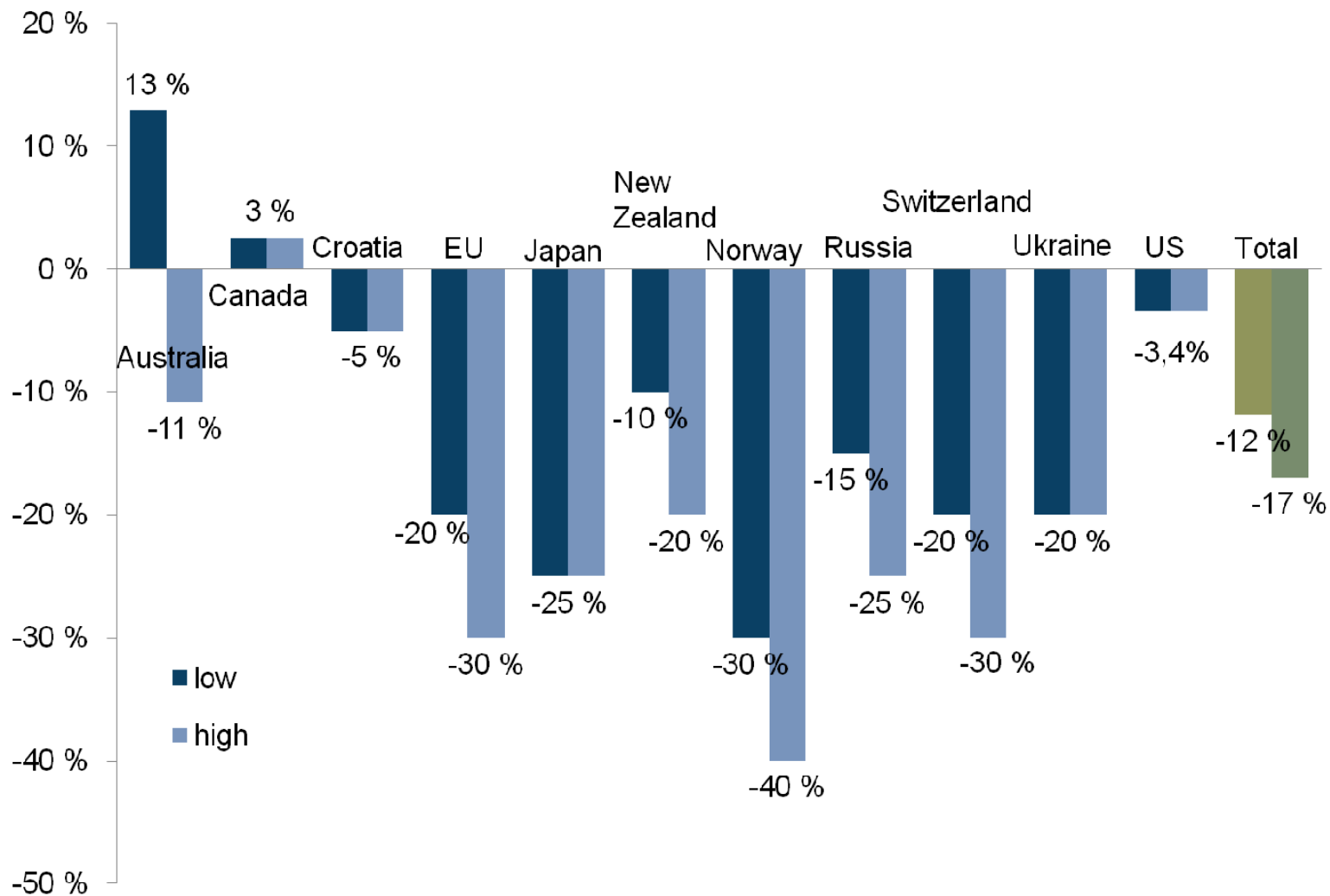

Copenhagen pledges from the market perspective

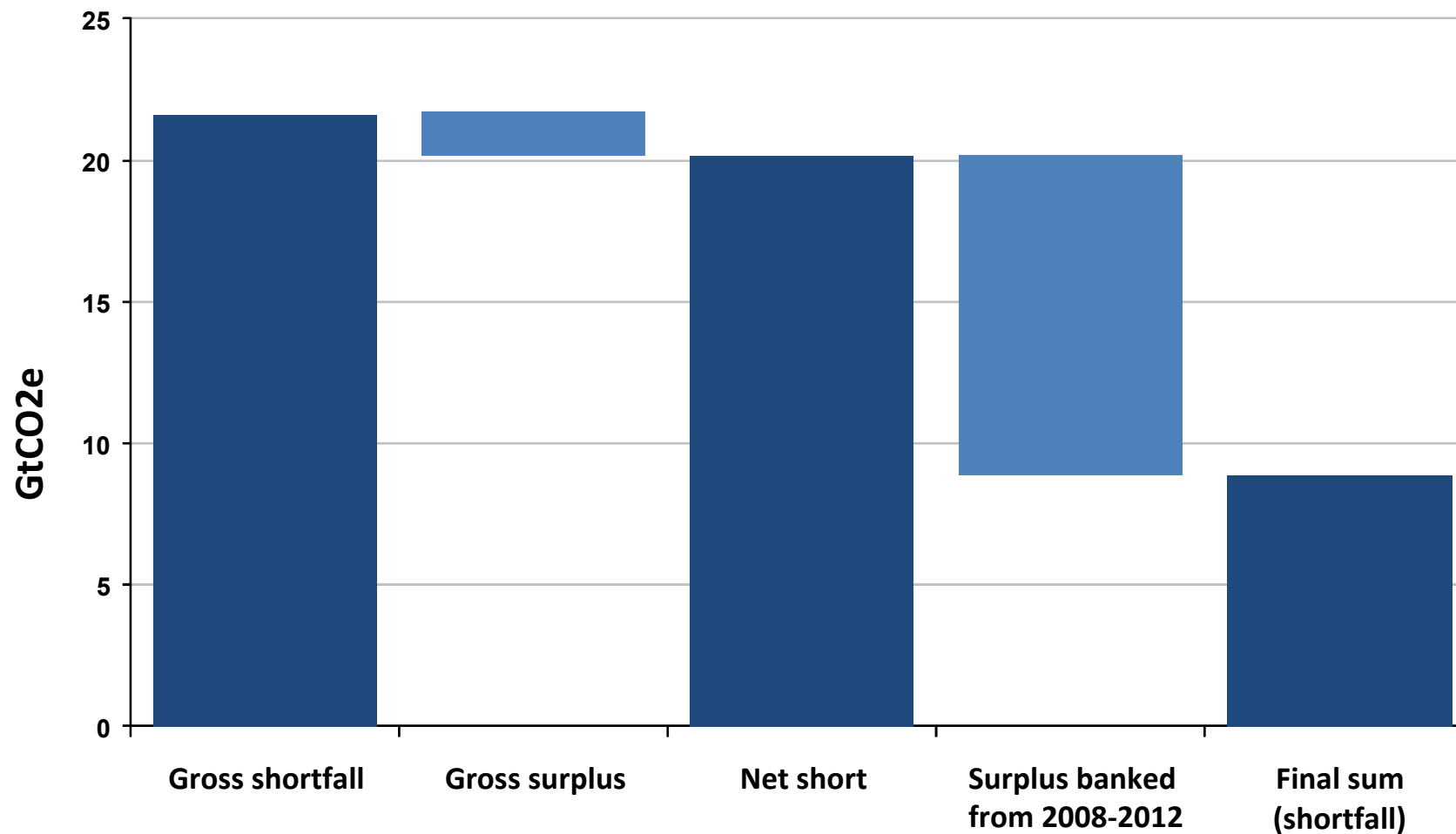
Olga Gassan-zade

Bonn, 2 August 2010

Annex I Emission Pledges vs 1990

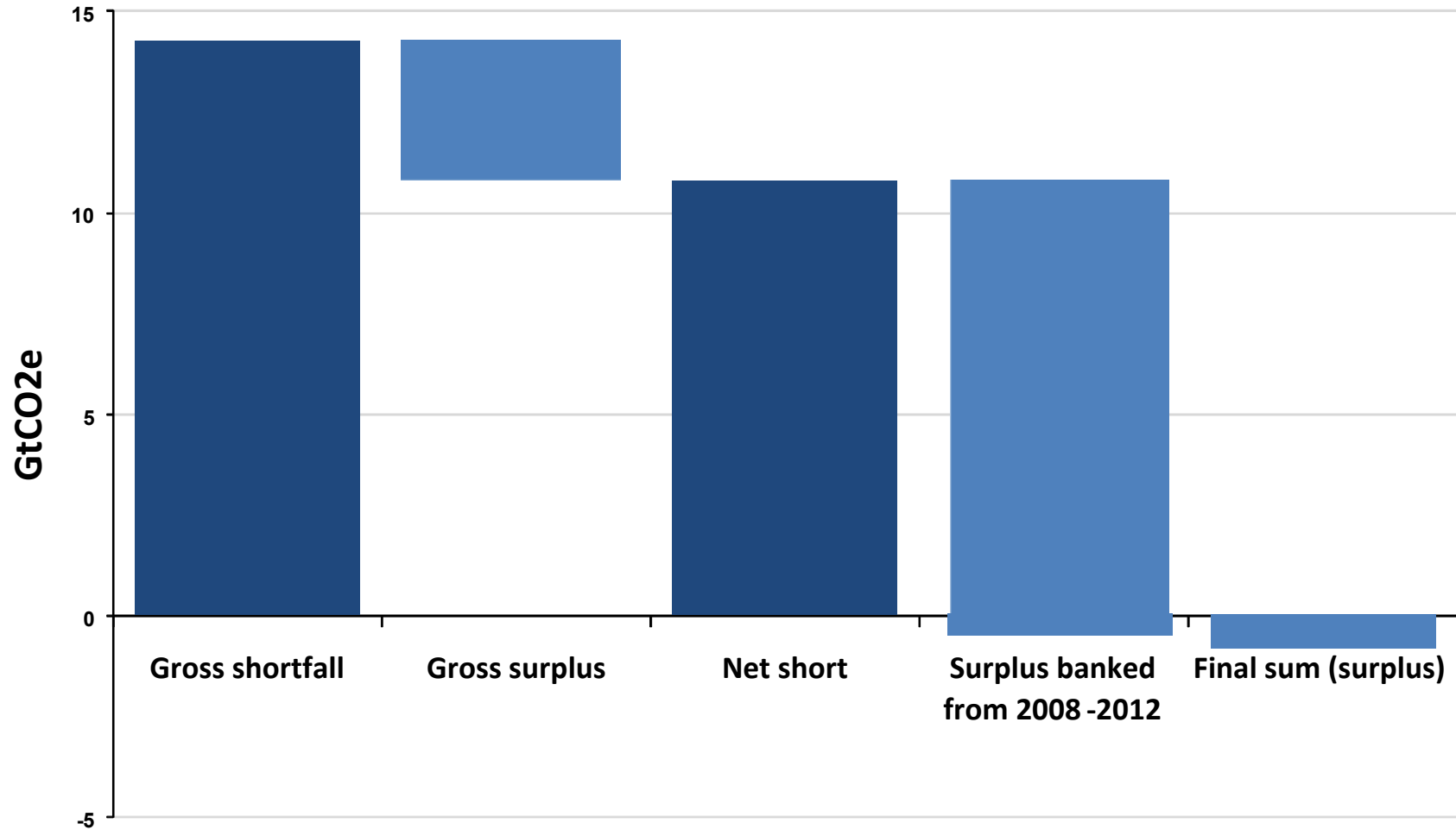


The AAU balances could have an impact on the market...



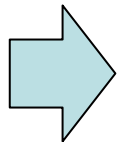
In the case of more ambitious pledges

...even more so in the less ambitious scenario...



... but other factors are likely to have bigger impact

- The reality of AAU trading
 - Politically controlled, too big to monetize fully
 - Current utilization rate is ~ 1,6 %
- CER supply
 - Constrained by actual project potentials
 - At a maximum 5-6 Gt could be accessible
- REDD and "new mechanisms"
 - Unlikely to start functioning before 2014-2018
 - Eligibility for use by the private sector unknown



At least up to 2018 there'll be quite a high demand for CERs

- Point Carbon's fair price assessment for sCERs in 2016 is €19