

eBay Carbon Permits

The first market for
individual carbon
permits

gCO2e.com

16 April 2007

The Auction - Overview

- Run a weekly Auction
- Selling permits to emit CO₂
- 100% used to fund zero carbon programs

Why The Auction - Rationale

- Carbon pollution is causing global warming, this is publicly clear
- But good living now, is still a bigger motivator than future welfare
- So politics is waiting for clearer public demand for a price on the climate
- But the public still do not recognise a price is needed
- A chicken and egg in search of leadership

Why The Auction – Process

- Public engagement is needed urgently
- A “gimmick” might spur the public to take part
- Mandatory carbon pricing systems are not
 - Being taken seriously politically
 - Including the public
 - Recognised by the public

Why The Auction - Outcomes

- A successful auction will help people make the link between price and climate
- It will raise consciousness levels, pollution does cost
- The thought process will secure attention and foster demand for real political action
- There is nothing to lose
 - Its not mandatory
 - Its as cheap as you want to bid
 - Except a denial of the problem

How to Bid

- Enter “CO2 permit” in an eBay search
- Then just bid for it
- Its extremely cheap £0.57 starting price of the inception auction 13 April 07
- Watch and bid till the following Sunday when the auction closes

The Auction - What it Is

- A gimmick or publicity stunt to reset the public mind on the external cost of pollution
- A thought process experiment
- Ask people if polluting for free is right
- If not ask if people want to start paying for it
- If so, ask what the price should be
- Not for profit

The Auction - What It Is Not

- Solving the climate problem
- Creating a regulated market for carbon emissions
- A profit making exercise

Auction Roadmap

- Inception Auction – A single Permit
 - Auction closes Sunday 15-Apr-07 15:56:15
- On success – ramp up the permits
- Solicit feedback for a better auction
- Secure eBay support for intangible assets

FAQ (to be fulfilled)

- Is this a serious program
- What is it exactly
- What good is it if voluntary
- Why bother if not connected to targets
- Will eBay support it
- Who are the sellers...fraud
- Who are the bidders
- Where does the carbon come from
- What is gCO2e.com

For Further Information...

- For more info call Robin Smith
 - robin@gco2e.com
 - 07786078836
- eBay Carbon Auction Rationale
 - www.gco2e.com/auction/eBay_Carbon_Permit.pdf
- eBay Carbon Permits Guidance Notes
 - www.gco2e.com/auction/eBayGuidanceNotes.doc
- More Carbon Trading Information
 - www.gco2e.com/auction/eBaycarbontradinginf.doc

Who to call - Marketing

- Redo political connections
- Redo media connections
- Redo academic connections
- Redo CRAG connections
- Do friends

Inception Auction - Results

- Starting price £0.56
- Selling price £2.56
- 10 bids made
- 4 bidders took part
- 121 interested watchers

Inception Auction – Take Always

- 500% upside on EU Carbon Market
- High turnout, 121 interested watchers, but most too coy to bid
- Needs much more education/publicity
- No last minute bidding frenzy
- Negative response from the converted

Inception Auction – Next Steps

- Education and publicity are key
- Get an article online and in print, for a larger audience
- Follow it up with a second auction
- Monitor novelty value status
- Make much more of the 'gimmick value'
- Make it interesting to people who don't think it's worth bidding for otherwise

Next Auction

- Starting price w/e 13APR07 €0.75 or £0.68
 - Down €0.08 or 10% on the week
- Date
 - TBD
- # of permits
 - TBD

Inception Auction – What Would it Buy

- UK Per capita that would have raised £17Bn for the exchequer towards a zero carbon economy. That would be about
 - 10 new nuclear power stations or 10gW of low carbon energy supply
 - 13000 new wind turbines or 4gW of low carbon energy supply
 - Build 17 new carbon capture and storage coal fired power stations, supplying 14gW of low carbon energy supply saving 80% carbon emissions over traditional coal fired plants
 - Supply 5 million homes (or 18% of the UK housing stock) with solar thermal power to supplement their hot water energy demand
 - Complete a new rail transport and freight infrastructure for a railway that works
 - Go a very long way to resolving the Nuclear fusion pathway, with 2 more experimental reactors
 - Go further still to resolve the hydrogen fuel cell R&D shortfall
- OR Redistribute into the economy and reduce council tax by 70% overall. Poorly behaved emitters will be seen as social pariahs