



**For Immediate Release**

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## **Evolution Markets to Conduct Auction of RECLAIM Credits**

-- Bids Due June 14<sup>th</sup> for Auction of NOx Emissions Credits Useable in Supply-Constrained Los Angeles Regional Emissions Trading Program --

**White Plains, NY and San Francisco, CA (May 26, 2005):** Evolution Markets LLC announces it will conduct an auction of emissions credits for use in the Southern California emissions trading program known as the Regional Clean Air Incentives Market (RECLAIM). Evolution Markets, the largest environmental markets broker in the U.S., will administer the sale of a stream of NOx RECLAIM Trading Credits (RTCs) in a combined open and closed auction process that ends June 14, 2005.

On behalf of the seller, Evolution Markets will auction a perpetual stream of coastal NOx RTCs starting with vintage 2005. The credits on offer are "Cycle 1 NOx RTCs." These credits initiate validity on January 1<sup>st</sup> and expire December 31<sup>st</sup> of each vintage year. The breakdown of offered RTCs by vintage year is as follows:

Vintage	Volume of RTCs (lbs)
2005	116,000
2006	116,000
2007	102,000
2008	86,000
2009	71,000
2010	55,000
"Perpetuity" All Years After 2010	40,000

Since the regulation changes resulting in a 22.5% reduction in the market participants' credit holdings, the average volume of perpetual stream trades has been less than 25,000 lbs per year. Furthermore, there has been only one transaction involving more than 100,000 lbs in a single year. "This is a large stream compared to the supply available in the market, and we anticipate strong market interest in the auction," said Samantha Unger, Director of California Emissions Markets for Evolution Markets.

The auction will be conducted in two phases: an open auction period and a closed auction period. During the open auction period, bidders will be able to view all bids in the auction. The open

auction period will close at 3:00 pm Eastern Prevailing Time (“EPT”) on June 14th. Immediately following the open auction period will be a closed auction period, in which participants are invited to continue to submit bids, but they will not be able to view other bids to the auction. The closed auction period will end at 5:30 pm EPT on June 14th, which will effectively end the RTC auction process.

Submitted bids are binding until 4:00 pm EPT on June 15<sup>th</sup>, 2005, at which time Evolution will inform winning bidders. Full auction results will be made public within ten business days following the close of the auction at [www.evomarkets.com](http://www.evomarkets.com).

For more information on the auction, to receive bid packets, or for more information on the RECLAIM emissions trading market and pricing, please contact:

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**About Evolution Markets LLC**

Evolution Markets LLC is the largest emissions and OTC coal brokerage firm in the world. Formed in 2000, the company structures transactions in the environmental credit, renewable energy, weather derivative, and over the counter (OTC) coal markets. Evolution Markets personnel are pioneers in energy and environmental markets having facilitated the first trades in SO<sub>2</sub> allowances, NO<sub>x</sub> allowances, ERCs in several states, greenhouse gas emissions, weather derivatives, and OTC coal trades. The company specializes in carbon finance, and the greenhouse gas brokerage and advisory team has closed some of the most important domestic and international GHG transactions, including the first trade under the Kyoto Protocol’s emissions trading program. Evolution Markets and MENERT spol. s r.o., Slovakia’s leading environmental engineering and project development firm, have engaged in the Evolution Menert joint venture to provide a full range of environmental markets services to governments, corporations, NGOs and other participants in the Slovak Republic and Czech Republic. [www.evomarkets.com](http://www.evomarkets.com)