
Is the price right?

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Is the price right?

- The price is right if in the end we realise CO2 reductions
- We realise reductions if the system works
- The system works if the market works
- For this market to work we need strong political support and the industry to be involved

Reduction of CO2 emissions?



















- Over-Allocation in the first trading phase
- Double counting

Not materialised yet, some issues remain

EU support second Phase

Firm set of rules:

- 11% less allocated
- CER/ERU allowed to a maximum of 10-20%

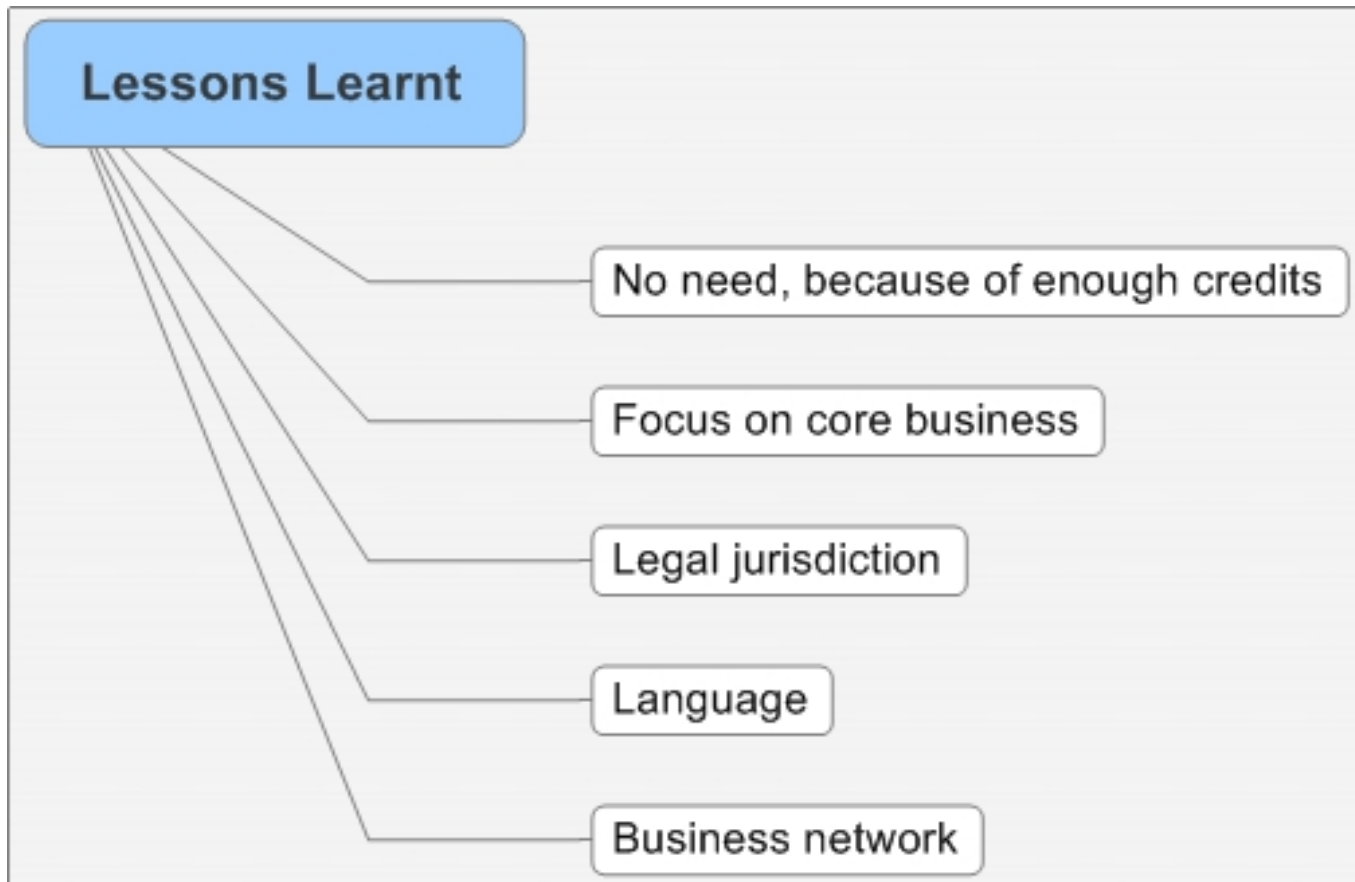
Member State (in MT EUAs)	1st period cap	Cap allowed 2008-2012
 Austria	33.0	30.7
 Belgium	62.08	58.5
 Czech Republic	97.6	86.8
 France	156.5	132.8
 Germany	499	453.1
 Greece	74.4	69.1
 Ireland	22.3	21.15
 Latvia	4.6	3.3
 Lithuania	12.3	8.8
 Luxembourg	3.4	2.7
 Malta	2.9	2.1
 Netherlands	95.3	85.8
 Poland	239.1	208.5
 Slovakia	30.5	30.9
 Slovenia	8.8	8.3
 Spain	174.4	152.3
 Sweden	22.9	22.8
 United Kingdom	245.3	246.2
Totals	1784.38	1623.85

Support on a national level

Greenhouse Gas Emissions in the Netherlands 1990-2004; National Inventory Report 2006, MNP

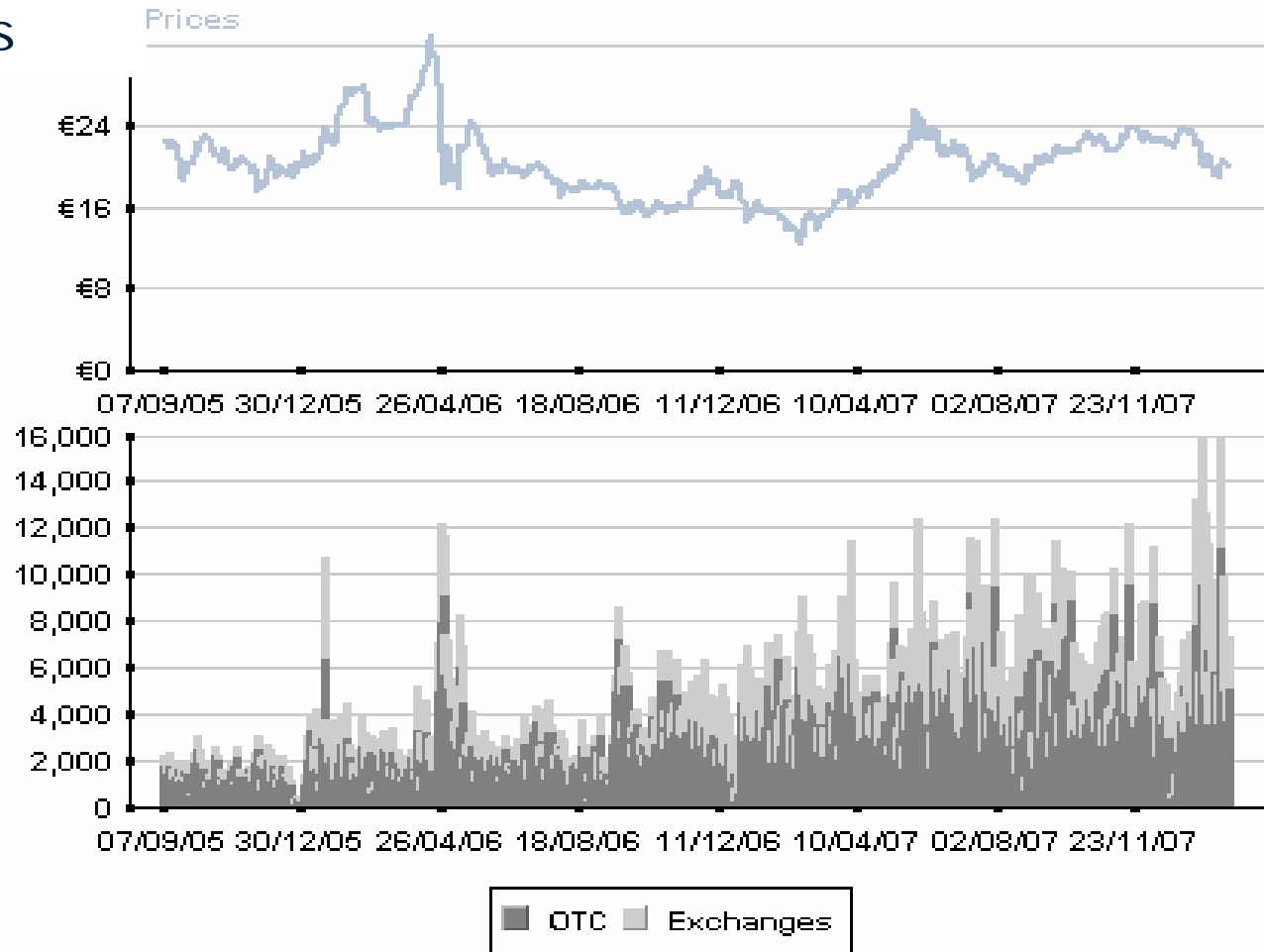
[mld CO2-equivalents]	1990	1995	2000	2001	2002	2003	2004	2010
Households	19,9	21,4	19,6	20,4	19,3	19,7	19,5	
Industry	56,9	53,3	48,4	44,0	45,1	43,3	43,8	
Refinery	11,1	11,7	12,1	12,6	10,9	11,2	11,8	
Energy sector	44,4	52,6	53,1	56,7	57,8	58,5	60,1	
Agriculture	32,9	34,4	30,0	29,5	28,3	27,9	28,0	
Traffic	26,4	29,7	32,9	33,4	34,1	34,8	35,4	
Other	21,5	22,0	18,3	19,5	19,3	19,7	19,3	
Total	213,0	225,1	214,5	216,2	214,9	215,3	217,8	
Target								201,7
Room for JI/CDM								20,0

The involvement of the Industries



Market volumes

Sufficient volume
Few participants

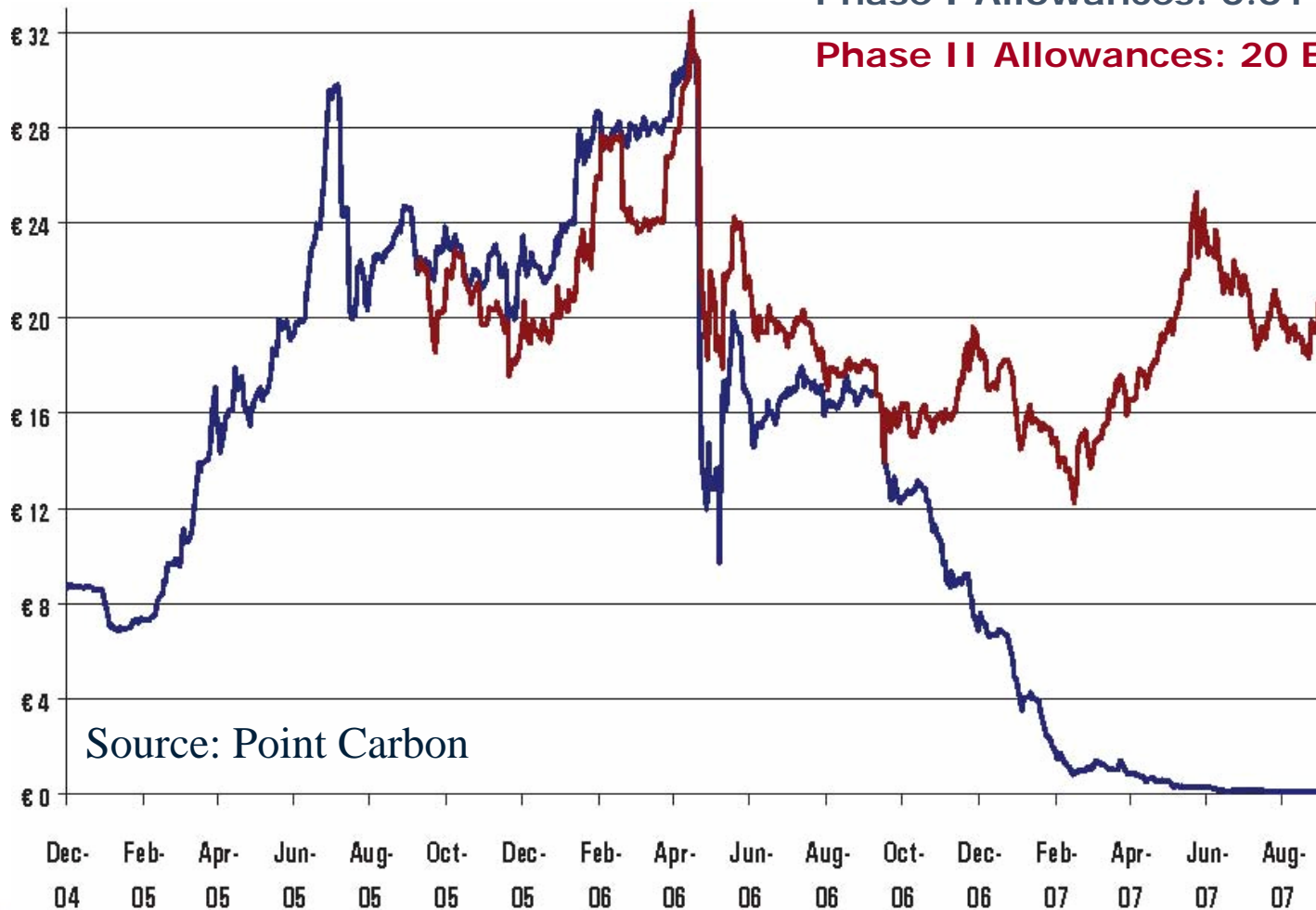


Source: Point Carbon

Market prices

Phase I Allowances: 0.01 ct/tonne

Phase II Allowances: 20 Euro/tonne



Perception spot exchanges

EUA Trading volumes 2006						2007					2008	
In kton	Q1	Q2	Q3	Q4	Total 06	Q1	Q2	Q3	Q4	Total 07	01	
Spot	Total	10.290	10.171	9.366	19.537	49.364	21.004	7.678	3.712	5.488	37.882	1.804
	Powernext	5.960	6.448	5.591	13.341	31.340	13.802	5.247	1.750	3.405	24.204	619
	Nord Pool	1.183	360	1.878	1.526	4.947	1.030	251	30	20	1.331	0
	EEX	2.380	2.392	1.407	1.854	8.033	2.659	1.092	474	841	5.066	468
	EXAA	86	61	70	71	288	85	75	70	50	280	15
	Climex	681	910	420	2.745	4.756	3.428	1.013	1.388	1.172	7.001	702

OMX Nordic Exchange on Friday announced it will purchase several of Oslo-based **Nord Pool's** activities, **including its carbon credit market**, and is now looking to establish a broad CO2 market on its platforms

Euroclear will settle spot trades for both European Union and United Nations credits made over the newly-created **Climate Spot Exchange (CSX)**, a subsidiary of **Climate Exchange PLC**

It has been our **Powernext** Carbon's pleasure to work with you throughout 2007, and now the **BlueNext** team looks forward to working with you in 2008.

Polish internet-based power and carbon dioxide trading platform Poee and Germany's European Energy Exchange (**EEX**) will link up spot markets for European CO2 allowances next year....

So, is the price right?

- The system works, with some issues left to resolve
- The market is maturing:
 - Almost all support mechanisms working (ITL)
 - A lot of movement among market players
 - Volumes & Prices are there
 - Strong EU support
- But, no proven CO2 emission reductions yet

Things look promising...

What do we need?

- Participation of the industries involved
- Firm environmental results

Climex likes to help by providing

Liquidity and transparent price disclosure

Easy to use internet based trading platforms for:

- Continuous Cleared Spot Trading on EUAs and CERs
- Auctions for EUAs, CERs, ERUs and VERs
- Energy contracting for Electricity, Gas and GoOs/RECs

Low barriers to entry:

- Easy accession procedures
- Low trading fees and no annual fees

Interaction:

- Annual Master Class
- Community

Innovations:

- 1st cleared CER spot trade in Europe.
- 1st online EUA, CER and VER auctions
- Public governmental online EUA auctions

**But in the end
we are all needed to make it work!**



*We'd love to have you
as a member*