

## Climex standpoint towards HFC and large Hydro

Recently Climex has received quite a number of questions with a view to our standpoint towards HFC<sup>1</sup> and large scale Hydro projects. Therefore we would like to explain our policy and procedures with regard to CER Spot trading:

- Climex will only allow issued CERs from HFC, LULUCF<sup>2</sup> and large scale Hydro (> 20 Mw) onto its platforms if the CER's origin has been made transparent by the seller. This way, it is up to the buyer to decide if he wants to buy these CERs and at which price.
- At the moment full transparency regarding the origin of the CERs is only available on the Auction Platform. When a seller puts an offer on the Auction Platform, he has to disclose and describe the origin of the CERs. All available information about the CERs can be attached and will be visible to Climex members.

On 17 January 2008, Climex realised the first ever cleared spot CER (Certified Emission Reduction) transaction in the world. Since then cleared CER/ERU spot trading is a standard function on Climex, which enables you to trade EUAs, CERs and ERUs on one and the same screen.

Nevertheless, CER Spot Trading has been experiencing a slow start, because of the missing link between the ITL and CITL. As long as this link is not in place, CER Spot Trading will only be available through one of the active Registers. One of these registers is the Swiss Register and Climex is fully supports trading via this route .

Currently, some members either have rights and/or collateral available on the platform, so cleared trading of Spot CERs is available. Climex offers the following possibilities:

- **Trading on the Continuous Spot Platform**  
Here all volumes of issued CERs and ERUs can be traded on working days from 09.00 – 17.00 hours. The same transaction fees apply as for trading EUAs .
- **Trading on the Spot Auction Platform**  
Auctions can be organised on request, for both selling and buying CERs with specific characteristics which are expected to lead to a deviation from the market price (for example Gold Standard CERs or large Hydro CERs). Regarding auctions, project information or buyer's requirements will be visible to all participants before the auction.

<sup>1</sup> The abbreviation HFC used herein refers to chlorine-free hydrogen-containing fluorinated hydrocarbons.

<sup>2</sup> LULUCF = land use, land-use change and forestry