

camco

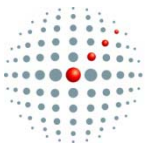
Putting It Into Global Perspective: The Kyoto Compliance Markets & Beyond

Western Climate Policy Forum

Denver
26th February 2009

Rick Adcock





About the Camco Group

Camco's business

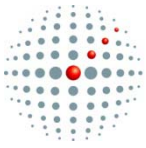
- 20-year track record in the climate change and sustainable energy markets
- 18 offices in 12 countries, and more than 270 staff worldwide.

We are a vertically-integrated provider of carbon market services

- Management & strategic consulting
- Carbon assessments at the product, facility, and enterprise levels
- Project origination, development, and qualification
- Carbon asset aggregation, portfolio management, and commercialization

Our current portfolio of carbon credits

- 150 million tonnes under management, over 90% are compliance-grade credits
- We qualify projects to receive credits under the highest standards -- CDM, JI, GS /CDM, GS/VER, and VCS
- We work with each buyer to assemble a portfolio of projects to meet select requirements such as environmental benefits, technology, geography, risk profile, credit volume, credit vintage, development stage, and price



An Industry-Recognized Leader



Point Carbon Awards 2007 & 2008
Best Project Developer



Energy Business

Awards *ASIA* 2008



Gold Award
Environmental Markets



Energy Business

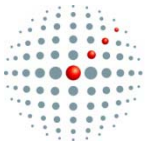
ASIA 2007

Environmental Markets

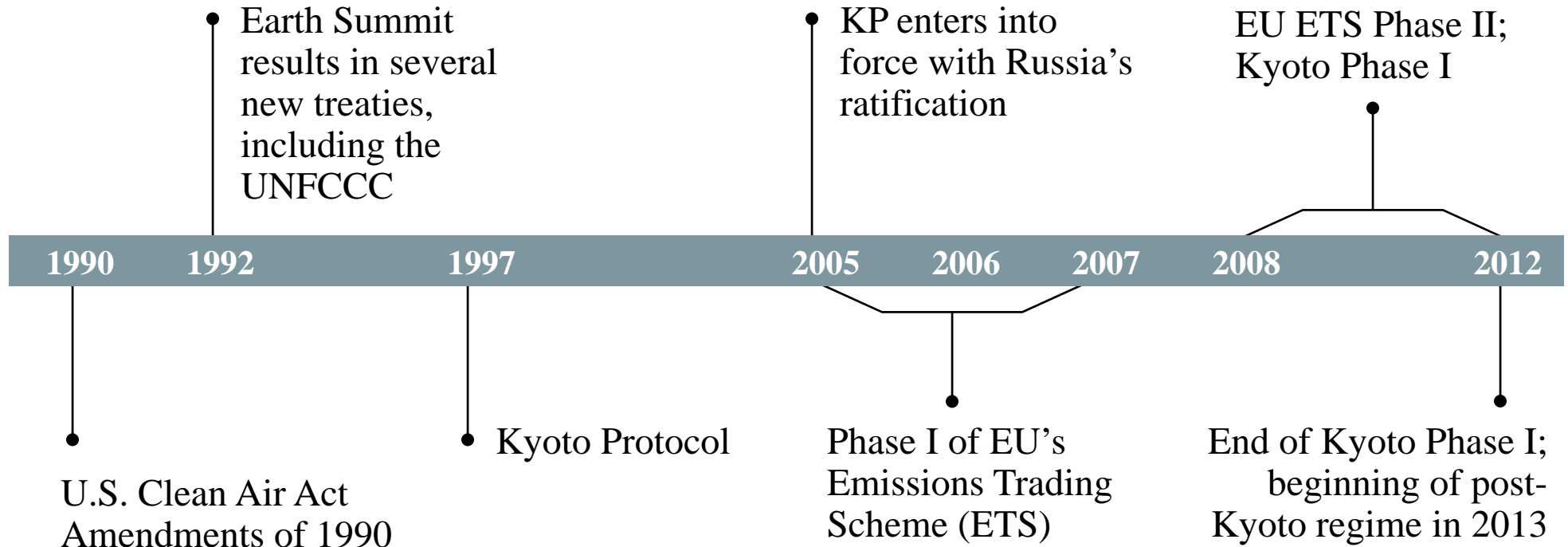
**Environmental
Finance**

**AWARDS
2007**

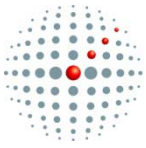




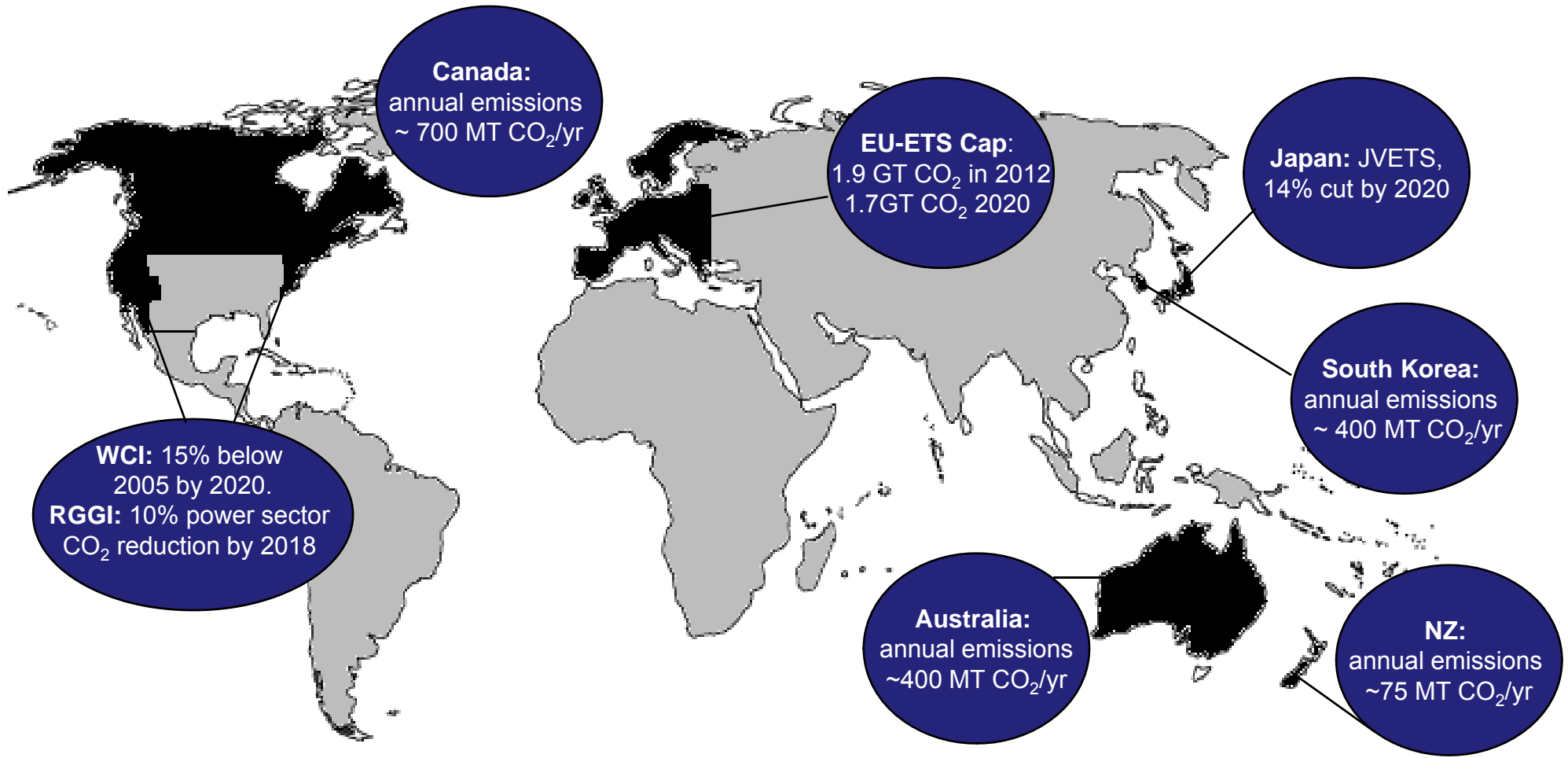
Evolution of International Carbon Markets



Transaction Drivers: Compliance, Risk Management, Arbitrage

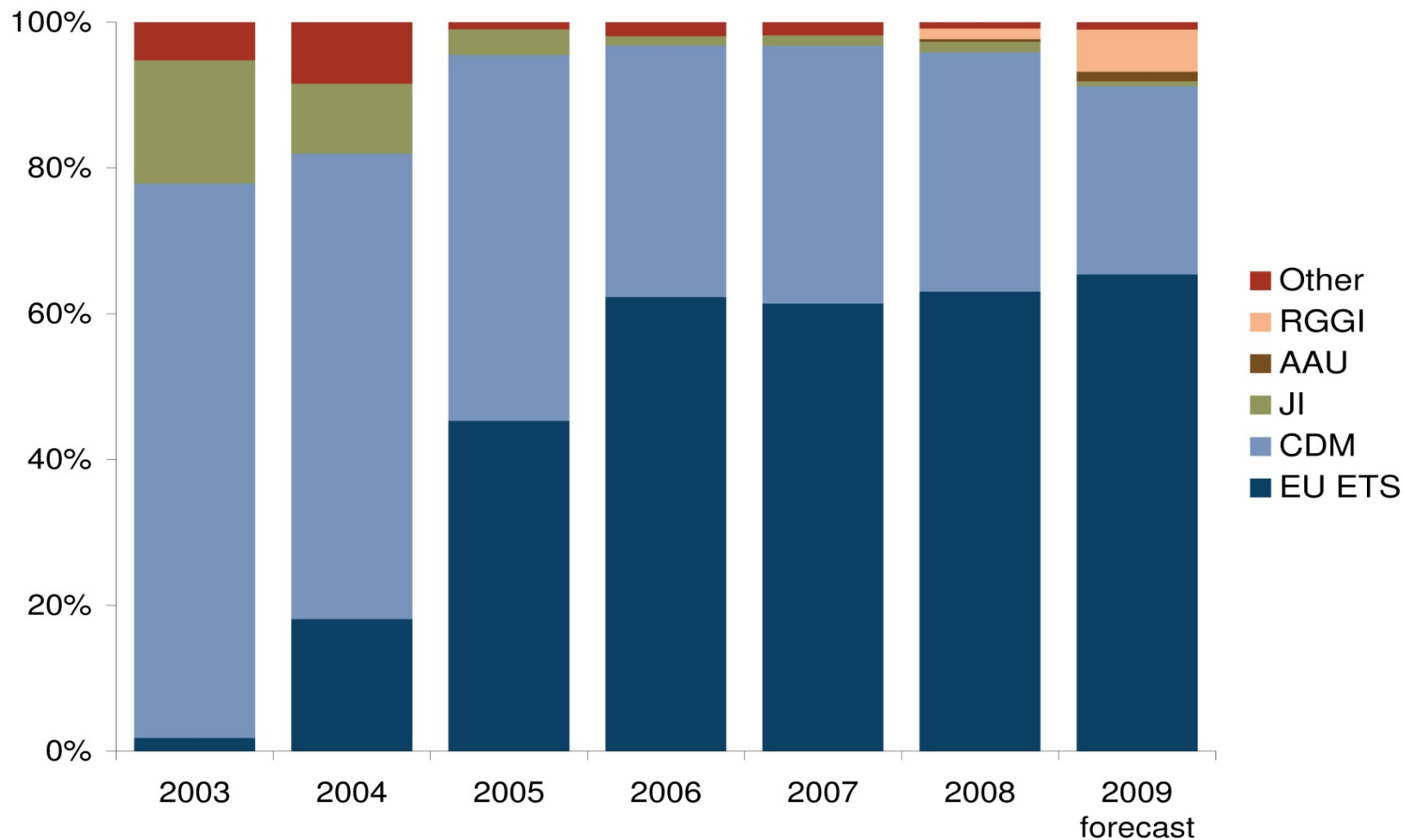


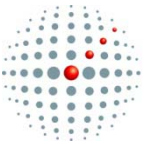
Regional Cap & Trade Regimes



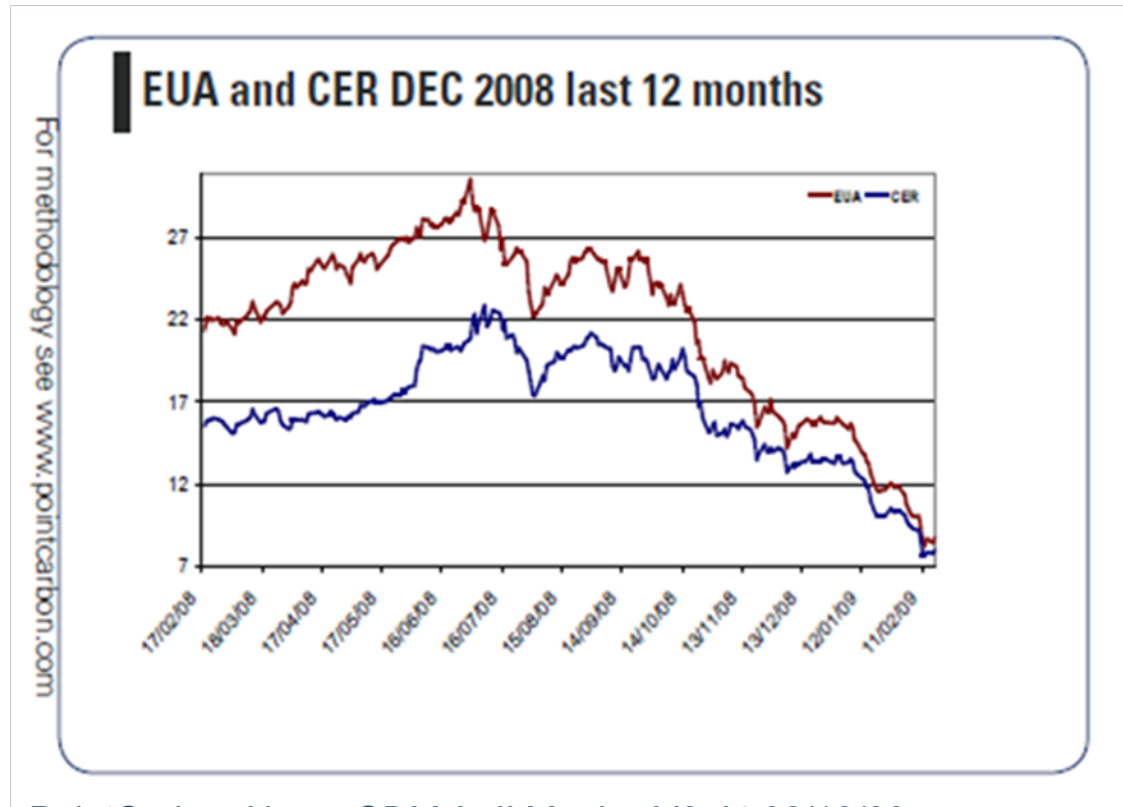
Carbon market segments over time

Relative share of each of the major segments from 2003 to 2009 (forecast)

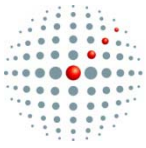




Recent Prices of EUAs and Primary CERs

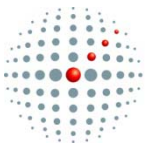


PointCarbon News *CDM & JI Monitor V6_I4* 02/18/09



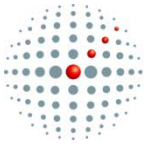
Two Approaches to Additionality

- Project-by-project approval according to additionality tests
 - Project additionality must be proved using arguments based on:
 - Financial tests,
 - Prevailing practices, or
 - Barrier analysis.
 - Approach is bottom-up & case-by-case.
- Performance-based standards
 - Project additionality must be proved by significantly exceeding BAU measured by:
 - An emissions rate,
 - Practice standards, or
 - Technology standards.
 - Approach is top-down & standardized.

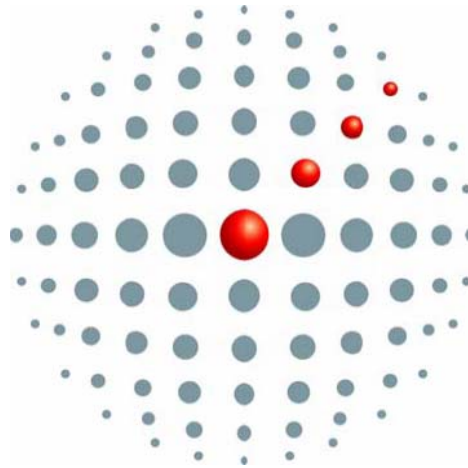


Issues Under Discussion for a Post-2012 Kyoto Regime

- Address the need to streamline the CDM project approval process.
- Include new project types in the CDM --
 - Avoided deforestation, wetlands restoration, sustainable forestry;
 - Carbon capture & sequestration; and
 - Nuclear activities.
- Sectoral CDM (S-CDM)
 - Benchmarked to a best-practice standard against which projects are measured and credits awarded.
 - Much to define here, including sectors to include, sectoral boundaries, sectoral baselines, and M&V.
 - Potential for more standardized M&V as the process is streamlined.
 - Represents a “positive test” rather than traditional CDM’s “subjective test.”



Thank you.



Rick Adcock

rick.adcock@camcoglobal.com

www.camcoglobal.com

Tel. +1 (720) 320.5575

