area vacation and travel information.

You can register for the meeting using the enclosed mail/fax form or register online at www.emissions.org

And finally, I want to point out what I believe are extremely reasonable conference registration fees. These rates are made possible by a wealth of volunteer support and the inkind and financial commitment of our meeting cosponsors – EPA-Acid Rain Division, The Business Council for Sustainable Energy, Williams Energy Marketing and Trading, and our event sponsors – Natsource, Dynegy and EuroBrokers. Register early for the lowest rates. Even lower if you are an EMA member.

Looking forward to seeing you in San Diego!

DAN CHARTIER, dan.chartier@wepco.com

San Diego

EMA 3rd Annual Spring Meeting & International Conference

Mission Valley Hilton • June 14-16, 1999

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Business Council for Sustainable Energy

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EMA on the WEB

Did you know when you visit the EMA at www.emissions.org you can find the online member directory, past issues of The Emissions Trader, along with other helpful sites and publications including a trader's sample purchase and sale agreement?

Some of the sites you can link to at www.emissions.org include:

- Chicago Board of Trade
- New York Mercantile Exchange
- US EPA Acid Rain Home Page, EPA Allowance Tracking System Reports, and Federal Register On-Line.

Updates to the 3rd Annual Spring Meeting and International Conference will be posted on the web.



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3rd Annual Spring Meeting ***PRELIMINARY PROGRAM** and International Conference

EMISSIONS MARKETING ASSOCIATION

Serving the International Emissions Trading Community

JUNE 14-16, 1999 • MISSION VALLEY HILTON • SAN DIEGO, CALIFORNIA

June 13, 1999 – Sunday

4:00 PM - 6:00 PM – Registration Open
5:00 PM - 6:00 PM – Touching Base Reception

June 14, 1999 – Monday

8:00 AM - 5:00 PM – Registration Open
8:00 AM - 9:00 AM – Continental Breakfast
9:00 AM - 12:00 PM – **EMISSIONS TRADING 101**
Andy Ertel, Natsource; Carlton Bartels, Cantor Fitzgerald
12:00 PM - 2:00 PM – Luncheon - Sponsored by Natsource
**THE ROLE OF MARKET BASED SYSTEMS
IN DOMESTIC ENERGY POLICY** – Speaker TBA
2:00 PM - 2:15 PM – **Introduction - THE HISTORY OF CLIMATE
CHANGE Emissions Trading - Past & Present** – Speaker TBA
2:15 PM - 2:45 PM – **KYOTO PROTOCOL - FLEXIBLE MECHANISMS**
Dirk Forrister (invited), Whitehouse Climate Change Task Force
2:45 PM - 3:15 PM – **ENRON PERSPECTIVE ON GLOBAL
GREENHOUSE GAS EMISSIONS TRADING**
John Palmisano, Enron
3:15 PM - 3:30 PM – Break
3:30 PM - 4:30 PM – **AGENDA FOR INTERNATIONAL NEGOTIATIONS**
David Sandalow, President's Council on Environmental Quality
5:00 PM - 6:00 PM – **President's Reception - Sponsored by Euro Brokers**
Evening Open

June 15, 1999 – Tuesday

8:00 AM - 5:00 PM – Registration Open
8:00 AM - 9:00 AM – Continental Breakfast
9:00 AM - 10:30 AM – **HOW INTERNATIONAL
EMISSIONS TRADING GETS STARTED**
• Progress Towards Implementation of Domestic Greenhouse Gas Emission Trading Programs around the World
Eric Haites, Maragee Consultants, Inc, Toronto, Canada.
• Issues and Open Questions Under the Kyoto Protocol
Axel Michaelowa, Hamburg Institute for Environmental Research, Hamburg, Germany
• Implementing an Emissions Trading System within the Framework of Liberalizing Energy Markets in Europe
Liz Reason, ILEX, Oxford, United Kingdom
10:30 AM - 10:45 AM – Break

June 15, 1999 – Tuesday (continued)

10:45 AM - 12:15 PM – **CREDITS FOR EARLY ACTION –
DOMESTIC PERSPECTIVE**
• Industry View on Credit for Early Action – Speaker TBA
• Environmental Community Views on Credit for Early Action
Environmental Defense Fund – Representative TBA
12:30 PM - 2:00 PM – Luncheon – Sponsored by Dynegy
CREDIT FOR EARLY ACTION – LEGISLATIVE STATUS
U.S. Senator John Chafee (invited)
2:00 PM - 3:15 PM – **HOW INTERNATIONAL EMISSIONS TRADING WORKS**
• Three Greenhouse Gas Trades as Reviewed by the Three
North American GHG Trading Pilots
Brian Jantzi, Ontario Hydro, Toronto, Canada
• Model Registry for International Emissions
Jennifer Macedonia, US EPA
• Credit Trading: How Much at What Price?
Kenichiro Yamaguchi, Mitsubishi, Tokyo, Japan
3:15 PM - 3:30 PM – Break
3:30 PM - 4:30 PM – **HOW INTERNATIONAL EMISSIONS TRADING WORKS**
• Forest Conservation and Emission Offsets
Michael Coda, The Nature Conservancy
• The Prototype Carbon Fund
Charles DiLeva, The World Bank

Evening Open

June 16, 1999 – Wednesday

8:00 AM - 12:30 PM – Registration Open
8:30 AM - 9:30 AM – **NO_x MARKET ANALYSIS**
• Planning for Compliance with the NO_x SIP Call
Robert LaCount, Resource Data International
• NO_x Control Cost and NO_x Allowance Prices
Alex Farrell, PhD, Carnegie Mellon University
9:30 AM - 10:30 AM – **EFFECTIVELY COMMUNICATING EMISSIONS
TRADING CONCEPTS USING EMISSIONS TRADING
EDUCATION INITIATIVE (ETEI) TOOLS**
Andy Goodman, Communications Consultant, Los Angeles, CA
10:30 AM - 10:45 AM – Break
10:45 AM - 12:00 NOON – Panel Discussion – **TRADING TRENDS –
SO₂ AND NO_x, TALKING TO THE EXPERTS**
Steve Smith, Dynegy; Scott Kushnick, Enron; Kurt Kaminer, APS
Jeff Foose, Public Service Electric & Gas
12:00 NOON - 12:30 PM – **SULFUR ALLOWANCE TRADING AND RECLAIM:
HOW SIMILAR ARE THE PROGRAMS REALLY?**
Peter Zapfel, European Commission, Brussels, Belgium
12:30 PM – Meeting Concludes

*Speakers and Topics are subject to change.

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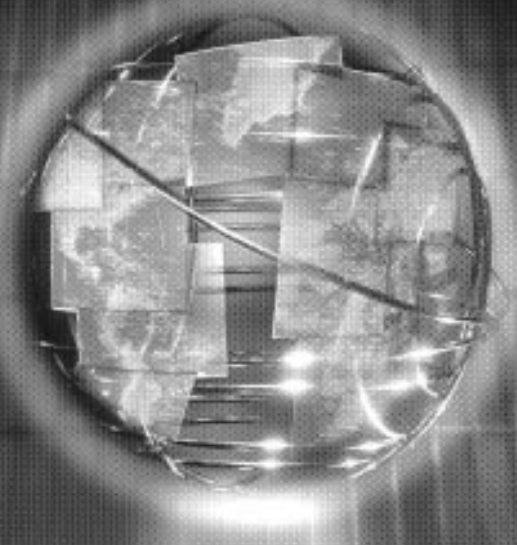
Our climate change/emissions reductions
expertise includes:

- Negotiator for the Climate Change Treaty and the Kyoto Protocol
- Advisor to governments and multilaterals for development of laws, regulations and institutions to facilitate climate change projects
- Counsel to U.S. multinationals for global environmental matters
- Advisor to leading renewable resource companies
- Power, energy and environmental development projects worldwide
- Complex cross-border project finance and securities capabilities, with both multilateral and private sector participation

130 East Randolph Drive, Chicago, IL 60601

For more information, contact David Hackett at 312-861-6640

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EMA Spring Meeting Factoids

Meeting Dates

June 14-16, 1999 – San Diego, California USA

Hotel

San Diego Mission Valley Hilton

Reservations

1-800-733-2332

Conference Rates

\$140 single or double occupancy

Hotel Deadline

May 17, 1999

Hotel Website

www.hilton.com/hotels/SANMVHF/index.html

San Diego Website

www.sandiego.org

Meeting Attire

Business Casual

Online Meeting Program Updates and

Online Registration

www.emissions.org

EMA 3rd Annual Spring Meeting &
International Conference
Mission Valley Hilton • June 14-16, 1999

Join EMA Today

The strength of any trade association is a reflection of the industry and the membership it serves. Your involvement through membership is key to the continued success of EMA.

Membership is open to anyone interested, involved and committed to emissions marketing and market-based trading solutions for environmental control.

Members receive substantial discounts on EMA programs, a subscription to Emissions Trader, listing in and a complimentary copy of the annual EMA Membership Directory, and periodic industry updates and communications.

Join by May 1, 1999 to be included in the EMA printed Membership Directory.

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Corinne Boone Joins EMA Board

EMA President Dan Chartier announced the election of **Ms. Corinne Boone** of Ontario Hydro as a member of the EMA Board of Directors. Corinne will be completing the unexpired term of **Leo Meyer**.

Corinne recently returned to Ontario Hydro's emissions trading group after a 15 month international assignment with Electricite de France (EDF) based in Paris. Ms. Boone served as Senior Advisor to the E7 Initiative which EDF chaired during the 1997-1998 period. As part of her responsibilities Corinne worked with international agencies involved in the UNFCCC process to move forward discussion on climate change issues and the Kyoto mechanisms.

Ms. Boone holds a Masters Degree in Environmental Studies with a focus on environmental economics and electricity planning.

Chartier expressed his pleasure with Ms. Boone's willingness to serve and noted her involvement would add to the international perspective of the Board. Chartier also expressed his appreciation and that of the Board for Leo Meyer's service to EMA and its success.

New Emissions Trader Columns

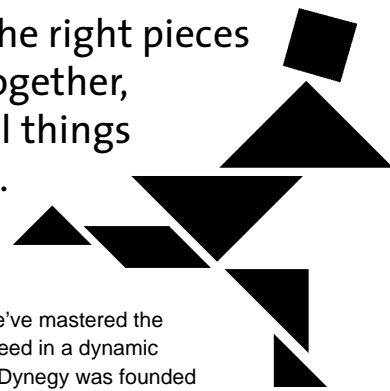
Commencing with the next issue of *Emissions Trader* two regular columnists will be featured in addition to our guest columnist. The authors of the regular column are **David Wojick, PhD** and **Mark Perlis, JD**.

Dr. Wojick analyzes air emissions and climate change issues for *Electricity Daily*. His consulting clients have ranged from the AES Corporation and Allegheny Energy, to the Chief of Naval Research and Greening Earth Society. At Carnegie Mellon University, Dr. Wojick helped found the Department of Engineering and Public Policy.

Mr. Perlis practices energy and environmental law with Dickstein Shapiro Morin & Oshinsky LLP in Washington, DC. Mark specializes in electricity industry restructuring, and SO₂, NO_x and international Greenhouse gas emissions trading. Mark chaired EMA's Spring Conference in May 1998 and is Vice-Chair of the American Bar Association's Special Committee on Climate Change and Sustainable Development,

Mr. Wojick and Mr. Perlis' columns will appear in the three "members only" editions of the Trader. Nonmembers will continue to receive the conference issues of the Emissions Trader in the Spring and Fall.

When the right pieces
come together,
powerful things
happen.



At Dynegy, we've mastered the ability to succeed in a dynamic marketplace. Dynegy was founded as a natural gas marketing company during the mid-80's when deregulation was transforming the industry. We recognized opportunity for growth then, and we're seeing it again with the deregulation of the power industry.

With a focus on maximizing value for our customers, partners and shareholders through an asset-centered strategy, we are positioned to answer the challenges of an industry experiencing the effects of change. Find out more about Dynegy by calling 1-800-922-2104 or visiting our Web site at www.dynegy.com.



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IN THIS ISSUE

President's Corner

Spring Conference Program

New EMA Board Member

ETEI Launch

New Trader Columns

San Diego Factoids

ETEI Launch

The rollout of the **Emissions Trading**

Education Initiative will take place

June 16, 1999 as part of the EMA

3rd Annual Spring Meeting and

International Conference to be

held in San Diego, CA, USA. The launch will include an informative

presentation by Mr. Andy Goodman, a Los Angeles, CA based communica-

tions consultant. Goodman will speak on effective communication strategies

in the telling of the emissions marketing success story. The presentation will

also feature the screening of the new Emissions Trading Video. Concurrent

with the ETEI launch will be "opening" of the ETEI Website.



Emissions Trading
Education Initiative

EMA End of 1998 Financial Summary

The Emissions Marketing Association completed 1998 with a net bottom line of (\$6,913) – unrestricted. This was a result of \$212,740 in income and \$219,653 in expenses. EMA finished fiscal 1998 with retained earnings of \$6,671 – unrestricted. In summary, the Audited Financial Statement showed the following:

Revenue

Membership Dues	\$45,525
Grants & Corporate Support	\$53,453
Interest	\$502
Meeting Income	\$113,260
Total Revenue	\$212,740

Expenses

ETEI Project	\$57,678
Meetings Expenses	\$57,784
Other Program Expense	\$9,023
Management and Support Services	\$95,168
Total Expenses	\$219,653

EMA members may receive a copy of the Audited Financial Statement by contacting Dave Feldner at 414-276-3819

EMA Mission

EMA was founded to foster market-based trading solutions for environmental control. EMA promotes the advancement and application of policy and regulation relevant to market-based emission trading systems. EMA encourages and facilitates information exchange among members and other professional and technical groups, and the public. EMA provides programs in education and training to improve knowledge and skills of members and the public.