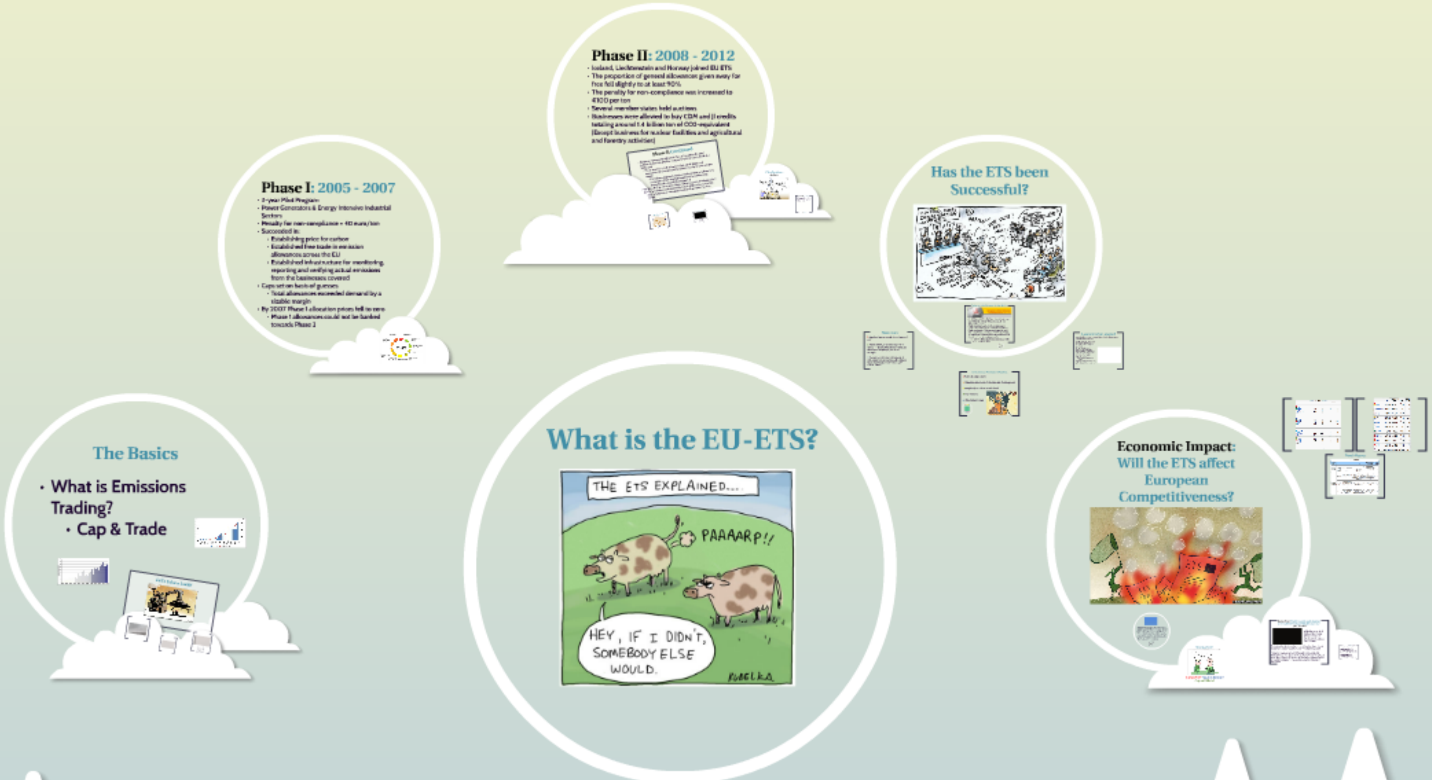
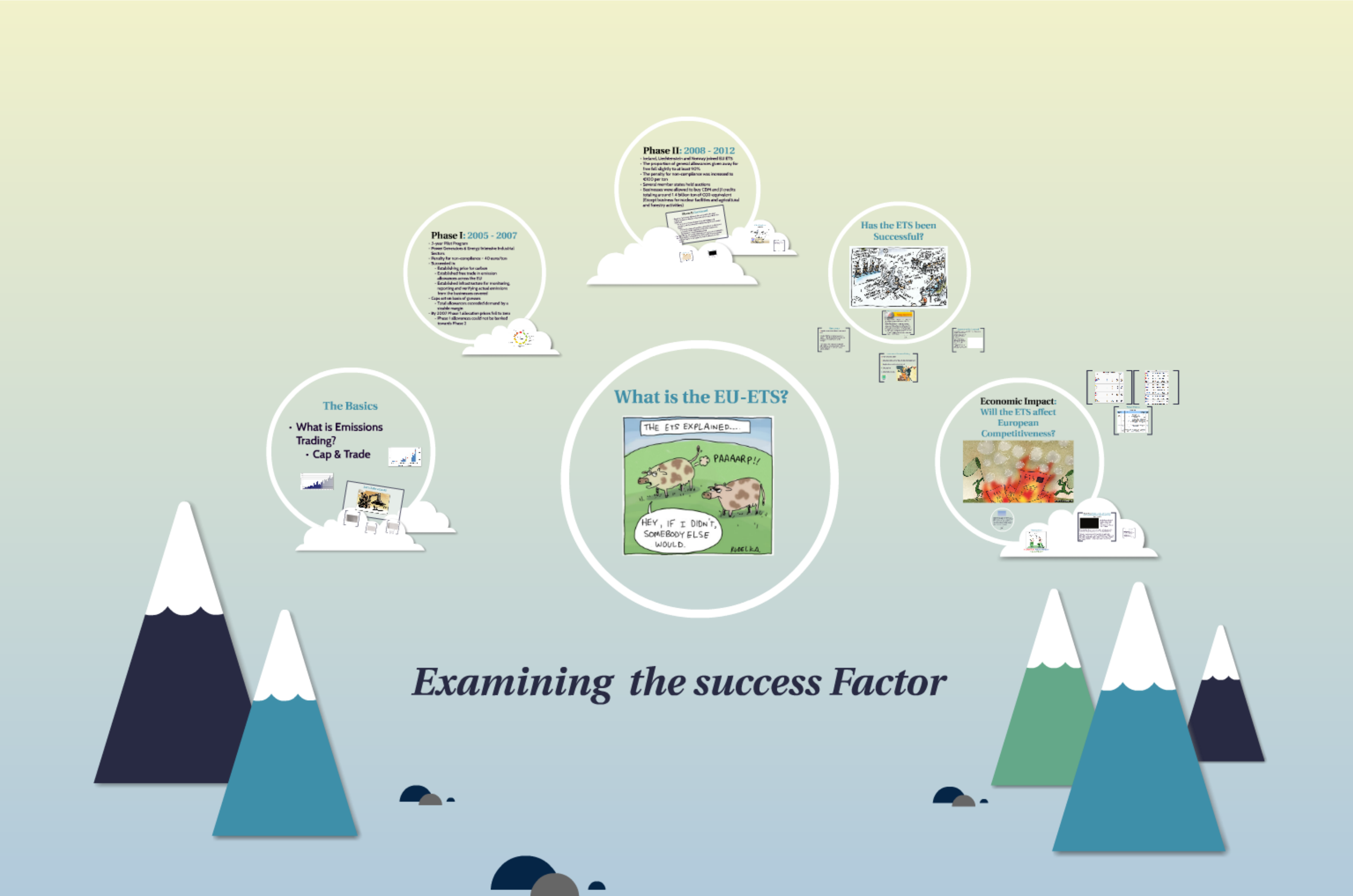
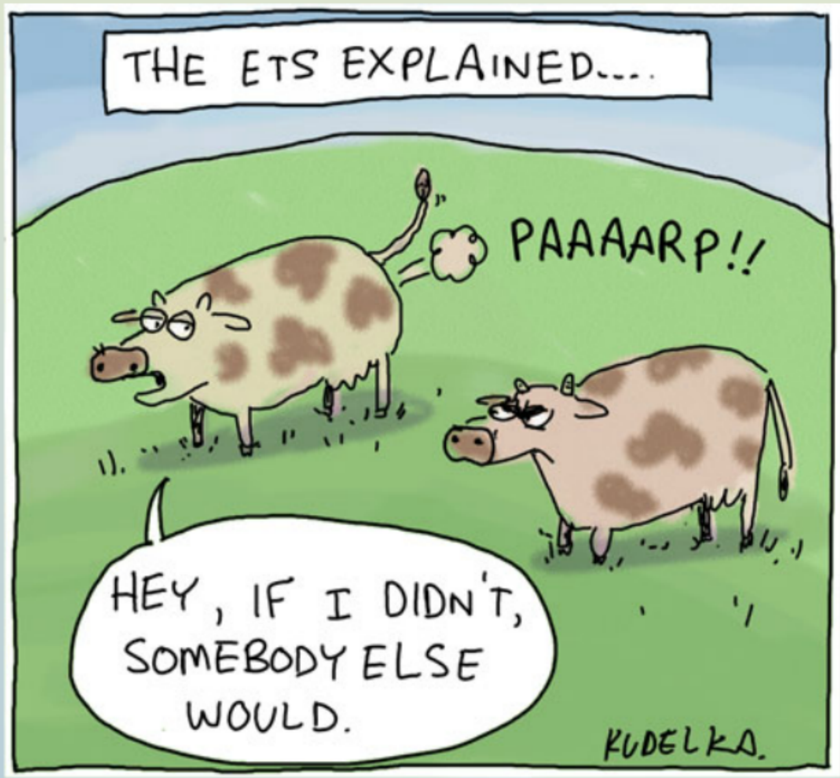


Examining the success Factor

Thecasesolution.com

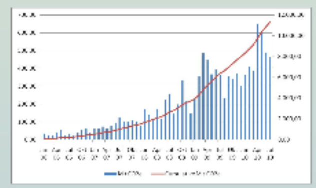

Phase I: 2005 - 2007
- 3-year Pilot Program
- Power Generation & Energy Intensive Industrial Sectors
- Penalty for non-compliance - 40 euro/ton
- Succeeded in
- Establishing price for carbon
- Established free trade in emission allowances across the EU
- Established infrastructure for monitoring, reporting and verifying actual emissions from the businesses covered
- Caps set on basis of guesses
- Total allowances exceeded demand by a sizable margin
- By 2007 Phase 1 allocation prices fell to zero
- Phase 1 allowances could not be banked towards Phase 2
Phase II: 2008 - 2012
- Iceland, Liechtenstein and Norway joined EU ETS
- The proportion of general allowances given away for free fell slightly to at least 90%
- The penalty for non-compliance was increased to €100 per ton
- Several member states held auctions
- Businesses were allowed to buy CDM and JI credits totaling around 1.4 billion ton of CO2 equivalent (Except business for nuclear facilities and agricultural and forestry activities)
Has the ETS been Successful?
The Basics
- What is Emissions Trading?
- Cap & Trade
What is the EU-ETS?
THE ETS EXPLAINED....
PAAAARP!!
HEY, IF I DIDN'T, SOMEBODY ELSE WOULD.
Economic Impact: Will the ETS affect European Competitiveness?
Examining the success Factor

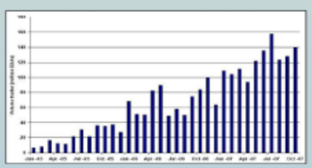
What is the EU-ETS?

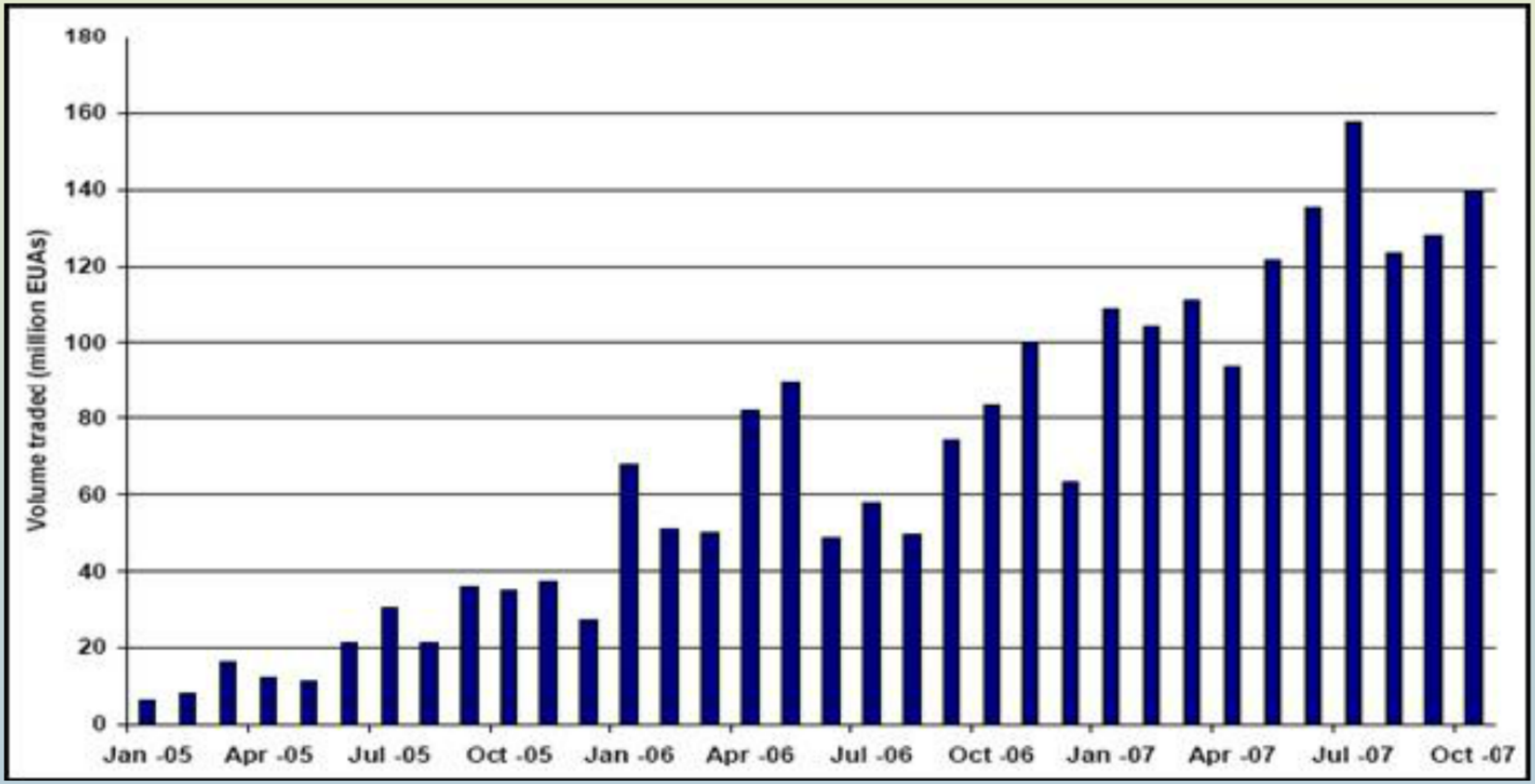


The Basics

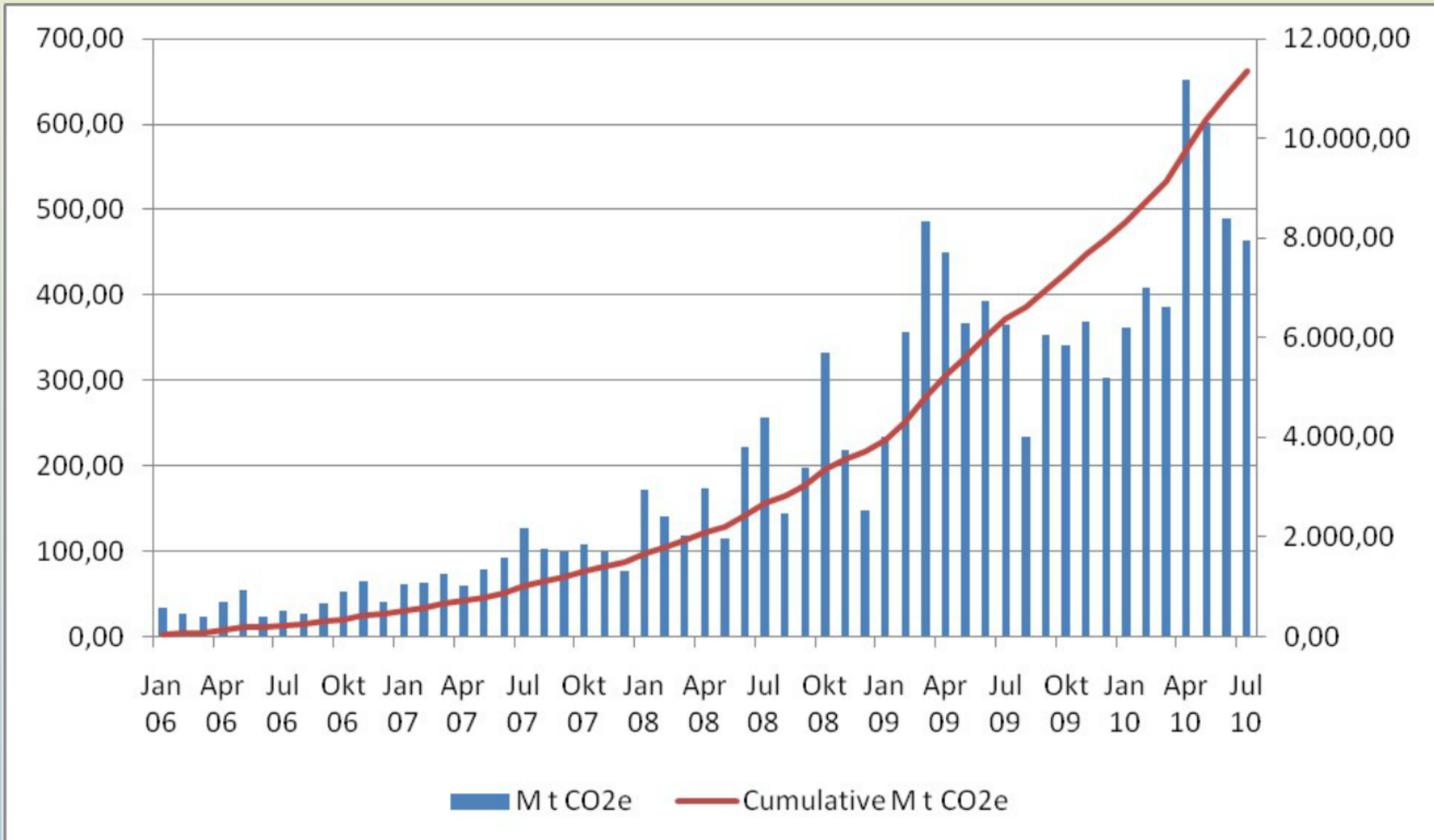
- What is Emissions Trading?
  - Cap & Trade







Volume traded (million EUAs)
180
160
140
120
100
80
60
40
20
0
Jan -05
Apr -05
Jul -05
Oct -05
Jan -06
Apr -06
Jul -06
Oct -06
Jan -07
Apr -07
Jul -07
Oct -07



700,00
600,00
500,00
400,00
300,00
200,00
100,00
0,00
12.000,00
10.000,00
8.000,00
6.000,00
4.000,00
2.000,00
0,00
Jan 06
Apr 06
Jul 06
Okt 06
Jan 07
Apr 07
Jul 07
Okt 07
Jan 08
Apr 08
Jul 08
Okt 08
Jan 09
Apr 09
Jul 09
Okt 09
Jan 10
Apr 10
Jul 10
M t CO2e
Cumulative M t CO2e

Let's Take a Look!