



CARBON TRADING

WORKSHOP

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DELIVERING
EXCHANGE TRADED
ENERGY DERIVATIVES
TO THE AUSTRALIAN
MARKET



LEARN MORE ABOUT AUSTRALIAN AND INTERNATIONAL CARBON TRADING

Attend a 1 day workshop to increase your understanding of the fundamentals of Carbon Trading, international linkages between Australian and offshore carbon markets and their inter-relationship with the Australian electricity futures market.

TRAINING FOCUS

- > The proposed Australian Carbon Market
- > The International Carbon Market
- > Carbon Trading and its Impact on Electricity Trading for Australian entities and intermediaries
 - > Carbon Trading Strategies
 - > Price correlation and arbitrage between Australian electricity futures prices and Australian/International carbon
 - > Cross-commodity trading opportunities
 - > Implications for the electricity futures market



ABOUT THE WORKSHOP

This workshop is an introduction to the International carbon markets as well as the proposed Australian Carbon Pollution Reduction Scheme (CPRS). Participants will gain an understanding of the international carbon markets, their impact on the Australian electricity market, as well as the opportunities presented through trading spark spreads and clean spark spreads.

The workshop covers details of the international carbon market under the Kyoto Protocol and the European ETS, features of the international financial market for carbon and the impact of emissions trading (international and domestic) on the Australian electricity futures market.

BENEFITS & WHO SHOULD ATTEND

The Australian National Electricity Market (NEM) has thus far not been exposed to the international carbon markets. The proposed linkages to international carbon emissions markets will cause significant changes to the emissions price risk faced by electricity-intensive Australian industries.

It is therefore essential that front office traders and risk managers of Australian utility companies and large energy users prepare themselves for the start of the Australian ETS by understanding the relevance of both the Australian and offshore carbon markets.

NEM Participants will benefit from:

1. An introduction to international carbon instruments which can be used to reduce the cost of compliance under the CPRS;
2. An overview of various risks associated with carbon trading and their impact on electricity prices; and
3. An introduction to financial risk management solutions to cover carbon associated risks.

Commercial and Investment Banks will benefit from:

1. An introduction to risk management products they can offer to Australian utilities and emission intensive industrials;
2. Gaining an understanding of the opportunities that present themselves by participating in this emerging market; and
3. An introduction to the new financial risks faced by lenders exposure to the energy sector.

Hedge Funds and Institutional Investors will find the workshop of interest because:

1. Carbon emission trading provides an opportunity to invest in a commodity that provides portfolio diversification and will soon be traded like FX in a 24 hour book structure; and
2. Understand the impact of carbon emission trading on companies in the Australian energy sector.

ABOUT THE PRESENTER

THOMAS SCHMITZ | EXECUTIVE MANAGER, PRODUCT DEVELOPMENT & SALES

Thomas joined d-cyphaTrade in November 2008, and has six years of experience structuring and trading in international (principally Kyoto and European) carbon trading markets.

Thomas started his career in 1994 in wealth management before moving into corporate finance. He joined Enron Europe in early 2000 working first in gas transmission and then trading physical power in continental European markets. From 2002 onwards Thomas worked for various energy commodity trading franchises before joining BNP Paribas in 2005 where he was responsible for structured power, gas, coal and carbon transactions. In 2006 Thomas worked briefly for the Australian Energy Regulator before moving back to Europe to lead the Continental European origination business for a major physical commodity trading house with a product suite covering physical and financial power, gas, coal and carbon as well as renewable energy products.



WORKSHOP DETAILS

DATE:	TBA
PRESENTER:	Thomas Schmitz Executive Manager Product Development & Sales
VENUE:	TBA
DURATION:	9am – 3pm (6 hrs)
FEES:	1 Workshop AUD \$1,195 (ex GST) pp 2+ Workshops booked simultaneously for one attendee AUD \$800 (ex GST) per person/ per workshop
MATERIALS:	Workshop notes, refreshments & lunch

WORKSHOP CONTENT

>	The Federal Government's Whitepaper on the Carbon Pollution Reduction Scheme
>	Australia's Emission Policy
>	Regulatory Coverage
>	Proposed Market Design
>	Proposed Auction Model and its Implications
>	Assistance to Energy-Intensive, Trade-Exposed Industries & Strongly Affected Industries
>	International linkages to offshore carbon markets
>	Understanding International Carbon Markets
>	General Structure of Carbon Markets
>	Market Examples (Kyoto and EU ETS)
>	Clean Development Mechanism Overview
>	Risk Management Strategies and Solutions
>	Carbon Offset Instruments
>	Regulated Market Overview
>	Exchange traded carbon
>	Emissions Trading
>	Australian Emissions/Renewable Trading Markets
>	International linkages to Australian ETS
>	Current impact of ETS on the Financial Electricity Market
>	Optimising linkages to offshore carbon markets
>	Trading across jurisdictions
>	Price correlation and arbitrage between Australia/International carbon
>	Managing timing and funding risks
>	Inter-relationship between Carbon and Electricity Trading
>	International experience (Europe)
>	Financial impact of carbon on electricity retailers, generators and consumers in Europe – Lessons for Australia
>	Generator response
>	Backsolving a carbon price from Australian electricity futures prices
>	Liquidity impact on Australian electricity futures hedges

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