

CCX[®]

PROGRAM OVERVIEW

Global climate change is one of the most pressing environmental issues facing our world and future generations. Climate change is associated with the direct and indirect emission of greenhouse gases (GHGs), primarily through combustion of carbon-based fossil fuels. To address this problem and achieve GHG reductions, CCX operates the world's first and North America's only active voluntary, legally binding integrated trading system to reduce all six greenhouse gases, with offset projects worldwide.

CCX employs independent verification and has been trading GHG emissions contracts since 2003. CCX Members include large corporations such as DuPont, Ford Motor Company, Amtrak, Baxter, Bayer, International Paper, Safeway, IBM and Premium Standard Farms; utilities such as American Electric Power, Green Mountain Power and TECO Energy, universities such as Tufts University and the University of Minnesota; nongovernmental organizations such as the World Resources Institute and Rocky Mountain Institute; and public sector entities such as the State of New Mexico, King County, Washington and the cities of Chicago, Illinois; Portland, Oregon; and Oakland, California (see www.chicagoclimateexchange.com for a full list of updated Members).

Goals:

- To facilitate the transaction of GHG allowance trading with price transparency, design excellence and environmental integrity.
- To build the skills and institutions needed to cost-effectively manage GHGs.
- To facilitate capacity-building in both public and private sectors to facilitate GHG mitigation.
- To strengthen the intellectual framework required for cost effective and valid GHG reduction.
- To help inform the public debate on managing the risk of global climate change.

CCX Reduction Commitments:

Phase I

Baseline Period: average of emissions from 1998-2001

Reduction Commitment Period: 2003-2006

Compliance Reduction Commitment: 4% reduction below Baseline by end of 2006 (Phase I Members also in Phase II will add 2% to overall reduction commitment)

Phase II

Baseline Period: average of emissions from 1998-2001, or single year 2000

Reduction Commitment Period: 2007-2010

Compliance Reduction Commitment: 6% reduction below Baseline by end of 2010

Members that exceed reduction targets may sell surplus allowances (CFI™ contracts) or bank them for future use. Members that do not meet reduction targets must buy allowances to come into compliance.

For additional information, see www.chicagoclimateexchange.com.

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