

## ***February 23, 2001 SO2 and OCT NOx EA Market Price Indices:***

**SO2 EA MPI UP 7.54%**  
**NOx EA PRICES LEVEL OFF**

### **Welcome to TradeSpark, the superior neutral marketplace for energy traders.**

Now you can take advantage of the B2B revolution with TradeSpark – the world's most comprehensive neutral exchange for energy marketers. With TradeSpark's proven real time trading platform, you can solicit and execute trades with unprecedented speed, efficiency and cost-savings versus traditional voice-based trading.

### **What are the TradeSpark SO2 and NOx MPIs?**

The TradeSpark Market Price Indices (MPIs) are prices that reflect current market conditions for Clean Air Act Title IV SO2 and Ozone Transport Commission NOx emission allowances (EAs). The MPI is an average of the following three numbers (where available) (*Note: fees and commissions are not factored into the MPI*):

- **Recent price** - prices from the most recent transactions (sales, swaps, and options) either executed by TradeSpark and/or reasonably believed by TradeSpark to have occurred. Also note that the MPI does not include transactions that are reported as retirements or facility changes of ownership because such transactions may not be reflective of current market conditions.
- **Lowest offer price** - lowest price, reported to TradeSpark, at which a seller is willing to sell.
- **Highest bid price** - highest price, reported to TradeSpark, at which a buyer is willing to buy.

**Note: All information contained here is obtained by TradeSpark from sources believed to be accurate and reliable. However, because of the possibility of human and mechanical errors, as well as other factors, such information is provided "as is" without warranty of any kind and TradeSpark, in particular, makes no representation or warranty as to the accuracy, timeliness, or completeness of this information. Under no circumstance shall TradeSpark have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling interpreting, analyzing, editing, transcribing, transmitting, communicating, or delivering any such information, or (b) any direct, indirect, special, consequential, or incidental damages whatsoever even if TradeSpark is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, any such information. The data and information contained herein are, and must be construed solely as statements of opinions and not statements of fact or recommendations to purchase, sell, or hold SO2 or NOx EAs. All prices are merely indications of interest, do not represent firm bids and offers, and their terms are subject to change without notice. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH DATA OR INFORMATION OR OTHER OPINION IS GIVEN OR MADE BY TRADESPARK IN ANY FORM OR MANNER.**

For info on trading RTCs, ERCs, DERs, or Sewerage Facilities Charge Credits please visit [www.emissionstrading.com](http://www.emissionstrading.com)  
or call 1-800-228-2955 ext. 1,2,5

For info on trading NOx OTC Allowances, and SO2 Allowances call (212) 938-4250 and for Greenhouse Gas Credits (212) 938-8700  
>\$2 Billion have been transacted by Cantor Fitzgerald in > 24 different air credit markets.

If you would like to receive this bulletin as an email attachment in Adobe format please fax this to 212-938-4252 with your email address listed below, or send an email to [jpiver@tradespark.com](mailto:jpiver@tradespark.com).

Don't want to get this anymore? No problem!

Tell us by checking the box below and faxing this back to 212-938-4252:

☐ Stop sending this to me. Give us your name, company, and fax number: \_\_\_\_\_

**For More Information Call (212) 938-4250 or visit our new website at [www.trade-spark.com](http://www.trade-spark.com)**

02/23/01

## TradeSpark SO2 Market Price Index and News

### TRADESPARK MARKET PRICE INDEX:

**\$170.95**

(Call 212 938-4250 for description)

	<u>Bids *</u>		<u>Offers *</u>		<u>Trades</u>	<u>MPI</u>
Price/Volume	2,500	@ <u>\$170.00</u>	2,500	@ <u>\$175.00</u>	<u>Not listed</u>	
Weighted Average		\$170.00		\$175.00	\$167.85	<b>\$170.95</b>

Bid and offer for vintage 2001 allowances.

### Immediate Settlement:

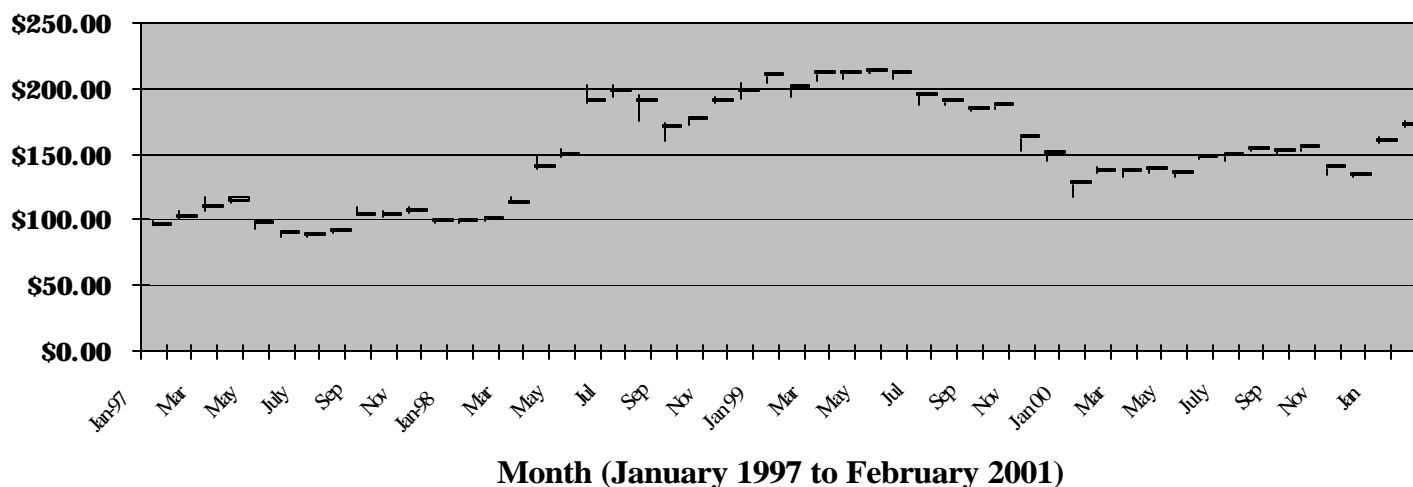
<u>Term</u>	<u>Vintage</u>	<u>Best Prices (\$/Allowance)</u>		<u>Maximum Volume</u>		
		<u>Bid to Buy</u>	<u>Offer to Sell</u>	<u>Bid</u>	<u>Offered</u>	
1 year	2001	\$170.00	\$175.00	2,500	2,500	Allowances
1 year	2002	\$168.73		2,500		Allowances
1 year	2003	\$167.90		2,500		Allowances
1 year	2004	\$162.68		2,500		Allowances
1 year	2005	\$159.62		2,500		Allowances

### Swaps:

<u>Swap Rates against vintage 2001 allowances</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Offer	0.75%	1.25%	4.50%	6.50%

Ratios for base years other than 2001 are available upon request

### TradeSpark SO2 MPI (\$/ton) Monthly Price Index Bracketed By Bid Offer Spread



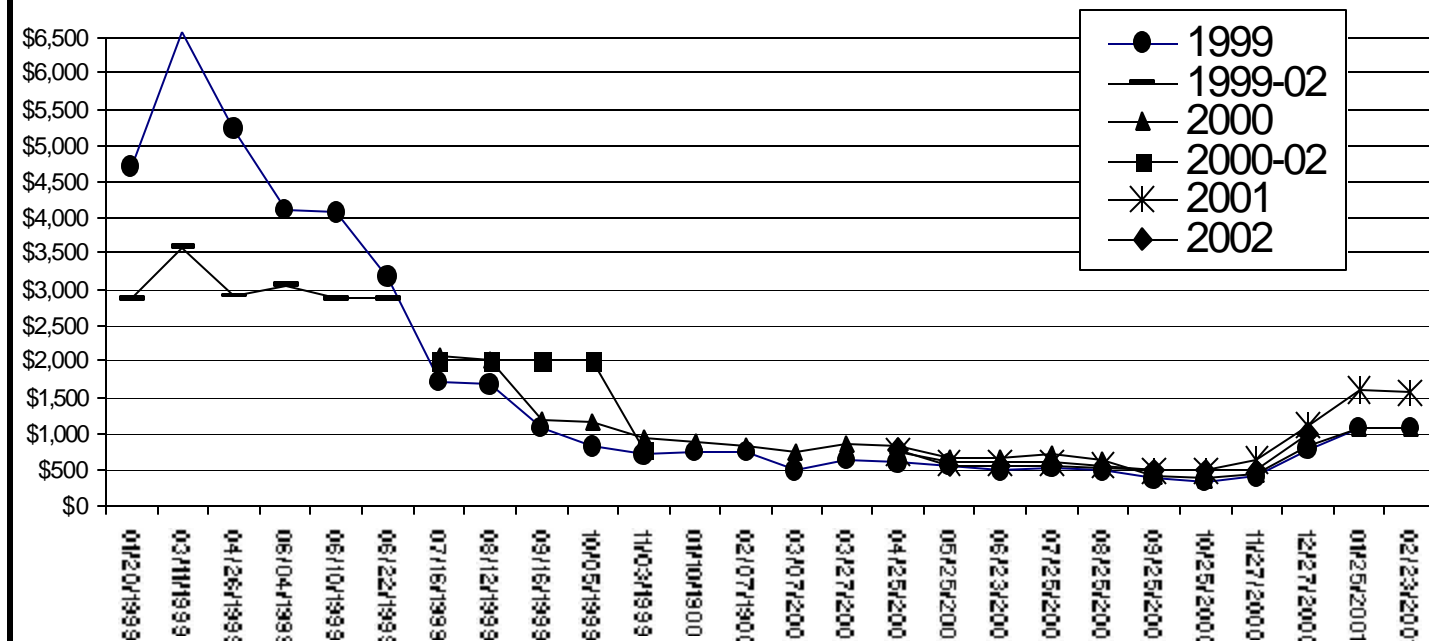
**SO2 EA Market Beat** -- The TradeSpark SO2 EA Market Price Index increased by 7.54 % this month to \$170.95 from \$158.97 in January. SO2 prices traded upward as we approached March 1<sup>st</sup>, 2001 (end of 2000 compliance period). Options trading spurred up activities in the spot market throughout the month of February. Trading volume has been heavy. The trading range was \$154.50 to \$176.00. The last trade went off at \$172.00.

02/23/01

## TradeSpark NOx Market Price Index and News

<b>BEST BIDS TO BUY</b>	1999	50 tons	@	\$1,050/ton
	2000	50 tons	@	\$1,050/ton
	2001	50 tons	@	\$1,500/ton
	2002	50 tons	@	\$1,500/ton
<b>BEST OFFERS TO SELL</b>	1999	50 tons	@	\$1,150/ton
	2000	50 tons	@	\$1,150/ton
	2001	50 tons	@	\$1,700/ton
	2002	50 tons	@	\$1,700/ton
<b>RECENT TRADE PRICES FOR FEBRUARY, 2001</b>	v99 00 for \$1,075/ton			v01 for \$1,625/ton
	v99 00 for \$1,050/ton			v01 for \$1,525/ton
	v99 00 for \$1,050/ton			v01 for \$1,600/ton
	v01 for \$1,625/ton			v01 for \$1,450/ton
<b>MARKET PRICE INDEX</b>	1999	\$1,085/ton	up \$10	
	2000	\$1,085/ton	up \$10	
	2001	\$1,585/ton	down \$10	

### NOx Budget Allowance MPI ( \$/ton )



#### OTC NOx Market Beat:

The highest trade we recorded for vintages 99 and 00 this month was \$1,075.00 per ton. We show that vintage 01 traded as high as \$1,625.00 per ton. NOx prices fluctuated in a tight range during the month of February. As the market approaches the spring start of the 2001 ozone season, market prices are expected to rise as a result of increased demand from compliance participants.

02/23/01

As **always** TradeSpark and Cantor Fitzgerald **do not** trade for their own account, all allowances purchased in the auction or traded in the open market are for our clients. It is our policy to keep the identity of our clients and their positions in the market in strict confidence.

**Quality Greenhouse Gas Reductions available: Over 20 million Sold or Optioned**

Cantor Fitzgerald announces a new electronic-based trading platform for greenhouse gases. CO2e.com LLC ("CO2e.com") is a full service internet-based platform for all of your trading needs -- from 24-hour forward and option market information to project development and risk management strategies to updated news and information services. CO2e.com builds on Cantor Fitzgerald's extensive experience with greenhouse gas brokerage services. We brokered transactions totaling approximately 20MMTCO2e from a variety of reduction sources. (Publicly announced trades range from 100MMTCO2e to 150MMTCO2e.)

In January Spot Purchases ranged from \$0.30 - \$0.60 for current and historic vintage years. Forward Purchases ranged from \$0.30 - \$2.00 per MTCO2e for vintage years between 2001 – 2012. Option prices ranged from \$0.30 - \$2.50 per MTCO2e for vintage years prior to 2008, with premiums from \$0.10 - \$0.50 per MTCO2e. Option prices ranged from \$1.00 - \$6.00 per MTCO2e for vintage years between 2008-2012, with premiums from \$0.25 - \$0.50 per MTCO2e.

For more information, please contact a CO2e.com broker. Visit our web site at [www.CO2e.com](http://www.CO2e.com) or call us directly. In the United States, call 212-938-8700. In Canada, call 416-350-2177.

**To Reach Cantor Fitzgerald EBS Staff or TradeSpark Staff Call 800-228-2955 or Dial Direct:**

Josh Margolis, Senior Vice President	San Francisco	RTCs/ERCs/DERs	415-296-9359
Robin Langdon, Vice President	San Francisco	RTCs/ERCs/DERs	415-296-9495
Andy Kruger, Vice President	Darien, CT	ERCs/NOx EAs/DERs	203-662-3638
Jude Moussa, Associate	New York	SO2/NOx EAs	212-938-4250
Laurie Gage, Associate	New York	NOx EAs/RTCs/ERCs/DERs	212-938-4250
Christine Grandstaff, Associate	Los Angeles	RTCs/ERCs/DERs	949-597-0517
Lori Oshiro, Office Manager	San Francisco	RTCs/ERCs/DERs	415-296-9573
Sikina Jinnah, Broker's Assistant	San Francisco	RTCs/ERCs/DERs	415-296-9575
Lauren Kisling, Broker's Assistant	Darien, CT	ERCs/NOx EAs/DERs	203-662-3638
Joshua Piver, Broker's Assistant	New York	SO2/NOx EAs	212-938-4250