

**Table of Contents**

Acronyms and Abbreviations.....	5
Introduction .....	8
Summary.....	10
Overview of Global Carbon Restrictions.....	15
Climate Change .....	15
The Kyoto Protocol .....	17
The Impact of Climate Change on Energy.....	18
Carbon Reduction Mechanisms .....	21
Types of Carbon Credits .....	21
Types of Carbon Reduction .....	23
Overview of Carbon Trading .....	26
Carbon Trading Under Kyoto .....	27
Economic Benefits of Carbon Trading .....	27
Carbon Reduction and the U.S. Electric Power Industry.....	29
Methods for Reducing Carbon Emissions in the Electric Power Industry .....	29
The Impact of Carbon Reduction on Electric Prices .....	31
The Impact of Carbon Reduction on Industry Revenues .....	37
The Impact of Carbon Restrictions on Renewable Energy .....	39
The Current State of the Carbon Market .....	41
European Union Emission Trading Scheme .....	41
New South Wales GHG Abatement Scheme.....	42
Chicago Climate Exchange.....	42
Regional Greenhouse Gas Initiative .....	42
Industry Efforts to Reduce Carbon Emissions.....	44
Climate VISION Partnership .....	44
Climate Leaders.....	45
DOE Regional Carbon Sequestration Partnerships.....	46
FutureGen.....	47
Voluntary Reporting of Greenhouse Gases Program .....	48
Chicago Climate Exchange.....	48
International Power Partnerships.....	49

International Utility Efficiency Partnership.....50  
PowerTree Carbon Company .....50  
UtiliTree Carbon Company .....50  
Utility Forest Carbon Management Program.....51  
Other Industry Efforts.....51