

Name: _____

Lab: Emissions Trading MAKEUP ASSIGNMENT

Remember: As per GHHS Policy, you have two days for each day absent to makeup assignments.

What We Did in Class:

Students were told that white clothing was now a pollutant! The amount of pollution was “capped” at two, and students needed to “trade” for more allowances using smarties as currency. This was a demonstration of the cap and trade method of restricting pollution.

Analysis Questions:

Watch the video https://www.youtube.com/watch?v=EKT_ac4LPkU and answer the following

1. Explain the Cap and Trade system as implemented by the United States.

Refer to the EPA website, <http://www.epa.gov/airmarkets/allowance-markets> to answer the following.

2. How much pollution emission is one allowance under the EPA Clean Air Market?

3. What is allowance trading?

4. Who may participate in allowance trading?

5. How are allowances used for compliance of air quality regulations?

Click on the “SO₂ Allowance Auctions” tab near the top of the page then click “see the results of the annual auction” and select the most recent year available.

6. What is SO₂ and where does it come from? (not given on website)

7. What do you think a spot auction is? What is the benefit to a company of participating in a spot auction? (not given on website)

8. What percentage of total allowances were bought for the spot auction?

9. What was the total amount paid for spot auctions?

10. What do you think a 7-year advance auction is? What is the benefit to a company of participating in a 7-year advance auction? (not given on website)

11. What percentage of the total allowances were bought for the 7-year advance auction?

12. What was the total amount paid for 7-year advance auctions?

13. Look back through the last couple of year of data. Do you notice a significant increase or decrease in allowance trading? (the answer is yes! (you’re welcome)) What do you think would cause increases or decreases in the amount of trading taking place in the U.S.?

14. Explain several examples of limitations to the cap and trade system for pollution control.

15. What have you learned from this makeup lab?