

Table 11.4 – Market Price Indices for Emissions Trading in the South Coast Air-Quality Management District

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2005</u>	<u>2010</u>
Market Price Indices ¹										
RECLAIM Trading Credit (\$/lb) ²										
Nitrogen Oxide	0.05	0.08	0.20	0.90	42.69	11.11	0.70	0.62	3.00	3.00
Sulfur Dioxide	0.15	0.08	0.34	0.29	1.14	6.82	4.00	2.25	3.04	2.84
Emission Reduction Credit (\$/lb/day) ³										
Nitrogen Oxide	2,070	2,908	4,515	4,560	7,675	16,809	8,000	8,458	NA	NA
Sulfur Dioxide	1,367	1,740	1,687	1,687	3,721	7,184	7,500	7000	NA	NA
Particulate Matter (<10 microns)	2,418	1,947	1,981	3,175	6,942	19,030	22,000	25000	NA	NA
Reactive Organic Gas	1,075	754	744	735	1,904	1,869	1,475	1100	NA	NA
Carbon Monoxide	NA	NA	NA	NA	1,000	7,259	7,000	7000	NA	NA

Source: Cantor Fitzgerald EBS, SCAQMD RTC/ERC MPI History, <http://www.emissionstrading.com>.

Notes:

¹ Market Price Indices (MPIs) reflect current market conditions for a particular date. Dates used here are end of year: 11/12/96, 12/29/97, 12/21/98, 12/27/99, 12/28/00, 12/7/01, 12/19/02 and 12/19/03. 2005 and 2010 prices as of 12/30/03 for all NOx products, 7/29/03 for 2005 SOx RTCs, and 07/02/03 for 2010 SOx RTCs. Prices are an average of the most recent price, lowest bid, and highest bid for RTC and ERC transactions executed by Cantor Fitzgerald and/or reported by the South Coast Air Quality Management District (SCAQMD) for 2,000 pounds or more of RTCs or 10 lbs/day or more of ERCs. SCAQMD was chosen because it is the region with the greatest number of emissions traded.

² In the RECLAIM program, the RECLAIM Trading Credit (RTC) is a limited authorization to emit a RECLAIM pollutant in accordance with the restrictions and requirements of the RECLAIM rules. Each RTC has a denomination of one pound of RECLAIM pollutant and a term of one year, and can be held as part of a facility's Allocation or alternatively may be evidenced by an RTC Certificate.

³ Emissions Reduction Credits (ERCs) are reductions in emissions that have been recognized by the relevant local or state government air agency as being real, permanent, surplus, and enforceable. ERCs are usually measured as a weight over time (e.g., pounds per day or tons per year). Such rate-based ERCs can be used to satisfy emission offset requirements of new major sources and new major modifications of existing major sources.