



# Carbon Credit Pricing

Carbon Emission Reductions (CERs), European Reduction Units (ERUs), and European Union Allowances (EUAs) demand the highest price. One of the primary reasons is the considerable 'maturity differences' of markets and recognition of certification standards. Carbon offsetting education levels vary greatly from country-to-country as do buyer needs (e.g. individuals offsetting a flight or corporate social responsibility). This combination affects the price that certified carbon credits can attract voluntary markets.

These two carbon credits are all well established and have a strong demand and supply. CERs/ERUs are also tradable via the Kyoto Emissions Trading level.

CERs/ERUs are currently trading at US\$20.72 (13.85 Euro) while EUAs are trading at US\$21.60 (14.44 euro) on the European Climate Exchange. (October 15, 2009). Both credits are regulatory, not voluntary. [Click here for current prices.](#)

The UK, who are set to introduce their Carbon Reduction Commitment (CRC) Energy Efficiency Scheme for businesses and organizations which are heavy energy consumers but are not covered under existing regulations, such as the EU Emissions Trading Scheme have capped the price of carbon to soften the impact over the three-year introductory phase at US\$19.27 (£12).<sup>1</sup>

This is an extremely strong indicator that the price of carbon will continue to rise in strong markets.

In comparison, voluntary credits are trading at a lower level. This can be attributed to market maturity, in that many voluntary markets are less mature and in countries or regions where carbon trading is in its infancy.

The Chicago Climate Exchange (CCX) has dropped significantly recently to US\$0.10-\$0.15 due to concern that the credits would not be allowed in the expected US Trading Scheme. Voluntary trading on the CCX only accounts for 13%.

GS VERs currently ranges from US\$7.50-\$9.00 while VCU's are fetching US\$2.75-\$3.50 in China and US\$4.00-\$5.50.