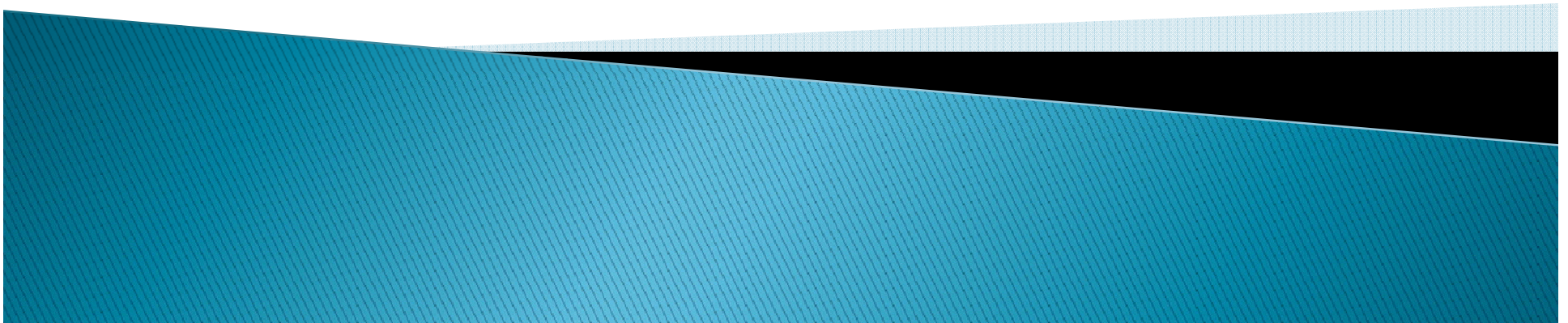


Carbon Markets Outlook 2012

EPRI Offsets Workshop

Dirk Forrister
Incoming President and CEO
IETA

March 15, 2012



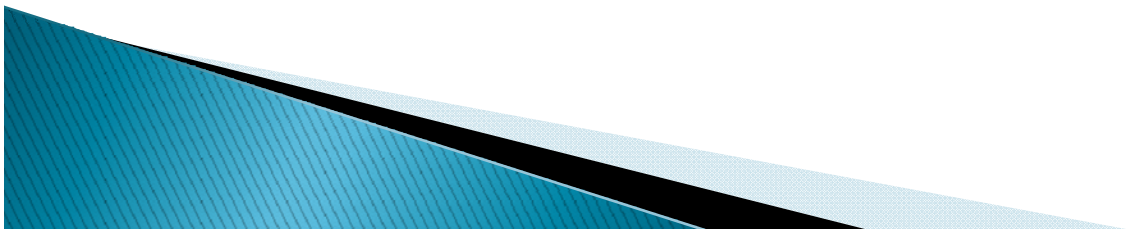
Durban Platform: Implications

- ▶ 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?)

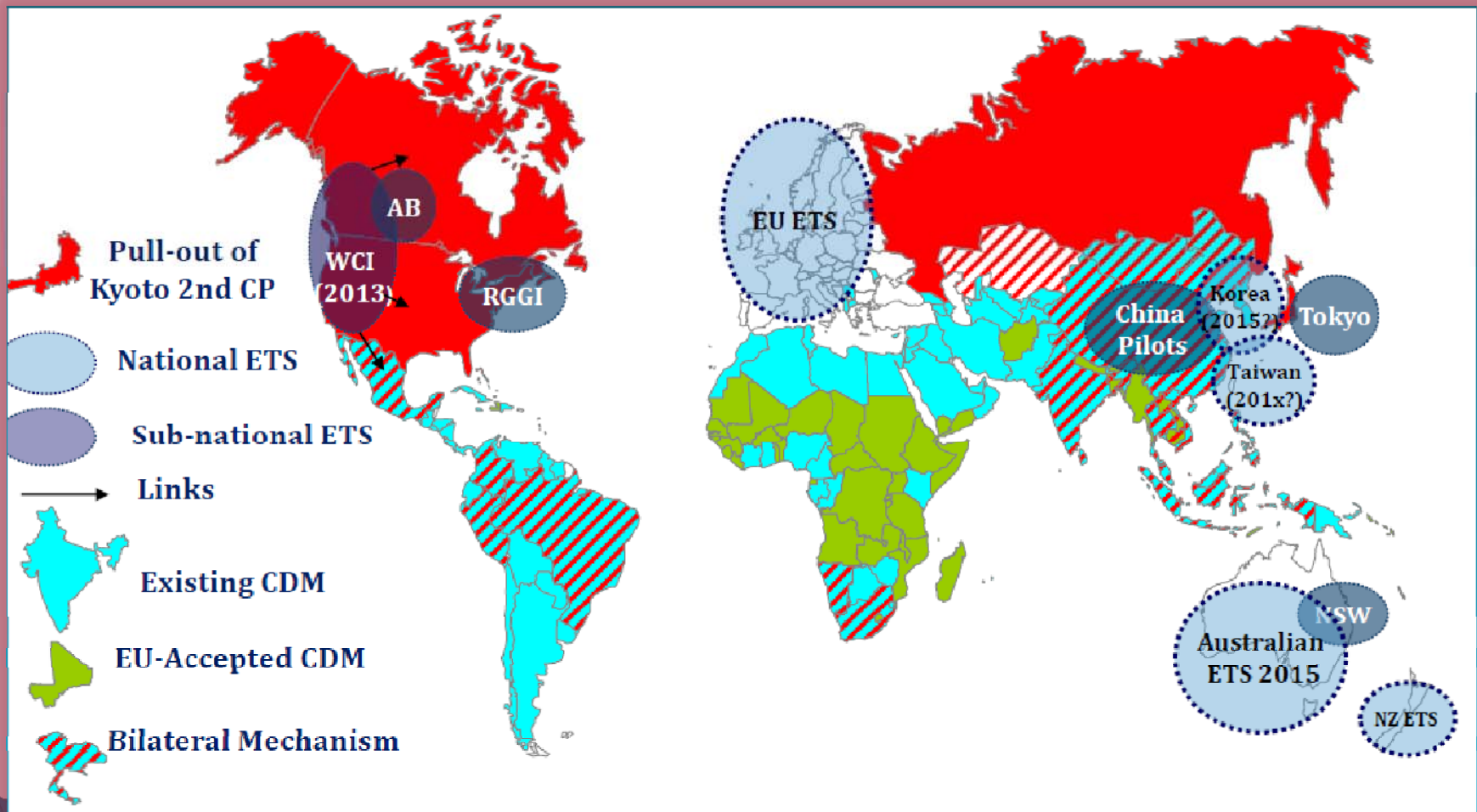
- ▶ Long term view is good, as market mechanisms are a fundamental part of the UN policy fabric
 - Despite opposition from Venezuela, Bolivia et al., market aspects appear throughout texts
 - A New Mechanism, plus Reporting by developed and developing includes market mechanism results, and Standing Committee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

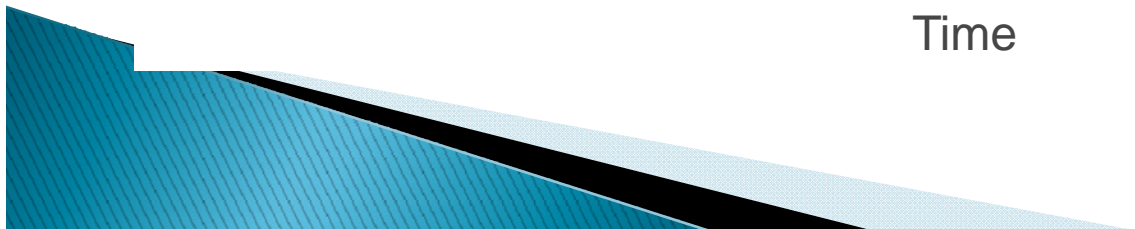
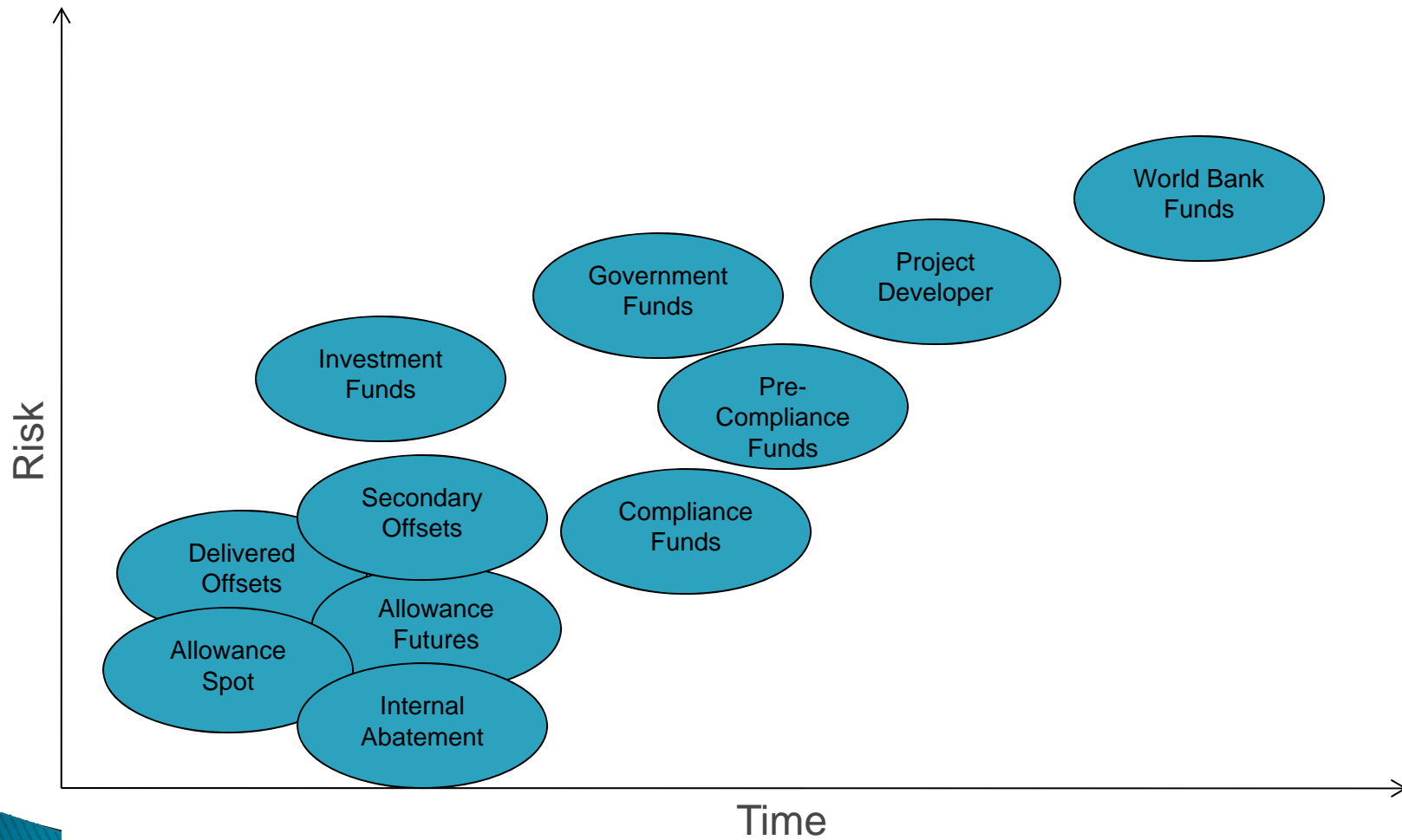
- ▶ Climate finance going forward includes both mitigation and adaptation



IETA's Outlook: Global Carbon Markets 2012



Carbon Market Positions



For More Information

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