



Climate Change

EMISSIONS TRADING, CARBON MARKETS, & OFFSET PROJECT DEVELOPMENT

More and more companies and investment firms are participating in environmental credit markets, including regulated and voluntary markets for carbon and other greenhouse gas emission reductions and renewable energy credits. Companies' motivations for participating in these markets include:

- Complying with international, national, state, or local mandates - or hedging against the risk of future mandates.
- Demonstrating corporate social responsibility to customers or shareholders;
- Gaining experience in new markets.
- Taking advantage of emerging investment opportunities in new "green" or clean energy and technology markets.
- Monetizing emission reduction or sequestration activities.

Comprehensive Services to Environmental Market Participants

Van Ness Feldman's emissions trading and emissions reduction project development practice integrates decades of environmental, energy, and transactional experience for the benefit of our clients. With one of the largest and most diversified energy practices in the U.S. (including an active renewable energy practice), we bring unique perspective and value to trading transactions and emissions reduction projects.

Since 2000, we have advised on environmental markets transactions for over 50 million credits and voluntary emission reductions (VERs). A December 2007 survey of over 900 emissions trading market participants by *Environmental Finance* ranked Van Ness Feldman as a leading law firm in GHG Emissions, North American Markets.

Among other services, we help clients:

- Formulate and implement emissions trading strategies.
- Develop projects and structure commercial transactions.
- Understand how greenhouse gas emissions trading can fit within a comprehensive corporate climate change (or portfolio management) strategy.
- Work with third-party project developers, financing sources, brokers, verifiers, and regulators to ensure that credits are marketable and properly documented.

- Form joint ventures and other vehicles to maximize financing and bring together complementary assets and capabilities.

The firm's deep expertise in environment, energy, and natural resources issues allows us to understand not just the transactional elements but also the underlying projects.

Our emissions trading experience extends to a variety of different types of project activities, including: bagasse generation; coal mine methane capture; landfill methane capture; reforestation, afforestation, and avoided deforestation; gas flaring, fuel switching, and geothermal energy.

Our Clients

We advise buy-side and sell-side U.S. and international market participants, including: energy companies and utilities; emerging clean technology ventures; chemical and metals companies; hedge, venture capital and private equity funds; renewable project developers; market intermediaries; and others.

Representative Greenhouse Gas Emissions Trading Advisory Work

- For an international climate change investment group, counseling and drafting a master agreement for the sale of retail renewable energy certificates, and representing the client in the purchase of carbon dioxide equivalent sequestration rights from a project that will involve grassland restoration and/or preservation.
- Representing a trading company in a series of transactions in which it made a forward purchase of Kyoto Protocol Certified Emission Reductions (CERs) from three bagasse energy projects in Latin America and then sold the bundled credits to an electric power company in an Annex I country.
- For an international investment fund, counseling on purchase of approximately 250,000 emission reduction units that are certified under the Voluntary Carbon Standard and/or Kyoto Protocol Clean Development Mechanism, from a waste incineration and power generation plant in the People's Republic of China, and counseling on a Voluntary Emission Reduction Purchase Agreement (VERPA) for the sale of 10,000 verified emission reduction units generated from a wind power generation project located in the People's Republic of China.
- For an international investment fund, advising on a three-party Emission Reduction Purchase Agreement (ERPA) for the purchase of the output CERs from seven manufacturing facilities in the People's Republic of China.
- For the Climate Cent Foundation of Switzerland, serving as primary outside counsel for all emissions trading transactions. The Foundation has committed to contracting 6 million tons of Kyoto credits by mid-2008.
- For an international emissions trading consulting firm, drafting a VERPA for the purchase of approximately 300,000 emission reduction units that are certified under the Voluntary Carbon Standard from a hydroelectric power project located in near Asia.
- For a carbon fund, drafting and advising on an Emission Trading Master Agreement for the European Union Emissions Trading Scheme.
- For a UK investment fund, advising on an ERPA for the purchase of approximately 750,000 Certified Emission Reductions from an electricity generation project in Southeast Asia.

- Serving as counsel to PowerTree, a limited liability company that purchases verified emission reduction credits from forestry projects on behalf of two dozen power companies.
- For a multinational energy company, providing counsel on sales of Kyoto Protocol Certified Emission Reductions from a geothermal project and a gas flaring project, both located in Southeast Asia.
- For an oil company, analyzing potential competing claims for ownership of emission credits resulting from carbon sequestration/enhanced oil recovery projects in which the company is participating.
- For a manufacturer in Latin America, providing counsel on the company's sale of Kyoto Protocol Certified Emission Reductions to an international financial institution.
- Counseled a Southeast asian manufacturing company on the sale of the company to an international carbon fund. The company owns a Clean Development Mechanism project expected to generate approximately 2 million CERs through 2012, including "prompt start" CERs.
- Advising a company on its participation in the Chicago Climate Exchange.
- For a carbon asset management fund, advising on the creation of standard ERPAs from perspectives of both the Buyer and Seller.