



Global Carbon Trading Markets Outlook

A One Day Training example

Climate change actually first captured the public's imagination in 2007, as a major report prepared by the Intergovernmental Panel on Climate Change (IPCC), a Nobel Peace Prize and the launch in Bali of the negotiation process for a post-2012 climate change regime, contributed to making climate change a key part of the global economic and environmental debate. January 1, 2008 also marked the formal start of the compliance period of the Kyoto Protocol and of Phase II of the European Union Emission Trading Scheme (EU ETS).

The carbon market has the potential to become the greatest but also most complex commodity market the world has seen. Last year alone, permits worth more than USD 60 billion were traded on the world's carbon markets – but future trading volumes, if all goes global according to plan, will dwarf these. Carbon trading schemes originate from the Kyoto protocol on climate change agreed under the auspices of the United Nations in 1997. Governments adhering to Kyoto accept limits on the CO₂ their countries can emit. To meet their pledges, they put caps on the carbon outputs of domestic companies, which have to buy annual permits to exceed them.

Several emissions trading schemes are up and running around the world: Europe's Emissions Trading Scheme, founded in 2005, is the biggest, but others are following in Australia, the US and even China. Permits are bought from governments or from carbon traders, The sector that already employs thousands of people seems to offer very good future perspectives.

In this course Kapser Walet one of the global leading experts will take you through the challenges and opportunities for you and your company of these very interesting markets.



Who must attend

Key decision makers within Financial and Energy companies who are:

- Relatively new to the Carbon Trading Concept
- Building a Carbon Strategy
- Looking into the opportunities of Carbon Trading and/or Finance
- Willing to gain market share in this fast developing market
- Want to set-up or extend a Carbon desk

As well as Industrial Companies with potential CDM projects, Regulators, Consultants and Lawyers

Key Takeaways

- Gain Insider knowledge from an industry expert
- Shorten your learning curve by benefiting from the lessons learned in the already more advanced European Carbon markets
- Don't allow the already advanced players in the Carbon market to benefit from your current inexperience in this arena
- Learn how to identify and benefit from the inefficiencies apparent in the Carbon markets around the globe
- In this highly interactive workshop many practical real life case studies will be used to bring the theory alive.
- After the workshop you will be able to design your own business case, including a practical action-plan and kick start your entrance into this challenging market

Tailor made Training

This is just an example of a possible training. However, it will be my pleasure to discuss with you your requirements. This will allow us to make a tailor made training course that will exactly meet your demand.

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Your Commodity Markets and Risk Management Partner



The Program

Introduction

- Carbon trading is primarily policy driven. What are the latest developments in policy
- What is going to happen after 2012 when the Kyoto Protocol ends?
 - Are the signals long enough to be relevant to investment cycles
- Compatibility of current international developments with the EU and Kyoto infrastructure
- Kyoto Flexibility Instruments
- Carbon: the missing link between different energy commodity markets - oil, gas, coal and power.

State of the Carbon Markets

- Role of mandatory and voluntary markets
- Role of exchanges in the Carbon market: Europe, US and Asia.
- Transparency of the Carbon Markets: What are most abundant and well-managed sources of information.
- Managing carbon risk: what are the risks in the Carbon market
- Products;
 - Spot,
 - Forwards and Futures,
- Other Derivatives;
- Price development

Legal Aspects

- Allocation of CO2 Allowances
- Auctioning
- Covered sectors, companies,
- Internal Market
- Cross border aspects
- Master or standard agreements (IETA, EFET, ISDA)
- Linkage with ET systems
- Emissions Registries and Transaction Logs

EU ETS

- EU ETS the major Carbon market
- Is EU ETS Phase II Short?
- Assessment of EU ETS Phase II
- The New Face of EU ETS in Phase II
- The Road Ahead to Phase II
- Analyzing Market Demand for the EU ETS in Phase II and Phase III Together



Project Based Markets

- Primary versus secondary markets
- EU linking directive allows CERs, credits from CDM projects to be used in the EU ETS. How long will it remain that way?
- Who are the buyers
 - Outlook: How much more demand is likely
- Who are the sellers
 - China Dominates Primary CER Transactions
 - India, Brazil and Africa
 - Russia and Ukraine Dominate Potential JI Supply
- Prices and Contract terms
- Price Differentiation
 - Country of Origin
 - CERs and ERUs
 - Issued CERs.
 - Fixed Forward Pricing Contracts
 - No guarantees in the primary Market

The Carbon Market in Practice

- Participants and Roles: Overview of different Roles and Actors on the Carbon Market
- How did Emissions Trading work in 2008; outlook into the future? Prices, Volumes;
- Potential Roles for Companies on the Carbon Market
- Emissions Trading Strategies (On-Site, Off- Site, Multi-Site; Carbon Risk Strategies, spot sales and futures purchase; pooling)

Develop Carbon Strategy

- How to prepare your organisation
 - Internal reductions
 - Buy and sell allowances
 - Make JI/ CDM investments
- Abatement curves
 - Decide what reduction opportunities exist within your company
 - What are abatement curves
- Analysis
 - Compare internal reduction costs to current allowance market price
 - Generate scenarios to analyse impact of futures emission price development



About Kasper Walet



Kasper Walet has more than 20 years of experience and extensive knowledge on a theoretical and practical level about all the aspects related to trading, derivatives and risk management in the (energy) commodity industry practical level about all the aspects related to trading, derivatives and risk management in the (energy) commodity industry.

Kasper received a Masters degree in Law from the University of Utrecht in 1987. He started his career at the NLKKAS, the Clearing House of the Commodity Futures Exchange in Amsterdam. After working for the NLKKAS for five years, Kasper was appointed as Member of the Management Board of the Agricultural Futures Exchange (ATA) in Amsterdam at the age of 31. While working for the Clearing House and exchange, Kasper became an expert in all the aspects of trading and risk management of commodities.

In 1997 he founded his own specialist-consulting firm that provides strategic advice about (energy) commodity trading and risk management.

Kasper has advised government agencies such as the European Commission, investment banks, major utilities and commodity trading companies and various exchanges in Europe, CEE countries, North America and Asia. Some of the issues he has advised on are the development and implementation of a Risk Management Framework, investment strategies, trading and hedging strategies, initiation of Power Exchanges (APX) and other trading platforms, the set-up of (OTC) Clearing facilities, and feasibility and market studies like for the LNG Market.

Kasper has given numerous seminars, workshops and (in-house) training sessions about both the physical and financial trading of commodity products. The courses have been given to companies all over the world, in countries like Japan, Singapore, Thailand, United Kingdom, Germany, Poland, Slovenia, Czech Republic, Malaysia, China, India, Belgium and the Netherlands.

Kasper has published several articles in specialist magazines such as *Commodities Now* and *Energy Risk* and he is the co-author of a book called *A Guide to Emissions Trading: Risk Management and Business Implications* published by Risk Books in 2004