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Market View

Emissions trading platform hosts inaugural trade

London, Dec 30

The Greenhouse Gas Exchange (GHGx), based in Canada, announced on 30 December it had hosted its first Clean Development Mechanism trade on its electronic platform.

The CDM transaction was for 10,000 metric tonnes of CO2 between an anonymous buyer and seller, at a price of C\$7.05 (€). GHGx charges two per cent of the traded value.

The GHGx is open to firms around the world, offering most emissions credits in Kyoto's alphabet soup, including Assigned Amount Units (AAUs) and emission reduction units (ERUs) under the Joint Implementation mechanism, which it expects to be the most active areas in the exchange at first, as well as removal units (RMUs) and CERS under the CDM. It also has a non-Kyoto section for verified emissions reductions (VERs).

Although these markets are barely starting now at best, GHGx's CEO John Kourtoff expects the service will appeal also to "large emitters that that wish to reduce their risk exposure and must report and verify to auditors and shareholders that they have purchased at the 'best' price."

Canadian firms are still waiting for the government to decide on the details of a national emissions trading scheme. Until now they have been reluctant to move into the international emissions trading system. Kourtoff expects this to change.

"While a Canadian registry is not yet in place," he said, "various other infrastructures are developing, various Canadian energy companies are beginning to be very active in Kyoto developments."

As for the EU scheme, the exchange can link to any registry that will share its data. There are no plans at present but that may change if the demand is there, Kourtoff said.

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