



Maycroft, The Netherlands
Carbicon, Republic of Korea

**Preparatory Workshop for the
Practical Implementation of Carbon Prevention
and Emission Trading Strategies into
Business Concepts of Korean Companies**

*“Be Prepared and Benefit from
the upcoming Emission Trading Scheme in Korea
through
Practical, Hands-On Experiences from Europe”*

2011, May 23rd-25th

COEX Intercontinental Hotel, Seoul, South Korea
Harmony Level Andante Room

Dear participant,

We are pleased to offer you a three days intensive preparatory workshops aimed at supporting representatives from Korean companies to draft an effective, individual plan that incorporates the upcoming Emission Trading Scheme in Korea into their day-to-day activities. The concept and form of this workshop are unique and this venue is the first of its kind in Korea that is tailor-made for the Korean scenario. The workshop is entitled, "**Preparatory Workshop for the Practical Implementation of Carbon Prevention and Emission Trading Strategies into Business Concepts of Korean Companies**" and conceived as an intensive expert workshop to provide hands-on training for staff of energy intensive companies, banks, financial and academics institutions to be prepared and to benefit from the upcoming trading schemes by learning from experiences that European companies have had.

A large number of carbon workshops are offered these days; most of these, however, are given in conference style with a variety of presentations. In contrary, this workshop is limited to a maximum of 25-30 participants and Maycroft and Carbicon will provide thorough training for the companies to help you create tailor-made solutions for your business.

The difficulty of transitioning the global community to a low-carbon global economy has recently been shown through the modest achievements during the UN Climate Change Conference in Cancún, México. The so-called Cancún Agreement did neither set new legally binding targets or timetables nor other changes that are required to avert dangerous climate changes. Participating countries allowed for another year to decide whether the Kyoto Protocol will be extended. Towards this end, Korea is not passively waiting for a possible extension but is forging ahead with their national cap-and-trade schemes to curb greenhouse gases.

Recently, the Korean government has announced their plans to launch a carbon emissions trading scheme in 2015. The current plan foresees the Korean cap-and-trade scheme to be adapted from the EU's emissions trading scheme (EU-ETS). This newly introduced scheme is complemented by a separate initiative started by Korea's firms to set greenhouse gas emission targets achieved through controlling their carbon emissions since the success of businesses is intertwined with being regarded as a "green". In Europe, companies are very conscious of it and have integrated carbon management as integral part in their production processes.

There are valuable lessons to be learned and built upon. Advanced and highly sophisticated companies with worldwide visibility will inevitably need to integrate carbon management into their day-to-day operations, which will allow them to identify and control liability and, in some cases, even generate income from emission reductions. Carbon management is a framework combining the evaluation of emission opportunity with risk. It is a tool to assess risks, mitigate liability, and develop new revenue streams. Emission management, identification of reduction opportunities, and sustainable tracking of achieved emission reductions will become common business practice for the most Korean companies in future.

2015 seems to be far away - however, only four years remain for preparatory activities and eventual practical implementations. Such a process is commonly initiated with the acquisition of expert knowledge to decide on the best strategy for your company. Korea is in the advantageous position to be able to learn from the leading companies in Europe that started preparing themselves already years prior to the actual start of the EU-ETS and which are now among the most successful companies dealing with emissions. These have integrated carbon management into their day-to-day operations, allowing them to identify and control liability and realizing significant advantages from emission reductions.

This workshop will provide you with hands-on information and guidelines to start setting up your tailor-made carbon strategies in order to ensure preparedness of your company for the future.

■ Benefits and advantages

- Receipt of a workshop targeting the Korean scenario conducted by an European expert
- Provision of entire workshop slide-deck in Korean
- Discussion of major issues of the EU carbon market
- Provision of in-depth knowledge of the current stage of EU carbon market through workshop-style event
- Provision of a completion certificate upon finishing the course
- Round-table discussion for solutions for individual companies
- Provision of free special reports for participants within 6 months after the venue
- Provision of up-to-date information related to our programs through our newsletter service
- Enhancement your company's "green" image/networking

■ Who Should Attend

- Climate, environment and energy professionals from corporations
- Banks and financial institutes
- Representatives of government bodies
- Representatives of academic institutions

■ Key Take Aways

- Significance of achievements and results of the Cancun conference
- Key issues of EU-ETS Phases I and II
- Prediction of the situation post-2012 and Future Development of the Carbon Markets
- Future developments in the EU-ETS III
- Prediction of South Korea's cap-and-trade scheme
- Valuable lessons from European companies
- Existing Carbon Financial Instruments (CFI)
- Risk Management and Hedging strategies
- Price Dynamics and Forecasts
- Carbon Trading Strategies
- Offset Markets, Voluntary Markets
- Carbon Strategies: Making Investments or Buy Credits?
- Best Practices in Carbon Management and Impact on Businesses

Day 1 - May 23rd

Lessons to be learned from European Union Emissions Trading Scheme

The European Union has played a pivotal role in climate legislation in the world and has, so far, put most comprehensive efforts into low carbon management. The EU-ETS has already been operational since 2005 with most European companies having a significant level of knowledge and experience in preparing and rolling out their strategies and implementing internal procedures for managing their carbon emissions. The first workshop day is primarily intended to share the valuable lessons that could be learned from the EU-ETS and its participants as well what would be the possibly scenario in South Korea and, as such, for Korean companies.

08:40-09:00	Registration
09:00-09:30	Welcome and Introduction
Morning Session	
09:30-10:10	<p>Current Status and Prospect of Global Carbon Markets</p> <ul style="list-style-type: none"> • Status of Global Carbon Markets • Outcome of the Cancún Conference • Possible new Environmental Agreement after 2012 • Impact of the Cancún meeting on current and future Carbon Markets • Regional Initiatives • Experiences in the Asia-Pacific region <ul style="list-style-type: none"> • Japan (J-VEST), New Zealand (NZ-ETS), Australia
10:10-10:40	Refreshments
10:40-12:15	<p>Current status of the EU-ETS</p> <ul style="list-style-type: none"> • EU-ETS as the major Carbon market • Design and Infrastructure of the European Carbon market • Experiences from Phases I (2005-2007) and II (2008-2012) <ul style="list-style-type: none"> • Similarities and differences between the two phases • How were European companies prepared prior to its start? • What was their strategy? • Ongoing issues: Impact of fraudulent behavior on credibility market
12:15-13:30	Luncheon

Afternoon Session

13:30-14:45

The Way Forward to EU-ETS Phase III (2013 - 2020)

- What will happen in the period 2013 - 2020
 - Differences from previous periods
 - EU Targets and Directives
 - Role Banking and Borrowing
 - Allocation
 - Auctioning
 - Carbon Leakage
 - Role CDM

14:45-15:15

Afternoon Tea Break

15:15-17:15

Price Dynamics

- Price Drivers
 - EUAs
 - CERs
 - VERs
- Link with power prices
- Forecasts up to 2020

Status and prediction of South Korean Cap-and-Trade System

- Current status
- Different phases
- Free allocation *versus* auctions
- Suggestions along with Target Scheme

17:15-17:40

Wrap-up and Close

Dinner at the COEX Intercontinental Hotel

Day 2 - May 24th

Carbon Financial Instruments and Hedging Strategies

Carbon trading is a multi billion dollars market; in 2010 the global carbon trade did have a value of around \$150 billion. Around 75-80% of all these carbon trades are conducted inside European carbon markets. During the second day of the workshop we will guide you through different contracts types that are available on the markets as well as how to build a carbon trading and hedging strategy for the company.

Morning Session

09:00-10:30	Carbon Trading Platforms <ul style="list-style-type: none">• Exchange trading versus OTC market• Role exchanges in Europe, Asia and the United States• ECX (European Climate Exchange)• Bluenext• Others in Europe• Asia and the United States
10:30-10:50	Refreshments
10:50-12:15	Trading Carbon Financial Instruments (CFI) <ul style="list-style-type: none">• Spot• Forwards
12:15-13:45	Luncheon

Afternoon Session

13:45-15:30	Trading Carbon Financial Instruments continued (CFI) <ul style="list-style-type: none">• Futures• Swaps• Options
15:30-16:00	Afternoon Tea Break
16:00-17:15	Best Practice Trading and Hedging strategies <ul style="list-style-type: none">• Hedging techniques• Cross Commodity Trading• Repo Finance• How to determine the optimal Carbon Trading Strategy
17:15-17:40	Wrap-up and Close

Day 3 - May 25th

Risk Management Strategies and Carbon Management

Like in any other commodity and financial markets, managing the risks and uncertainties of being exposed to the volatility in the carbon prices, the credit standing of your counterparty as well as operational risks will be the most critical business issue facing your company. Without a solid and robust risk management system in place even the existence of your company could be at risk. Each individual company will have to decide whether they are going to trade in the market or realize the reductions through investments in technologies or a combination of both. In order to assess its potential risks, identifying reduction opportunities, and tracking actual emission, company will be required to setting up its own carbon management system.

This carbon management system is a tool for companies that seek the opportunities, try to manage the risks and also intend to develop a new revenue stream and deploy this new management system into your day-to-day operating methods will be crucial. Therefore, measuring the emissions, identifying reduction opportunities, and then tracking actual emission reductions will become a common business practice for many companies in the near future in Korea. Leading companies will be required to integrate carbon management into their every day operations, allowing them to identify and control liability and in some cases realize income from emission reductions. During the third day we will provide you with hands-on information to build your individual Carbon strategy by deploying the techniques available to you.

Morning Session

09:00-10:40	<p>Risk Management</p> <ul style="list-style-type: none">• Managing Carbon Risk: What are the Risks in the Carbon Market<ul style="list-style-type: none">• Market, Credit, Operational and Business risks• 10 Golden Rules of Risk Management• Risk Management - the Organizational Structure• How to Manage, Analyze and Mitigate Potential Risks• The Metrics; VaR (Value at Risk), EaR (Earnings at Risk) etc.• Setting up a Carbon Risk Management Framework <p>Practical Case Study on the Risk Management Framework</p> <ul style="list-style-type: none">• Barings, Metallgesellschaft and Societe Generale
10:40-11:00	Refreshments
11:00-12:15	<p>Carbon Strategy: Making Investments or Buy Credits?</p> <ul style="list-style-type: none">• How to Prepare your Organization<ul style="list-style-type: none">• Internal Reductions• Buy and Sell Allowances• Make JI/ CDM investments• Marginal Abatement Cost<ul style="list-style-type: none">• Decide what Reduction Opportunities exist within your Company• Explanation of Abatement Curves

	<ul style="list-style-type: none"> • Analyses <ul style="list-style-type: none"> • Compare Internal Reduction Costs to current Allowance Market Price • Generate scenarios to analyze impact of futures emission price development • Real Options <ul style="list-style-type: none"> • Flexibility to respond to uncertainty • When is Real Options Analysis appropriate? • Real Options in Investment Analysis and in Asset Optimization • Real Options with Emissions Reduction
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12:15-13:45	Luncheon
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Afternoon Session

13:45-15:30	<p>What is the Carbon Management System</p> <ul style="list-style-type: none"> • The Concept and the companies incentives to <ul style="list-style-type: none"> • Reduce Consumption of Energy • Save Energy/Improve Energy Efficiency • Replace polluting Sources with low-impact or renewable Sources • The Key Steps to Achieve Carbon Management <ul style="list-style-type: none"> • Measuring Carbon Emissions • Identifying the Risks and Opportunities associated with these Emissions • Setting Goals for Carbon Emissions Reduction • Identifying and Implementing targeted Strategies to Achieve these Reductions
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15:30-16:00	Afternoon Tea Break
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16:00-18:00	<p>Introduce Carbon Management into Core Business Operations</p> <ul style="list-style-type: none"> • Management Systems and Policy <ul style="list-style-type: none"> • Building an own Business Case for Carbon Management • Producing a Carbon Management Policy • Assigning Responsibility and Resources for Carbon Management • Developing Systems and Procedures to ensure Data Quality • Getting external Verification of your Emissions • Public Disclosure of Emissions and other Carbon Management Information • Round-table Discussion and Case Study <ul style="list-style-type: none"> • Roundtable discussion for participating companies to discuss ways for individual implementation of carbon management into their respective businesses • Practical Case Studies on the Designing and Implementing of the Carbon Management for energy intensive companies in Europe
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18:00-18:15	Wrap-up and Close
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Cocktail Reception

Registration Fee and Form

To register, please submit below form including your signature either by telefax (+82 (0)70 4401 2852) or scan/e-mail (info@carbi-con.com). Your registration will be confirmed within 48 hours. Payments will be processed by bank transaction or valid credit card. Details will be provided in the confirmation email.

<input type="checkbox"/> Standard Rate (+10% VAT)	KRW 4,500,000
<input type="checkbox"/> Group Discount (+10% VAT) (more than 3 delegates)	KRW 3,600,000 20% discount per participant
<input type="checkbox"/> Early Booking (+10%VAT) (until April 22 nd)	KRW 3,150,000 30% discount per participant

Name (Korean)	(English)
Organization/Company Name	
Division	Title
Address	
Mobile	Office
E-mail	Fax
Signature	Date
<input type="checkbox"/> I agree to the terms and conditions.	

Terms & Conditions

1. The course fee is inclusive of workshop materials, daily refreshments and luncheons as outlined in the agenda. Payment is to be made within 5 days of placing your order and must be prior to attending the course.
2. Cancellations must be received in writing on or before 13 May 2011 in order to be refunded, subtractive of a KRW 250,000 administrative charge. No refunds will be made after this date. In case of conference cancellation, Maycroft's and Carbi-con's liability is limited to refund of the conference registration fee only.
3. The participant is responsible for his/her travel arrangements including transportation, accommodation other services associated with attendance of this event.
4. Under no circumstances shall Maycroft or Carbi-con be liable for any expenses incurred by the customer even if the event is cancelled, postponed or modified in any way. Maycroft and Carbi-con reserve the right to alter this program without prior notice.

Venue Location

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Your Trainer



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. Mr. Walet 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.

Mr. Walet 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. He has given numerous seminars, workshops and (in-house) training sessions about both the physical and financial trading of commodity products. Mr. Walet 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. Mr. Walet gave an interview to a representative of *Energy Economic News* during his visit to Korea in February, 2011. In the interview he outlined the EU-ETS experiences, the current carbon market situation, existing carbon trading instruments and possibilities for Korean companies to benefit from this development.

About Us

Carbicon, headquartered in Seoul, Korea, is a private, independent consulting firm, providing specialized, unbiased, and accurate services to our clients providing clear values to our clients' needs. Our goal is to support companies to enhance their operating efficiency through a thorough examination of client's needs in close cooperation with our specialized consultant team. Towards this end, Carbicon initiates networks that connect Korean companies with foreign counterparts or consulting firms to help setting up strategies for the practical implementation of carbon prevention and emission trading strategies into business concepts of Korean companies by fostering company-internal expertise and talents. Carbicon maintains constant dialogues with its clients and provides continuous services to follow-up on day-to-day questions while companies set-up their carbon management.

This workshop is prepared and facilitated by Carbicon to provide an interactive platform between Korean participants and the European professional from Maycroft. Carbicon is run by Yeon Kyeong Kwak who has received her M.A. in International Relations (World Politics) from Hankuk University of Foreign Studies, Seoul, Korea and who has experience in analyzing EU-ETS as well as in drafting individual business plans for carbon management. Carbicon is specialized in the fields of energy, sustainable development and carbon management. This workshop takes advantage of Carbicon's connections with European experts to guarantee the provision of a training program similarly effective than an EU training program.



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