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## Demand for CERs in 2008 - 2012

Where can you sell your CERs and what will determine the price?

Point Carbon  
Ingunn Storro  
9 Oct 2006

# About Point Carbon

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Providing critical insights into energy and environmental markets



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# Agenda

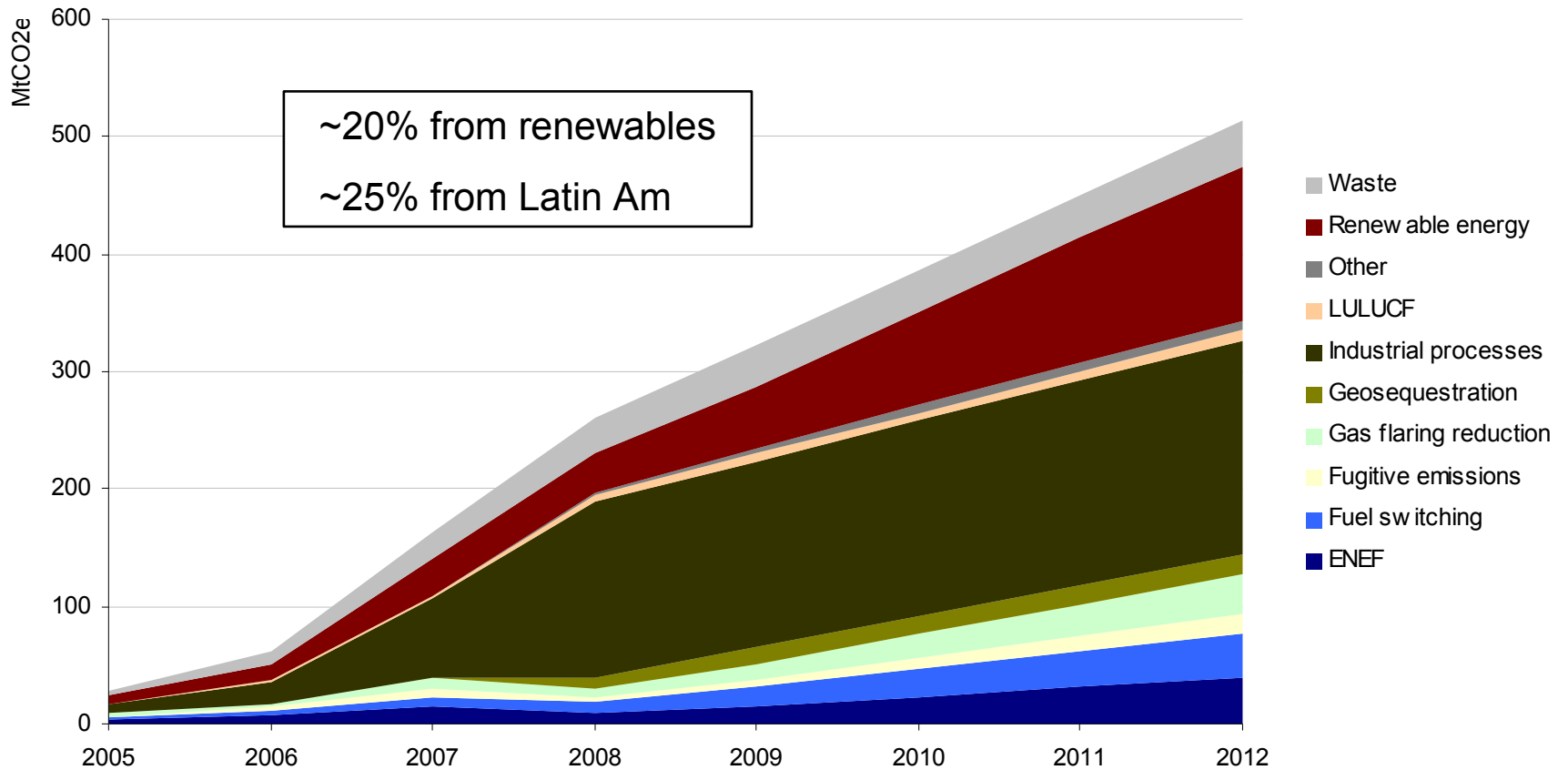
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- What does the future hold with regards to supply?
- Where is the demand?
- What will determine the price for CERs in 2008-12?

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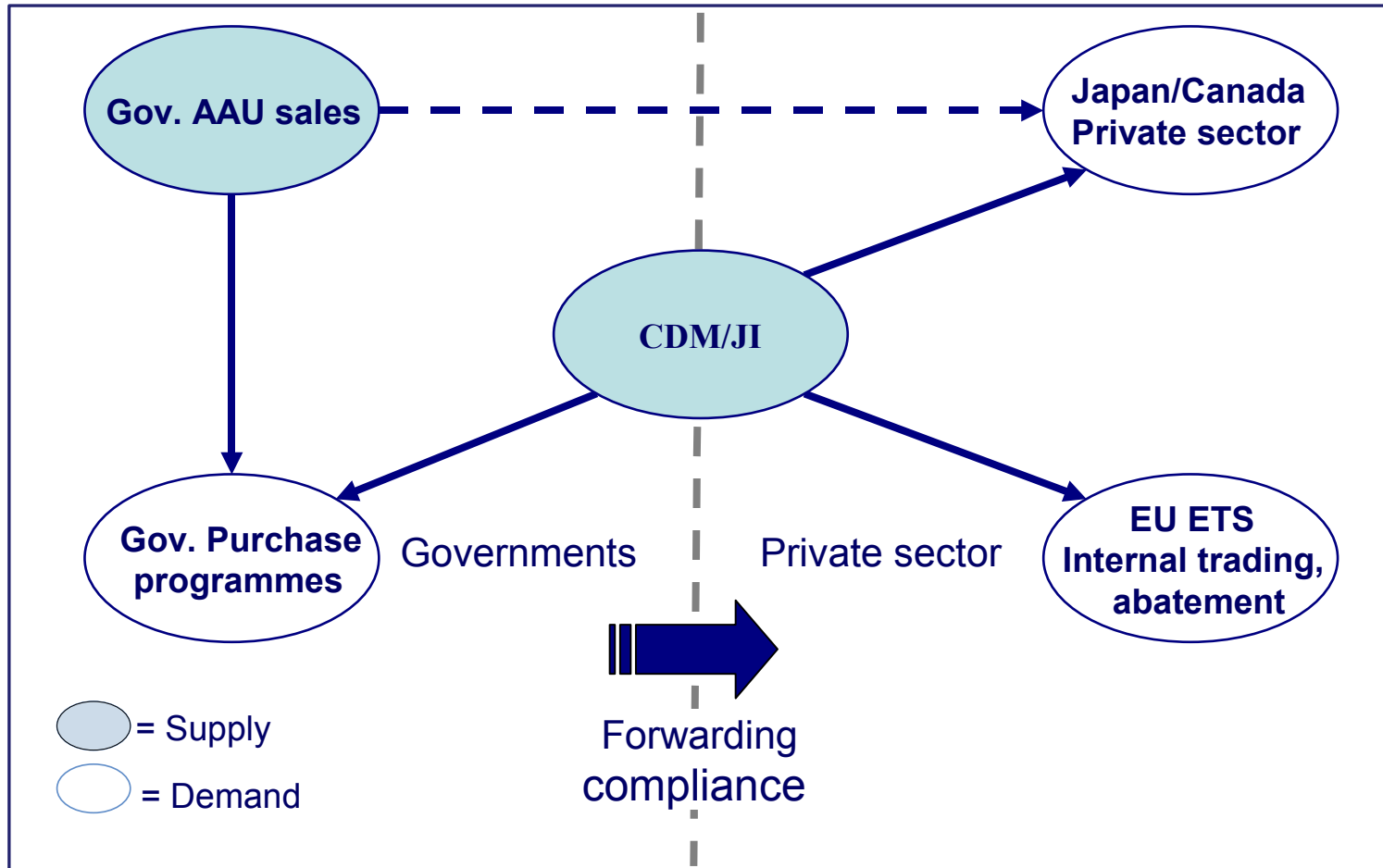
# Supply

# Total supply CDM -2012



Source: Point Carbon

# How it works, in theory



Political framing decisions

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# EU ETS demand

# EU Emission Trading System (EU ETS) in brief

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- What?
  - Regional Trading Scheme
- Who?
  - All 25 member states, 4000 companies, 11400 installations
- How?
  - Trade with EUAs, can use some CERs/ERUs for compliance

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# CER demand in the EU ETS

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- Actual demand will depend on the strictness of the NAPs
- Final decision expected in Spring 2007
- CER/ERU limits not an issue

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# Prices

# CER-prices October 2006

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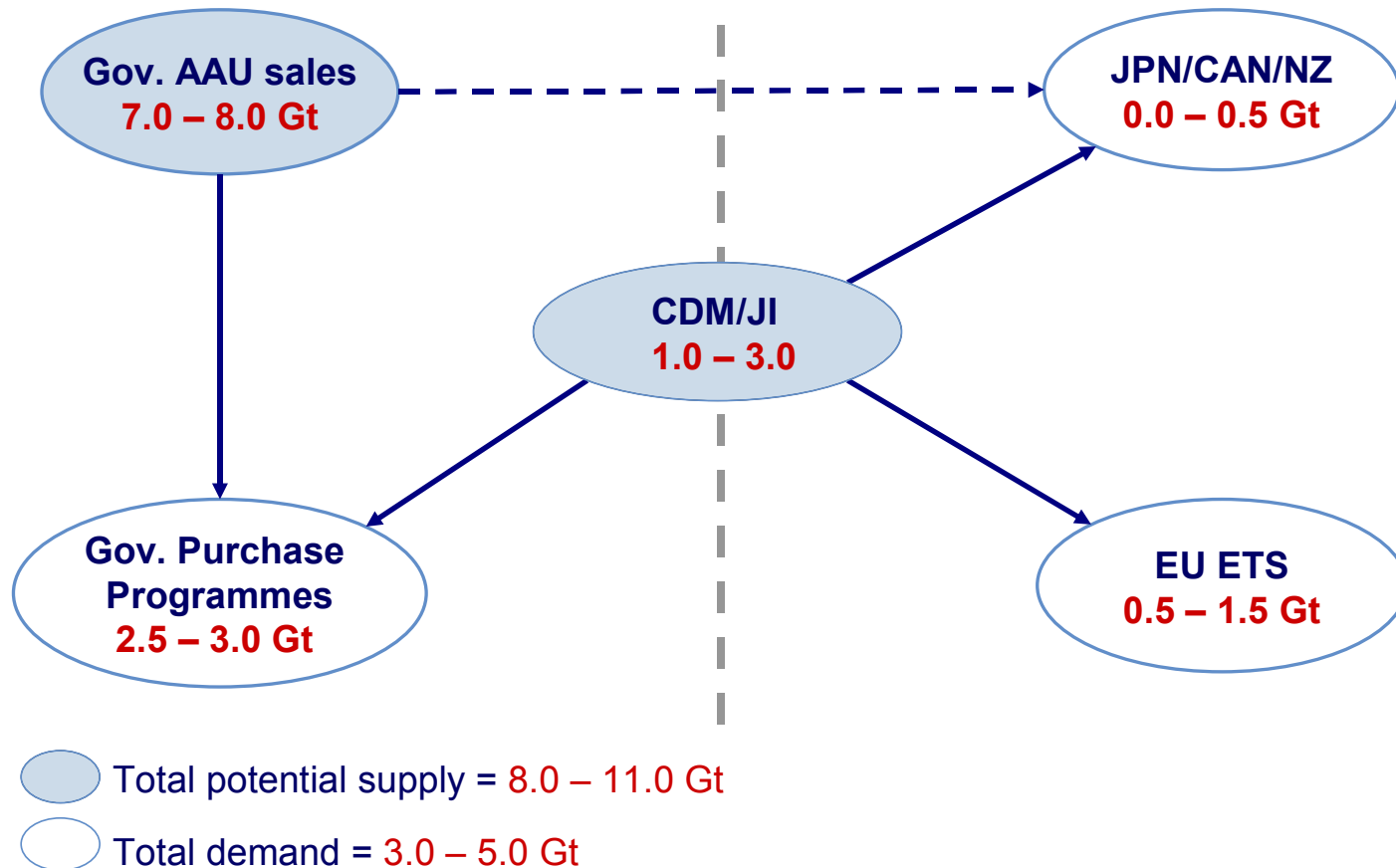
Category	CDM
1	€ 5-7
2	€ 6-12
3	€ 13-15
4	€ 15-16

Lower risk for the seller



Higher risk for the seller

# Supply and demand 2008 – 2012



# Conclusion

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- Major buyers
- Political decisions
- The price will not go to zero

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**Thank you for your attention!**

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**Welcome to Carbon Market Insights**

**Copenhagen, 13-15 March 2007**