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**Methane to Markets Partnership Expo**  
**Beijing 30 Oct - 1 Nov 2007**

# **The Global Carbon Markets to 2012 ... and Beyond!**

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## Current Status

- Uncertainty about Climate Change Science is Dispelled
  - EU ETS is a Promising Work in Progress with many Positive Attributes – Price Discovery, Liquidity & Infrastructure
  - CDM is a Successful Policy Mechanism to Reduce the Cost of Abatement for the Developed World and Enable Technology Transfer & Sustainable Development
  - Post-2012 Debate has Started but is Highly Politicised
  - Global Emissions Continue to Rise
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## European Emissions Trading Scheme

- Phase II (2008-12) Allocations – Market is Short
  - CERs & ERUs to be used for the first time in Phase II, though their use for Compliance is Subject to Limits ('Caps')
  - EU ETS will continue post 2012, with its Design to be influenced by the EU ETS Review
  - EUAs can be Banked from Phase II into Phase III and Auctioning will Replace Allocation
  - EU ETS is a driver for European Energy Markets and Policies
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## Clean Development Mechanism

- CDM Regulatory Process Now Working but still Slow
  - Infrastructure Developing but no ITL
  - Development of CER Secondary & Derivative Markets
  - Pipeline Continues to Grow (2bn CERs +) but Cheap Abatement Opportunities Declining, CER Attrition in Projects, and Post -2012 is Uncertain
  - CDM has Great Potential to Create Further Supply e.g. LULUCF, CCS, Programmatic CDM, etc.
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## Other Developments

- Clean Energy Technology Markets are Buoyant
  - ERU & AAU Markets are Starting
  - Voluntary Markets are Developing
  - Japan & Canada's Climate Policy will Create Demand
  - Development of Pro-Market Climate Change Policy in the US is Essential
  - Momentum is Building for a Multilateral Post-2012 Agreement
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## About ICECAP

- One of the Largest & Most Reputable Private Sector Providers of Liquidity to the CDM Market
- Manager of the ICECAP Carbon Portfolio
- Investment Grade Credit
- Seeking opportunities to Acquire CERs, ERUs and VERs from Methane Projects Worldwide

**ICECAP has a Track Record in Significant Methane Reduction Projects:**

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# The Largest LFG Project in China – Guangzhou Xingfeng



# The Largest LFG Project in Peru – Huaycoloro, Lima





# The Largest CMM project in the Developing World – Jincheng Sihe



**As well as many other CMM projects**





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## **ICECAP**

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