



DONALD BREN SCHOOL OF ENVIRONMENTAL SCIENCE & MANAGEMENT
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For Immediate Release

Bren School Alumni Donate Unique Class Gift: Greenhouse Gas Emissions for Retirement

Santa Barbara, CA -- Through a precedent-setting transaction with Rocky Mountain Institute, alumni of the Donald Bren School of Environmental Science & Management at UC Santa Barbara have purchased 500 metric tons' worth of vintage 2004 carbon dioxide equivalent allowances for retirement on the Chicago Climate Exchange (CCX). The purchase was a gift of the graduating Class of 2004.

Bren Assistant Professor Christopher Costello, who originally proposed the idea, estimates that a typical passenger car emits about 9 metric tons of carbon dioxide (CO₂) per 1,000 gallons of gas (not including other pollutants). Retiring 500 metric tons is thus equivalent to retiring the CO₂ emissions from 50,000 gallons of gasoline. If a typical car uses 600 gallons of gas in a year, this amounts to abating the yearly CO₂ emissions from over 80 cars.

CCX is an innovative self-regulatory exchange that administers the world's first multi-national and multi-sector marketplace for reducing and trading greenhouse gas (GHG) emissions. CCX is the first voluntary organization of its kind, and began trading GHG emissions on December 12, 2003.

The development of the exchange began with a May 2000 feasibility study grant from the Chicago-based Joyce Foundation; the grant was administered by Northwestern University's Kellogg Graduate School of Management. The study was prompted by the environmental and economic success of the U.S. sulfur dioxide allowance trading program to reduce acid rain, as well as other similar markets. Emissions trading establishes limits on emissions, specifies firm-level limits, and thus provides incentives to those companies that can cut emissions at low cost to make extra reductions. Each of the emitting members of CCX has signed a legally binding commitment to establish a baseline level of GHG emissions and then reduce GHG emissions below that baseline by 1% a year for each year of the pilot program, which runs from 2003 through 2006. A CCX member company facing high emission reduction costs can comply with its emission reduction schedule by purchasing tradable emission rights from another CCX member that reduces emissions beyond the program's annual requirement, or from an offset provider.

This is the first time that a school has purchased GHG reductions on CCX on behalf of a graduating class. "The Class of 2004 is dedicated to positively impacting the world and our environment. This purchase reflects that dedication. We hope it paves the way for other organizations to take action," said Jana Hartline, Alumni Class Chair of 2004.

Rocky Mountain Institute established in 1982 by resource analysts Amory B. Lovins and L. Hunter Lovins, is a national leader in energy and resource issues, guided by leading-edge principles of market-oriented solutions, corporate transformation, and "natural capitalism."

“This gift is another example of the Bren School’s national leadership, this time through the creativity of our latest master’s class. We are pleased to have been able to work with another leading environmental organization, Rocky Mountain Institute in facilitating this transaction,” stated Dennis Aigner, Dean of the Bren School.

Richard L. Sandor, Chairman and CEO of CCX, said, “Since the exchange opened last year, CCX members have traded more than 1.6 million metric tons of carbon dioxide equivalent. We are delighted to see this group of environmental professionals contributing to the reduction of greenhouse gas emissions.”

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For additional information:

Donald Bren School of Environmental Science & Management: <http://www.bren.ucsb.edu/>

University of California, Santa Barbara: <http://www.ucsb.edu/>

Chicago Climate Exchange: <http://www.chicagoclimatex.com>

Rocky Mountain Institute: <http://www.rmi.org/>

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