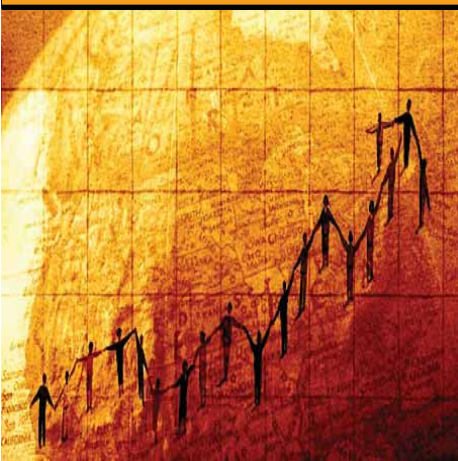


Workshop Leaders: Mr. Kasper Walet & Mr. Bishal Thapa



CARBON 2008

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## Series 2

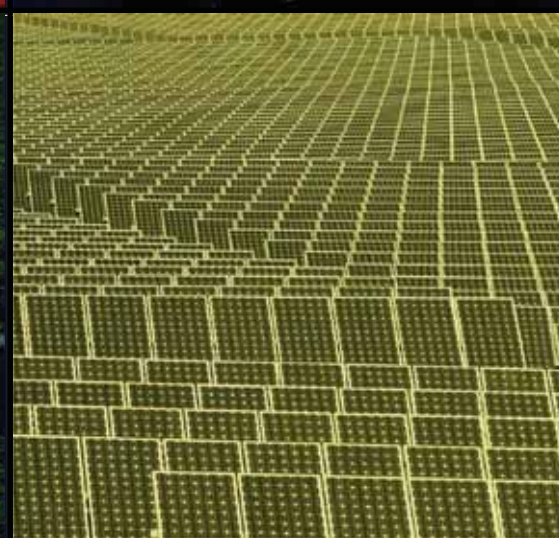
# Developing CDM Projects

Challenges and opportunities for the Indian Market

CARBON 2008



CARBON 2008



CARBON 2008

Venue - JW Marriot, Mumbai

Dates - 11th July 2008

# Developing CDM Projects

Venue - JW Marriot Hotel, Mumbai

Dates - 11th July 2008

Dear Reader,

The total value of greenhouse gas emission permits traded in 2007 reached USD 60 billion, an **80% rise** on the 2006 figure of USD 35 bn. Under the UN-administered clean development mechanism (CDM), 947m tonnes CO<sub>2</sub>e were traded, to a value of USD 18bn. The secondary market in issued CDM credits grew massively, expanding from 40mn tonnes and USD 865 mn in 2006 to 350mn tonnes and €8.6 bn in 2007. The remarkable growth in the secondary CDM market shows that companies are ready to invent new, creative tools for managing present and future carbon constraints.

Asia, and in particular China and India, represents the largest source of project-related emissions reduction credits going into the UN's Clean Development Mechanism system. Buyers have swarmed into China in particular in order to transact huge volumes of CERs forwards at attractive prices. Such transactions have been possible due to the Chinese designated national authority (DNA)'s CER floor price policy. The Chinese DNA's CER floor price is not perceived as a barrier, as the DNA is also closely watching the global carbon credits price, such as the prices seen in India and the European secondary market. Furthermore, buyers have recently observed their increased exposure to Chinese CERs and are diversifying their portfolio into other Southeast Asian countries.

In Europe several exchanges are now launching CER-related contracts, leaving the opportunity for Asean exchanges and players to participate in the European secondary CERs market, along with offering standardised products in Asia related to secondary CERs. The competition among exchanges will lead to the development of a matured carbon trading space and the increased participation of informed sellers, buyers and traders. At the same time, we are already witnessing alliances between exchanges around the globe. Such combined strengths will further enhance the critical role carbon exchanges could play in shaping the global carbon market.

Standardisation is needed for the CDM market to reach its full potential. The major areas for standardisation include: contracts; the level of participation in CDM projects before registration; the level of guarantees sellers can provide for their primary CERs; and developing a category of small-scale projects with high success rate of delivery. Currently, the registration of CDM projects and the issuance of CERs will enable the market to address the above areas of standardisation. This will leave the credit rating of the Asian sellers as a major obstacle, requiring standardisation for their participation in exchanges the development of insured or guaranteed CERs products.

More and more financial players and intermediaries enter the carbon markets in Asia. There are already many European and US-based financial players and intermediaries who are actively engaged in carbon trading in Asia. Few have taken big positions in China and HFC 23 projects in India. This will continue to grow, with increased participation by Japanese financial and trading houses. Such a high level of participation will not only provide much needed liquidity and dynamics to the Asian carbon market, but will also lead to the development of new project financing options for Asian CDM projects.

Yours Truly  
Prasanna Arumugam



Head of operations  
Asia Knowledge Associates

# Developing CDM Projects

## STATISTICS

Figure 4: Location of CDM Projects

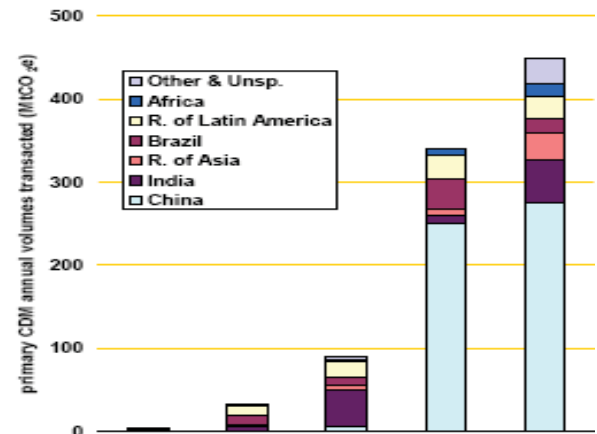
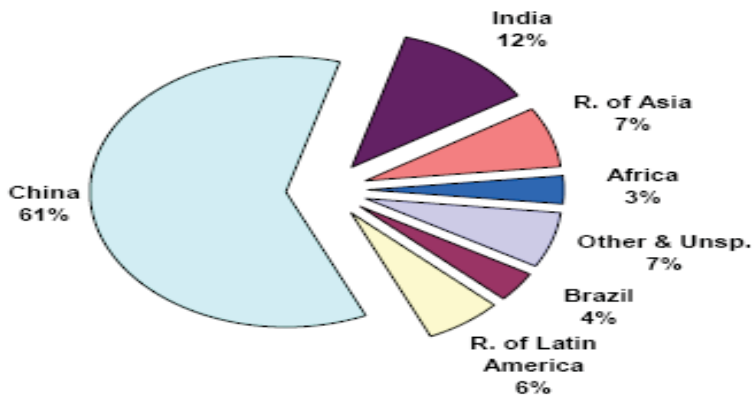
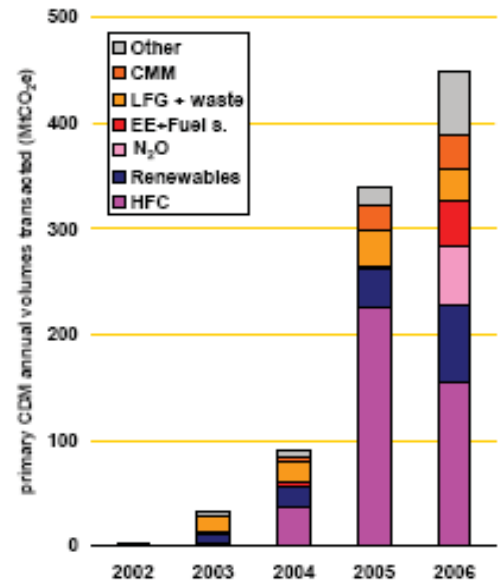
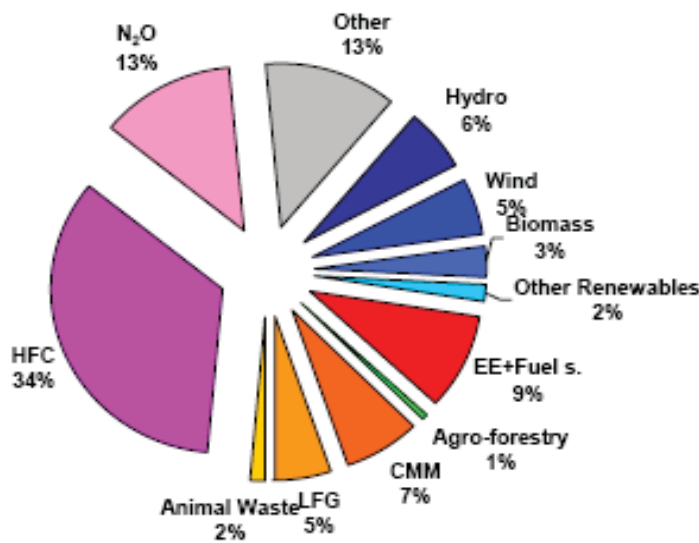


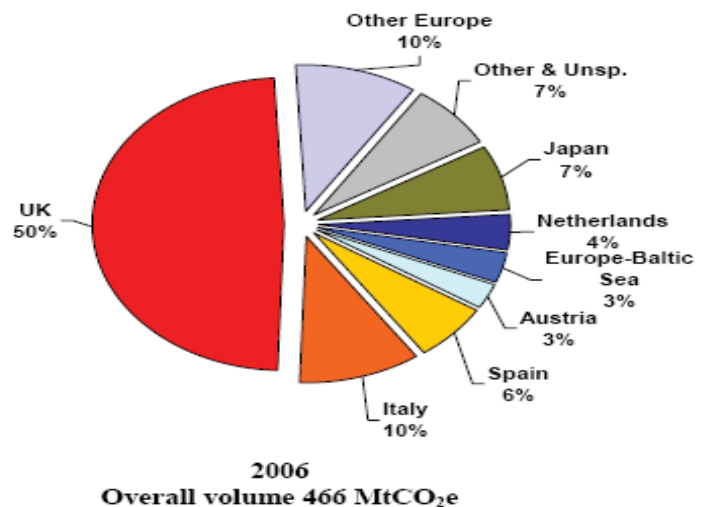
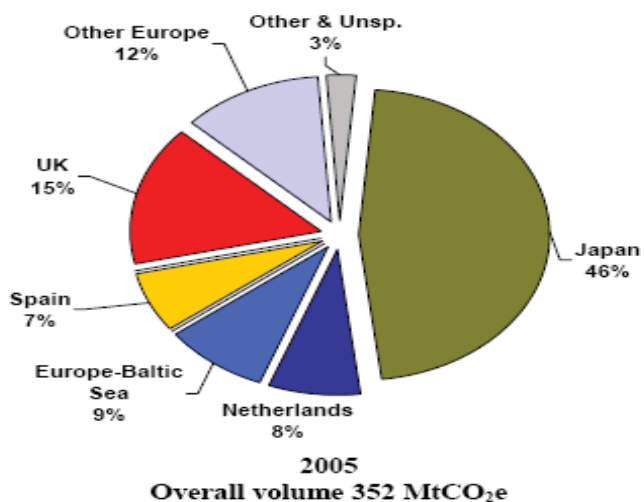
Figure 6: Asset Classes of CDM projects.



As a share of volumes contracted in 2006

2002-2006

Figure 3: Primary CDM&JI Buyers (as shares of volumes purchased, vintages up to 2012)<sup>40</sup>



# Developing CDM Projects

## Profile of Mr. Kasper Walet

Kasper Walet, Managing Partner of Maycroft Consulting based in Amsterdam, the Netherlands will be the trainer. While working in the commodity and energy industry for over 20 years Kasper has build a unique knowledge and experience on an academic and practical level about all the aspects related to trading and risk management of commodities. Since the start of Carbon Trading Kasper has been involved in advising companies about the aspects of this. He is also co-author of a book called: A guide to Emissions Trading; Risk Management and business Implications published by Risk Books in 2004. Besides Kasper has conducted several workshops and seminars about carbon trading



He has thought in many countries such as Japan, Singapore, Thailand, China, United States, Canada, United Kingdom, Germany, Poland, Russia, France, the Netherlands and also India. It will be his pleasure to share his expertise with you as well.

## Profile of Mr. Bishal Thapa

Bishal Thapa is the Managing director of India arm of leading global advisory firm ICF International. In this role, Bishal is responsible for leading various departments across the organization including Climate Change, India power markets, energy efficiency, asset valuation, electrical transmission, market modeling, energy regulation, environment policies and fuel markets among others. A seasoned leader and communicator, Bishal offers more than a decade of accomplishment laden experience in Climate change and carbon markets.



He has worked extensively with the US Environmental Agency and other environmental groups, actively advising these agencies on regulatory issues. Bishal has also served as Economic Adviser to the UK Department for International Development (DFID) in Nepal and was appointed as the South Asia representative to the high level Advisory committee formulating policies on Staff Appointed in Country for DFID

Bishal currently serves as member of the India Climate Change Task Force, an industry forum helping to shape India views on climate change organized by the Federal of Indian Chamber of Commerce and Industry (FICCI). He was also chosen as a member of the FICCI delegation to the UN Climate Change conference in Bali. He has also supported a variety of public voluntary program development initiatives beginning with U.S. environmental Protection Agency's (EPA's) Green Lights program and Energy Star programs

## Who Should Attend:

The workshop is intended for business heads who play an active role in new initiative policy for the organisation. Participants will gain a clear understanding of the complexities involved and the potential oppurtunities for Carbon trading in Asia.

The attendees could be:

Managing Directors

CEO's

CFO's

CIO's

Financial Directors

Health, Safety & Environment

Heads of : Projects, Environment & Energy, Business Development, Power Solution, Carbon Desk, Structuring, New & Renewable Energy, Manufacturing and Refineries

# Developing CDM Projects

## Workshop Agenda

9:00am

### 1st Track Kasper Walet

#### *Introduction Kyoto and CDM*

- The Kyoto Flexibility Mechanisms
- General Overview CDM
  - Role UNFCCC
  - International Demand for CDM
  - Buyers, sellers, locations
  - Technology Share
- Indian CDM Projects registered by CDM Executive Board
- CDM Project Approval Cycle
- CDM Registration Lessons learnt
  - Relevant recent developments EB
- What is going to happen after 2012 when the Kyoto Protocol ends?
- Are the signals long enough to be relevant to CDM investment cycles

### 2nd Track Kasper Walet

#### *Markets*

- Role of mandatory and voluntary markets
- Role of exchanges in the Carbon market: Europe, US and Asia. Regulated vs. voluntary markets
- Growing Secondary CER Market
- Voluntary market
  - Size
  - Historically traded volumes
  - VER Transactions by Project Location
  - VER Suppliers
  - Voluntary Market Pricing
- Future Voluntary markets

### 3rd Track Kasper Walet

#### *The Gold Standard*

- What is the Gold Standard
- Gold Standard vs. conventional CDM
- Gold Standard Governance
- Active in both the compliance and the voluntary markets
- Premium Market Prices
- Eligibility and Sustainable Development

### 4th Track Kasper Walet

#### *Risk Management CDM Projects*

- Project Conception
- Implementation Challenges
- CER risks faced by Project Developers
  - Registration Risk
  - Market Risks
  - Buyer Risk
  - Project Risks / Delivery Risks
- CDM Risk Mitigation

### 5th Track Kasper Walet

#### *CDM Procedures*

- Overview Project Cycle
  - Project Formulation
  - Validation by DOE
  - Monitoring
  - Certification by DOE
  - National approval by DNA
  - Registration by EB
  - Verification by DOE
  - Issuing of CERs
- Small Scale CDM projects

### 6th Track Kasper Walet

#### *Key Issues CDM Projects*

- Additionally
- Baseline
  - Static
  - Dynamic
  - 3 approaches

### 7th Track Kasper Walet

#### *Practical Case studies to Methodologies for CDM project activities*

Practical case studies about baseline and monitoring methodologies for CDM project activities that are:

- Approved by the CDM Executive Board
- Under consideration of the CDM Executive Board

### 8th Track Bishal Thapa

- *Energy Efficiency CDM Projects*
- *The Changing Landscape of CDM*
- *Challenges in India CDM*
- *How Indian companies can take position themselves on CDM*
- *Utilizing CDM opportunities of today and tomorrow*

### 9th Track Bishal Thapa

#### *Approaching CDM - Strategies for Taking Advantages of Carbon Markets*

- What have Indian companies done successfully to take advantage of carbon opportunities?
- What are possible financing options?
- How to avoid common risk and pitfalls?

### 10th Track Bishal Thapa

#### *Beyond CDM: The New Low-Carbon Economy*

- What is the low carbon economy and what are companies doing in response?
- What are the opportunities for Indian companies in the low carbon economy?
- What should Indian companies be doing to prepare for a low carbon economy?

**Discussion and Closing remarks**

# Developing CDM Projects

## Delegate Registration Form

### Delegate Information

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Direct Phone / Extn: \_\_\_\_\_

Email: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Direct Phone / Extn: \_\_\_\_\_

Email: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Direct Phone / Extn: \_\_\_\_\_

Email: \_\_\_\_\_

For more delegates, please send delegate information on another page

Company: \_\_\_\_\_

Address: \_\_\_\_\_

### Authorized by / Billing Information:

Signatory must be authorized to sign on behalf of contracting organization

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Completed contracts can be faxed or e-mailed

Fax: +91-22-26319376

Email: reg@asiaknow.com

Please make cheques / DDs payable in favour of:  
"Asia Knowledge Associates"  
and send to:

Suite 20, Mayfair, Raviraj-Oberoi Complex,

Off New Link Road, Andheri West,

Mumbai 400053 INDIA

Phone: 91 (22) 32951668

Avail 10% discount before 28th June 2008

### Delegate Fees

- 1 Delegate INR 10,900
- 2 Delegates INR 9,900 per Delegate
- 3 Delegates INR 8,900 Per Delegate
- 4 to 6 Delegates INR 8,000 per Delegate
- 7 to 10 Delegates INR 7,000 per Delegate

Your Signature & Company Seal

This booking is invalid without a signature.

Date: \_\_\_\_\_

Delegate fees is to reach us  
within 7 days of contract date

### Terms & Conditions:

1. Confirmation: Telephone bookings are provisional until written confirmation is received, either by fax with credit card details or by post with a cheque. Alternatively an invoice can be sent out in which payment must be made within 5 working days of booking.  
2. Payment: All payments must be received within 5 working days of booking. Failure to pay within this time may result in the course price being cancelled subject to the cancellation terms below.  
3. Cancellations: Cancellations must be received in writing and are subject to the following charges: cancellations received more than 2 weeks prior to the date of the course will be charged at 50% of the booking cost. Cancellations received within 2 weeks of the course date will be charged at 100% of the booking cost.  
4. Substitutions: Delegates substitutions are welcome at any time and do not incur any charge. Please fax or mail your changes to us.  
5. Transfers: Transfers to alternative events or dates may also be subject to charges. Transfers received before 2 weeks prior to the course date will not be charged. Transfers received within 2 weeks of the course date will be subject to 50% of the initial booking cost. A credit note will be issued for the remaining 50%.  
6. Alterations to the advertising course: We put the greatest care and effort to ensure solidity of the program schedule. AsiaKnowledge will not be responsible for covering airfare, hotel or any other cost incurred by the registrants. In the event that AsiaKnowledge cancels the course, AsiaKnowledge reserves the right to transfer this booking to another course to be held in the following 12 months or to provide a credit note of an equivalent amount to another course within the following 12 months.  
7. Liability: By completing this registration form the client hereby agrees that AsiaKnowledge will not be able to mitigate its losses for any less than 50% of the total booking cost.  
8. Once signed and returned by e-mail, mail, or fax, this form is regarded thereafter as a firm contract.