Table 1 Information of Companies

Company A1

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	10	35	28	
2	200	15	35	28	
3	300	20	35	28	
4	400	25	35	28	
5	500	30	35	28	

Company A2

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	10	35	28	
2	200	15	35	28	
3	300	20	35	28	
4	400	25	35	28	
5	500	30	35	28	

Company B1

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	25	50	26	
2	200	25	45	22	
3	300	25	40	13	
4	400	25	35	10	
5	500	25	30	8	

Company B2

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	25	50	26	
2	200	25	45	22	
3	300	25	40	13	
4	400	25	35	10	
5	500	25	30	8	

Company C1

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	25	45	20	
2	200	28	45	20	
3	300	30	45	20	
4	400	35	45	20	
5	500	40	45	20	

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Company C2

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	25	45	20	
2	200	28	45	20	
3	300	30	45	20	
4	400	35	45	20	
5	500	40	45	20	

Company D1

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	20	30	17	
2	200	20	25	15	
3	300	20	20	13	
4	400	20	20	11	
5	500	20	20	9	

Company D2

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	20	30	17	
2	200	20	25	15	
3	300	20	20	13	
4	400	20	20	11	
5	500	20	20	9	

Company E1

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	8	30	28	
2	200	10	29	20	
3	300	12	28	14	
4	400	16	26	12	
5	500	17	25	8	

Company E2

Electricity (Megawatt)	Pollution Level (100 tons of SO2)	Marginal Cost (million)	Marginal Revenue (million)	Marginal Cost of Pollution Abatement Equipment (million)	Marginal Revenue – Marginal Cost
1	100	8	30	28	
2	200	10	29	20	
3	300	12	28	14	
4	400	16	26	12	
5	500	17	25	8	

Table 2 Record of the Official Auction for Permits

Permit Number	Selling Price (Million)	Buyer's Name
1		Company_____
2		Company_____
3		Company_____
4		Company_____
5		Company_____
6		Company_____
7		Company_____
8		Company_____
9		Company_____
10		Company_____

Table 3 Record of the Private Market of Permits

Buyer's Name	Seller's Name	Selling Price (Million)
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	
Company_____	Company_____	

Profit Record Worksheet

Part A Profit earned from producing electricity

Profit of producing each Megawatt of electricity is calculated by:

MR – MC – Price of permit for this Megawatt – Marginal cost of pollution abatement equipment*

* If you use permit to produce this Megawatt, its marginal cost of pollution abatement equipment will be zero, vice versa.

Please complete the following table.

# of Megawatt of electricity	Marginal revenue (MR) (Million)	Marginal Cost (MC) (Million)	Price of permit/ Marginal cost of pollution abatement equipment (Million)	Profit (Million)
1				
2				
3				
4				
5				
			Total:	

Part B Profit earned from reselling permits

Profit of reselling each permit is calculated by:

Reselling price – Buying price

Please complete the following table.

# of Permit	Reselling Price (Million)	Buying Price (Million)	Profit (Million)
1			
2			
3			
4			
		Total:	

Total Profit Earned by Your Company:

Profit from Part A + Profit from Part B = $ _____ Million