

16:15-17:30 - Panel 3 - Etoile

# “Carbon Trading: A Market Mechanism to Fight Climate Change”



**BNP PARIBAS**

**Climate Change Capital®**



European Climate Exchange

**Powernext**

**PARIS EUROPLACE**

FINANCIAL FORUM

# Powernext Carbon: One-Year Track Record



**Jean-François Conil-Lacoste**  
**CEO, Powernext SA**

**Paris - Europlace**

**4 July 2006**

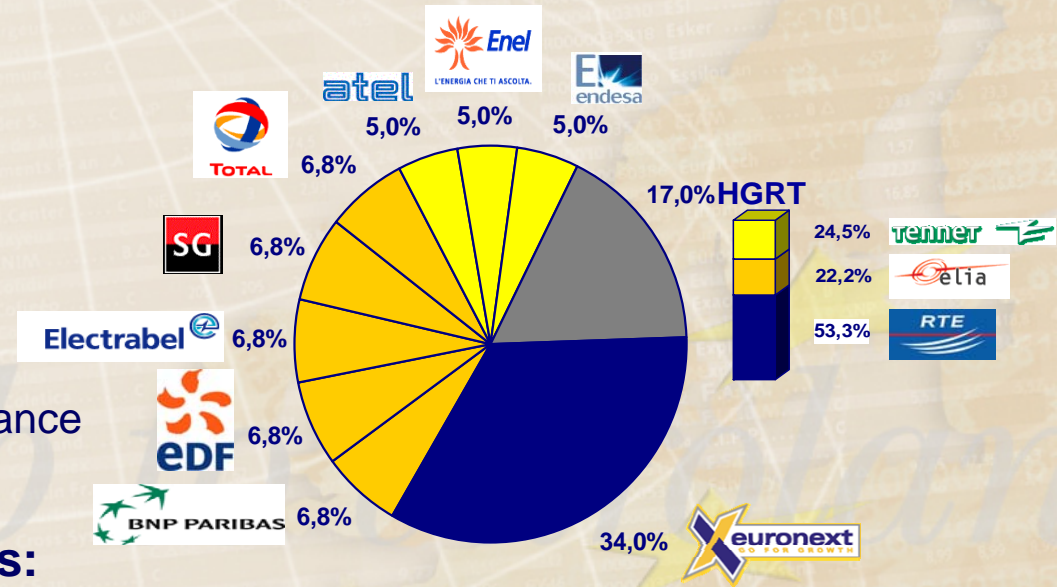
# Powernext SA, the 5-year old French organised energy and environmental market ...

## Powernext

- 11,5 M€ equity
- profitable
- regulated by CRE and AMF
- structural partnerships with RTE, LCH.Clearnet, CDC, and Meteo France

### ■ provides several price references:

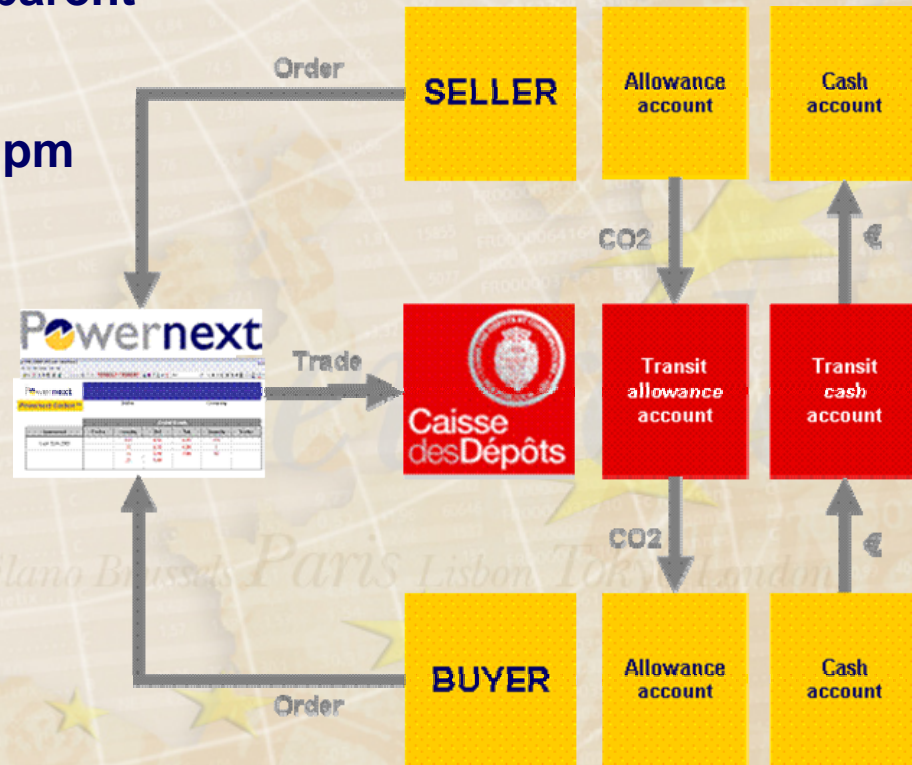
- since 11/ 2001: short term electricity to hedge balancing needs and volume risks: **Powernext Day-Ahead™** - 29 TWh est. 2006
- since 06/2004: medium term electricity to hedge price risks: **Powernext Futures™** - 100 TWh est. 2006
- since 06/2005: CO2 allowances to hedge greenhouse gas emissions non-compliance risks: **Powernext Carbon** – 25M tonnes est. 2006
- since 11/2005: weather indices to hedge temperature risks: **Powernext Weather**



# Powernext Carbon, the leading spot market in Europe

- Anonymous, centralized and transparent
- Easy and cost effective access
- Continuous trading from 9 am to 5 pm

- No financial status required
- No collateral
- Fully STP internet access
- One cash account
- One allowance account

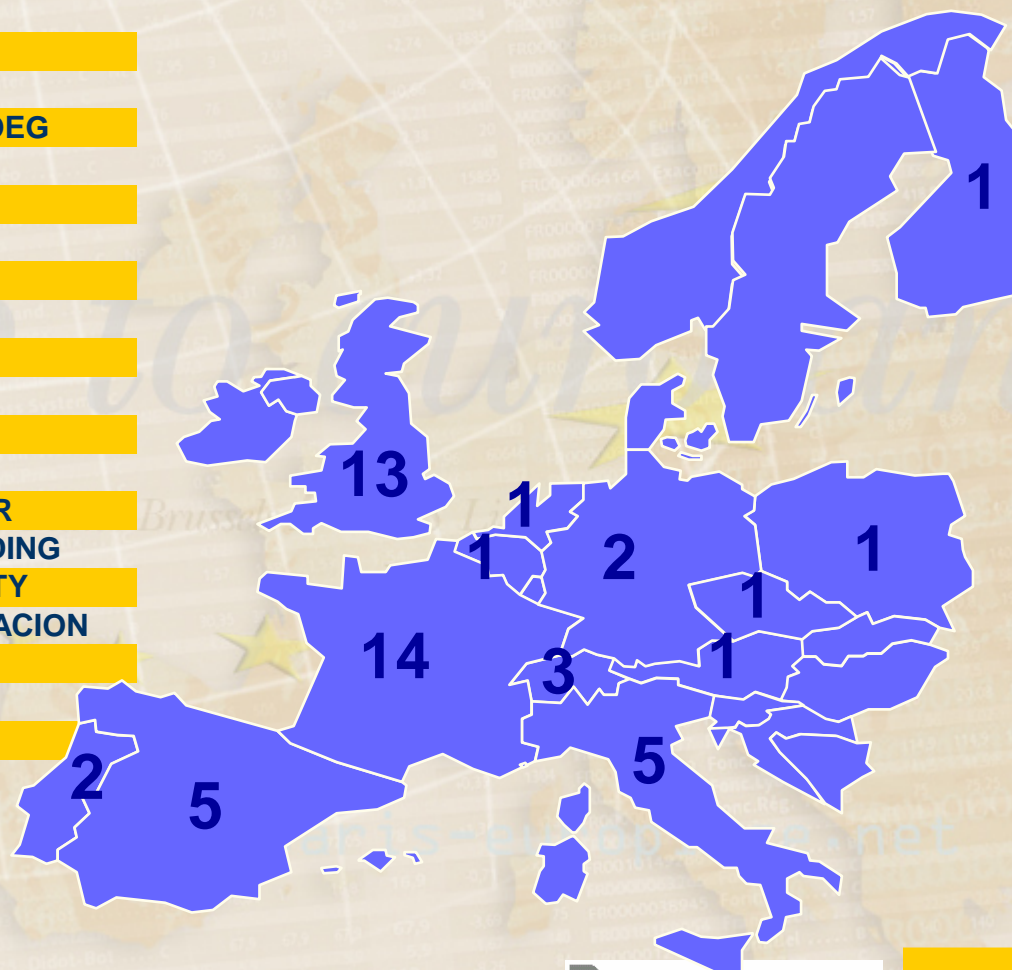


- secured by a real time payment versus delivery guarantee

# Powernext Carbon, a large, diversified and new membership

<b>A TEL</b>	<b>GAS NATURAL</b>
<b>ABLY</b>	<b>GASELYS</b>
<b>ACCORD</b>	<b>GREENSTREAM NETWORK</b>
<b>AEM TRADING</b>	<b>IBERDROLA GENERACION</b>
<b>BARCLAYS BANK</b>	<b>ITALCEMENTI</b>
<b>BGC</b>	<b>MAN FINANCIAL</b>
<b>BNP PARIBAS</b>	<b>MERRIL LYNCH</b>
<b>BP GAS MARKETING</b>	<b>NOVOSZAD &amp; WINTER OEG</b>
<b>CALYON</b>	<b>NUON ENERGY TRADE</b>
<b>CARBON CAPITAL MARKETS</b>	<b>POWEO</b>
<b>CLIMATE CHANGE MARKETS</b>	<b>PRAVDA CAPITAL</b>
<b>CCIAG</b>	<b>RWE TRADING</b>
<b>CONSUS</b>	<b>SAGACARBON</b>
<b>DUBUS</b>	<b>SHELL TRADING</b>
<b>ECOPROGRESSO</b>	<b>SNET</b>
<b>ECO-WAY</b>	<b>SOCIETE GENERALE</b>
<b>EDF TRADING</b>	<b>STATKRAFT MARKETS</b>
<b>EDISON TRADING</b>	<b>TOTAL GAS AND POWER</b>
<b>EGL</b>	<b>TOTSA TOTAL OIL TRADING</b>
<b>ELECTRABEL</b>	<b>TRAFIGURA ELECTRICITY</b>
<b>ELECTRICITE DE STRASBOURG</b>	<b>UNION FENOSA GENERACION</b>
<b>ENDESA GENERACION</b>	<b>VEETRA</b>
<b>ENDESA TRADING</b>	<b>VELVAN</b>
<b>ENEL TRADE</b>	<b>VICAT</b>
<b>FORTIS BANK</b>	<b>VOLTALIA</b>

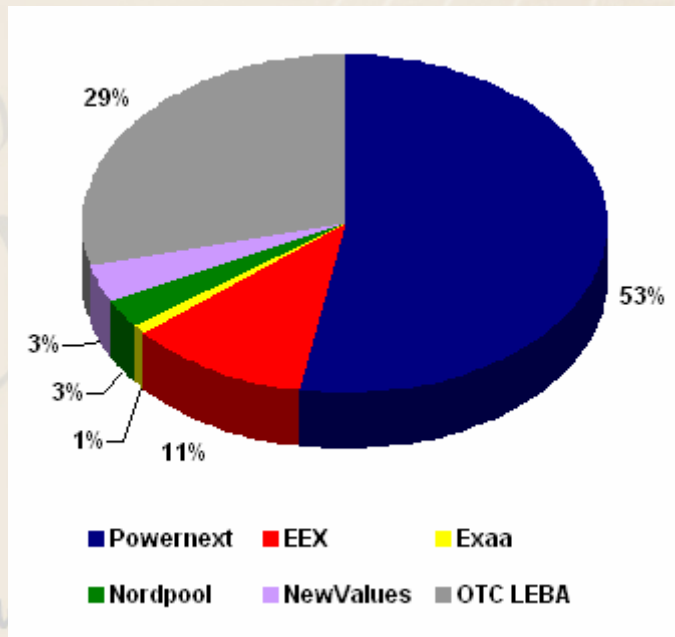
50 members on 06/07/2006



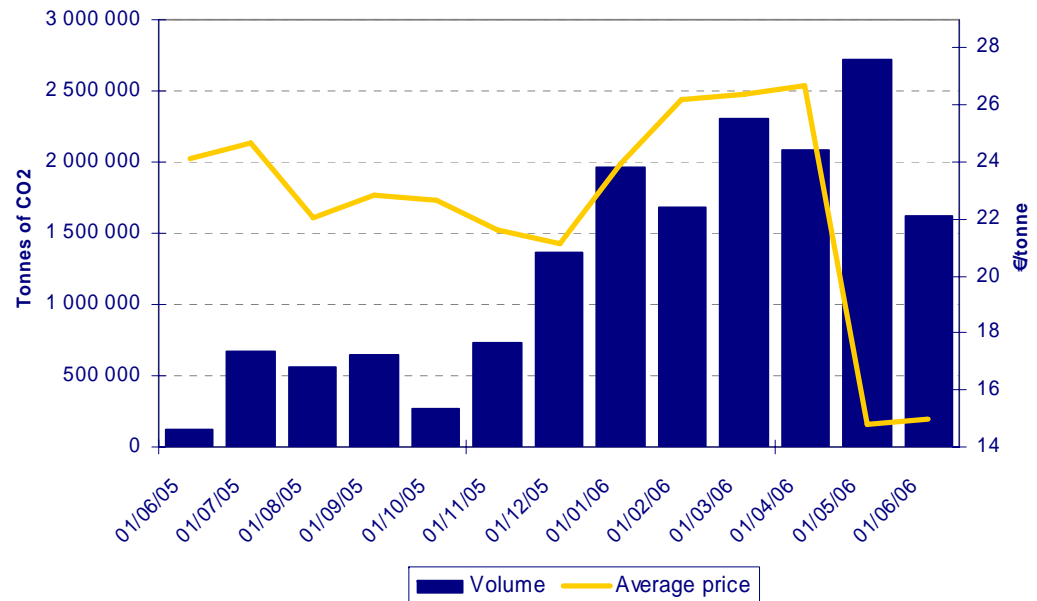
# Powernext Carbon, a mature market ...

- Tight spreads and a daily average of more than 100 000 tonnes since the beginning of 2006

Market share (June 2006)



Powernext Carbon : monthly volume



75% of European spot exchanges

## ***... to be consolidated thanks to an improved regulation***

- **Coordinated information on emissions**
- **Extension of the economical and geographical basis**
- **Fungible and bankable products**
- **Clarification of post 2012**

**⇒ A new carbon economy will grow to the benefits of the climate change fight.**

# Contacts

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**Powernext**

PERSONAL SPACE NEWS POWERNEXT SA POWERNEXT DAY-AHEAD™ POWERNEXT FUTURES™ POWERNEXT CARBON POWERNEXT WEATHER STATISTICS

**PRESS RELEASE**

- 04/04/2006 Record quarter on Powernext
- 23/03/2006 Powernext Carbon: MAN FINANCIAL, ECO-WAY and ECOPROGRESSO start trading

**NEWS**

- 05/04/2006 VOLTALIA starts trading on Powernext Carbon
- 04/04/2006 Job and internship offers
- 31/03/2006 Powernext Carbon: new monthly volume record in March with 2 307 000 tonnes

**SURVEILLANCE**

- 07/04/2006 11:30:33 Auction validated at .11:30 Paris time
- 07/04/2006 11:15:32 Preliminary results published at .11:15 Paris time
- 07/04/2006 10:04:56 Daily auction at .11:00 Paris time

Powernext Day-Ahead™	Base	Peak	Powernext Futures™	Base 2006 May	Base 2006 C
08/4/2006	41.424	43.897	06/4/2006	50.25	55.60
	-12.375	-16.830		-0.04	-0

**Powernext Day-Ahead™** provides a **short term price reference to manage the volume risk**. Powernext Day-Ahead™ counts more than **50 members** among producers, suppliers, eligible consumers, etc.

**Powernext Futures™** Today, Powernext Futures™ has made a name for itself as a **price reference for the medium term market**. Its market makers and members guarantee a high-quality market over a time period going up until 2008.

**Powernext Carbon** is a **spot market of CO2 allowances**. The market model is the result of a three-fold partnership between Powernext, **Caisse des Dépôts** and Euronext. Powernext Carbon counts close to 40 active members. More than **4.5 Million tonnes** of CO2 have been traded in 2005 (launch of the market on 24 June). Powernext Carbon has made a name for itself as the **most liquid CO2 allowances spot market in Europe to date**.

**Powernext Weather** is a **range of economically weather driven temperature indices** provided by our partner **METEO FRANCE**. These indices are decision making or hedging tools.

**Weighted average temperatures**

FRANCE: Historical (yellow line), Observed (blue line)

GERMANY: Historical (yellow line), Observed (blue line)

PARIS  
**EUROPLACE**

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Pavillon d'Armenonville

Tuesday 4 & Wednesday 5 July, 2006

[www.paris-europlace.net](http://www.paris-europlace.net)

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