



IETA Members as of October 2010

1	Accord Energy Ltd.	56	Electricity Supply Board (ESB)
2	AENOR	57	EnBW Trading GmbH
3	AES Corporation	58	Endesa
4	Akin Gump Strauss Hauer Feld LLP	59	Eneco
5	Alstom Power	60	Enel
6	American Electric Power (AEP)	61	Eni S.p.A.
7	APX Inc.	62	Environmental Resources Management (ERM)
8	Alpig	63	E.ON AG
9	Baker & McKenzie	64	ERA Ecosystem Restoration Associates, Inc
10	Bank of America Merrill Lynch	65	Ernst & Young
11	Barclays Capital	66	Eskom
12	Bennett Jones LLP	67	Essent
13	Beveridge & Diamond PC	68	Eurex Frankfurt AG
14	BlueNext	69	Evolution Markets
15	BNP Paribas	70	First Climate
16	Booz + Company (U.K.) Ltd.	71	Forest Systems
17	Borden Ladner Gervais LLP	72	Fortum Power and Heat
18	BP	73	FPL/NextEra Energy
19	Bureau Veritas	74	Gas Natural SDG, S.A.
20	Camco	75	Gazprom Marketing & Trading Ltd. GDF Suez
21	Capital Power Corporation	76	GDF Suez
22	Carbondesk Ltd.	77	General Electric Company
23	Carbonflow	78	Genesis Energy
24	Carbontrust Ltd.	79	Goldman Sachs International
25	Cargill International S.A.	80	Green Resources
26	CDC Climat	81	GreenStream Network Ltd.
27	Cemex	82	Gujarat Fluorochemicals Ltd.
28	CEZ a.s.	83	Hess Corporation
29	Chevron	84	Holcim
30	China Oil (Hong Kong) Corp. Ltd.	85	Hunton & Williams LLP
31	Citigroup Global Markets Ltd.	86	Iberdrola Generacion
32	Clifford Chance	87	IDEA Carbon Ltd
33	Climate Cent Foundation	88	IHS Inc.
34	Climate Change Capital Ltd.	89	Industrial Technology Research Institute
35	Climate Exchange Plc.	90	Innovative Energy Group Ltd.
36	Climex	91	International Paper
37	Climos Inc.	92	Italcementi Group
38	CLP (China Light and Power) Holdings Ltd.	93	Japan Quality Assurance Organization
39	ConocoPhillips	94	J-Power
40	Covington & Burling LLP	95	JP Morgan Chase Bank N.A.
41	Credit Agricole CIB	96	Kansai Electric Power Co. Inc.
42	Credit Suisse	97	KDF Energy S.R.L.
43	De Brauw Blackstone Westbroek	98	KO Brokers
44	Deloitte and Touche	99	Korea Carbon Finance, Inc.
45	Det Norske Veritas (DNV)	100	KPMG
46	Deutsche Bank	101	Lafarge
47	Dewey & LeBoeuf	102	Linklaters
48	Dow Chemical Company	103	Lloyds Register
49	Drax Power Ltd.	104	Macleod Dixon LLP
50	Dresdner Kleinwort	105	Marubeni Corporation
51	Duke Energy	106	MASDAR
52	EcoSecurities Group Ltd.	107	Mercuria Energy Trading SA
53	EDF Trading	108	MGM International
54	Emipol Solution Nig. Ltd.	109	Mitsubishi Corporation
55	Edison Trading S.p.A.	110	Mitsui & Co., Ltd.



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111	Morgan Stanley & Co.	141	Standard Bank
112	Natixis Environment & Infrastructures / ECF	142	Statkraft
113	Natsource	143	StatoilHydro
114	Nexen Inc.	144	Sumitomo Corporation
115	Noble Group Ltd	145	Suncor
116	Nomura International Plc.	146	Syngenta Foundation
117	Nörr Stiefenhofer Lutz	147	The Carbon Neutral Company
118	Norsk Hydro ASA	148	The Clark Group
119	Norton Rose	149	The Green Exchange
120	Ontario Power Generation	150	The Rock and Partners
121	Orbeo	151	Total
122	Origin Energy	152	Toyota Motor Marketing Europe
123	Pakarab Fertilizers (Pvt.) Ltd.	153	Trading Emissions PLC
124	Perry Johnson Registrars CDM	154	TransAlta Corporation
125	Petrobras	155	TransCanada Corporation
126	PointCarbon	156	Tricorona
127	Poyry AS	157	TÜV SÜD
128	PricewaterhouseCoopers	158	TUV NORD
129	Quimobasicos S.A. de C.V.	159	Vale
130	RBS Semptra Commodities	160	Van Ness Feldman, PC
131	Repsol YPF	161	Vattenfall AB
132	Rhodia	162	Vattenfall Energy Trading Netherlands N.V.
133	Royal Bank of Canada	163	Veolia Environment
134	Rio Tinto	164	Viterra Inc.
135	RWE Supply and Trading GmbH	165	Xcel Energy
136	Scottish Power Energy Management		
137	SGS Société Générale de Surveillance		
138	Shell International Ltd.		
139	Sindicatum Carbon Capital		
140	SRF Limited		

The Role of Exchanges and OTC in Nascent Markets– November, 2010



Background

- The Melby Group is an international management consultancy that provides strategic and operational services to clients in energy and environmental markets
- The Melby Group serves as an advisor to the Green Exchange, which is a leading environmental futures and options exchange¹
 - The 12 founders of the Green Exchange include CME Group, Constellation NewEnergy, Credit Suisse Energy, Evolution Markets, Goldman Sachs, ICAP Energy, J.P. Morgan Ventures Energy, Morgan Stanley Capital Group, RNK Capital, Spectron Energy, TFS Energy, Tudor Investment, and Vitol

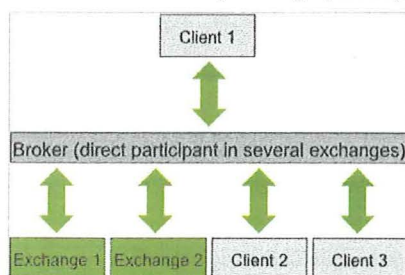
¹ The U.S. Commodity Futures Trading Commission (CFTC) approved the Green Exchange as a designated contract market (DCM) on July 22, 2010. Contracts on emissions allowances and credits in CO₂, NO_x, and SO₂ will continue to be listed for trading by NYMEX until they are transferred to the Green Exchange on January 24th, 2011.

Two Models

Rules Change as the Market Matures

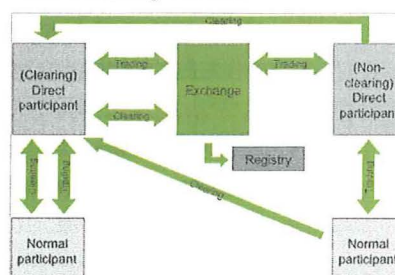


The Broker Model (clearing optional)



- Most prominent in thin, developing markets, and/or for complex transactions
- Clients might ask broker to find a counterparty
 - Via a specific exchange
 - B2B/outside exchange

The Exchange Model



- Usually become primary marketplace as markets become standardized and more liquid
- Exchanges help standardize contracts, reduce transaction costs, and provide credit protection

Not mutually exclusive nor necessarily competitive as many brokered deals often are executed in part and/or cleared using the exchange's clearing services

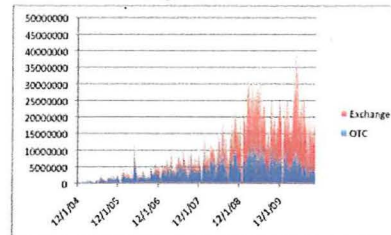
Point of Transaction

Changes as the Market Matures

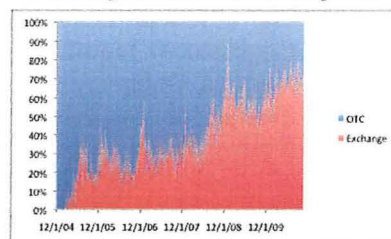


- More Liquid European Markets are Mainly on Exchanges
 - In Europe, the carbon products have become more standardized (especially EUAs and CERs) and volume has increased, which has led to more of the transactions occurring on the exchange
- Nascent U.S. Carbon Market Transactions are Mostly Brokered Today
 - At this point, the U.S. market remains illiquid and the types of transactions are often more complex (e.g., customers need to make educated assumptions on which projects will qualify in the future)

Exchange & OTC Volume



Percentage Transactions Exchange/OTC



Benefits of Exchange Transactions



- As markets mature, exchanges offer many benefits over traditional bilateral transactions, including:
 - reduced credit risk,
 - increased market liquidity,
 - efficient use of credit through cross-position and cross-commodity netting,
 - capital efficiency through margin offsets across asset classes,
 - faster transactions in fast-moving markets,
 - anonymity of trading, and
 - a potentially less cash-intensive way to comply with the Dodd-Frank Act.

For more information, please contact:
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