Carbon Markets Outlook 2012

EPRI Offsets Workshop

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Durban Platform: Implications

- Near term carbon markets picture remains challenging
  - Kyoto Protocol extended, but dates not firm – to be decided at COP 18
  - Unclear whether/when EU targets may tighten
  - Potential for CERs remains limited after 2012 in Europe (small country hosts only)
  - Australia may stimulate new global offsets demand
  - California may stimulate new US offsets demand (possibly others?)

- Long term view is good, as market mechanisms are a fundamental part of the UN policy fabric
  - Despite opposition from Venezuela, Bolivia et al., market aspects appear throughout texts
  - A New Mechanism, plus Reporting by developed and developing includes market mechanism results, and Standing Committee on Finance will assess private financial flows and carbon markets

- New asset classes emerging (REDD and a New Market Mechanism)
  - But significant policy uncertainties remain on specifics of crediting

- Climate finance going forward includes both mitigation and adaptation
IETA’s Outlook: Global Carbon Markets 2012
Carbon Market Positions

Risk

Time

- World Bank Funds
- Project Developer
- Compliance Funds
- Pre-Compliance Funds
- Government Funds
- Secondary Offsets
- Allowance Futures
- Internal Abatement
- Delivered Offsets
- Allowance Spot
- Investment Funds

Project

World Bank

Funds

Government

Funds

Risk

Time
For More Information

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