



# CHINA'S NATIONAL CARBON MARKET: AN INDUSTRY-TO-INDUSTRY DIALOGUE

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CHINA HALL OF SCIENCE AND TECHNOLOGY

BEIJING, PEOPLE'S REPUBLIC OF CHINA

This workshop and dialogue, organised by the World Bank's PMR, CECEP and IETA's B-PMR, will bring together the NDRC, SASAC, international companies and China's leading state owned enterprises (SOEs) to discuss best practices for industry engagement and readiness on emissions trading. A one-day bilateral exchange will be held with China's leading companies and national ETS experts to share experiences and lessons from participating in the EU ETS, California's carbon market, and the Kyoto Protocol flexibility mechanisms. The workshop will help engage Chinese SOEs prepare for China's national carbon market, by having both a high-level and technical discussion emissions trading best practices. The World Bank Group will also provide guidance and will participate in the training.

## BACKGROUND

The International Emissions Trading Association ([IETA](#)) as a supporter of the global carbon market and a promoter of dialogue and exchanges between various stakeholders commits itself to promoting communication and collaboration between industrial enterprises and government departments over carbon emissions trading issues worldwide. IETA launched the "Business Partnership for Market Readiness (B-PMR)" in 2012 and held its 1<sup>st</sup> Mission in Guangdong and Shenzhen in February 2013. In total 7 additional B-PMR Missions have taken place since 2012:

- 2<sup>nd</sup> B-PMR Mission: Seoul, Korea (September 2013);
- 3<sup>rd</sup> B-PMR Mission: Shanghai (October 2013);
- 4<sup>th</sup> and 5<sup>th</sup> Mission: Beijing and Tianjin (February 2014);
- 6<sup>th</sup> B-PMR Mission: Shenzhen (October, 2014);
- 7<sup>th</sup> B-PMR Mission: Seoul, Korea (March 2015)

Details of all the IETA B-PMR Missions are available [here](#).

## WORKSHOP OBJECTIVES

- **Industry readiness:** Improve the understanding and knowledge of Chinese industry on the role and function of emissions trading systems.
- **Knowledge transfer:** Enhance the ability and skills of Chinese industry to participate in China's ETS.
- **Trading simulation:** Apply real world trading skills in an emissions trading simulation game.
- **Policy preparation:** Assist the competent authorities in China to engage SOE's in a technical stakeholder consultation on emissions trading.

## AGENDA

1. Introductory session	
9.30	Registration and welcome coffee/tea
10.00	<p><b>Key note speech:</b></p> <ul style="list-style-type: none"> <li>• <i>Mr. Dirk Forrister, President and CEO, IETA</i></li> <li>• <i>Mr. Jiang Zhaoli, Deputy Director General, NDRC</i></li> <li>• <i>Mr. Song Heqian, Director, SASAC</i></li> <li>• <i>Ms. Xueman Wang, World Bank, PMR team</i></li> <li>• <i>Mr. Huo Zhonghe, General Manager, CECEP Consulting Co., Ltd</i></li> <li>• <i>Todd Johnson, Lead Energy Specialist, World Bank Beijing office</i></li> </ul>
2. Carbon markets in evolution	
<p><i>This high-level session provides an opportunity for to share best practices from international business leaders with Chinese SOE's on ETS readiness and participation</i></p> <p><i>Moderator: Dirk Forrister, IETA</i></p>	
10.35	<b>Tea/Coffee break</b>
10.45	<p><b>Roundtable of business leaders</b></p> <ul style="list-style-type: none"> <li>• <b>ETS best practices from the oil &amp; gas sector (15 mins)</b> - <i>Reidar Gjaerum, Statoil</i></li> <li>• <b>ETS best practices from the power sector (15 mins)</b> – <i>Daniele Agostini, ENEL</i> <ul style="list-style-type: none"> <li>○ <b>Response</b> – <i>Eric Boonman, Statkraft and B-PMR Co-Chair</i></li> </ul> </li> <li>• <b>ETS best practices from a Chinese State-owned company (15 mins)</b> – <i>Zhong Qing, Huaneng Carbon Asset Management</i></li> </ul> <p><b>Q&amp;A (15 mins)</b></p>
11.45	<p><b>Panel discussion: Key success factors for ETS participation</b></p> <p>Moderator: <i>Dan Barry, BP and B-PMR Co-Chair</i></p> <p>Panel discussion (15 mins):</p> <ul style="list-style-type: none"> <li>○ <i>Ingo Ramming, Commerzbank</i></li> <li>○ <i>Zhang Jianyu, Environmental Defense Fund</i></li> <li>○ <i>Tony Gai, PetroChina International</i></li> </ul> <p><b>Q&amp;A (10 mins)</b></p>
12.15	<p><b>All about Allowances: Allowance management strategies from the experts</b></p> <ul style="list-style-type: none"> <li>• <i>Francisco Grajales Cravioto, Vattenfall</i></li> <li>• <i>Maëlle Durant, Veolia</i></li> </ul>
12.45	<b>Lunch</b>

### 3. Break out sessions

The break out sessions will divide the participants into 3 different groups by company type. One session will focus on best practices in trading, another on offsets and carbon asset management and the third session will feature a real-time trading simulation with the BP trading team. The groups will rotate after each hour so that they can fulfill the 3 sessions. Each group will meet in a different room and will have its own expert facilitators from international companies.

	Group 1 <b>Power and Iron/Steel</b>	Group 2 <b>Oil/Gas/Chemicals</b>	Group 3 <b>Pulp &amp; Paper and Cement/Others</b>
13:45-14:45	Trading Best Practices, Facilitators: <i>Francisco Grajales Cravioto, Vattenfall and Ziyuan Wang, Shell</i>	ETS Simulations (Starts at 13:30) – Facilitators: <i>Jamie Wallace and Dan Barry, BP</i>	Offsets and Carbon Asset Management, Facilitators: <i>Massimiliano Varruciu, EDF and James Liu, Statkraft</i>
14:45-15:45	Offsets and Carbon Asset Management, Facilitators: <i>Massimiliano Varruciu, EDF and James Liu, Statkraft</i>	Trading Best Practices, Facilitators: <i>Francisco Grajales Cravioto, Vattenfall and Ziyuan Wang, Shell</i>	ETS Simulations (ends at 16:00) – Facilitators: <i>Jamie Wallace and Dan Barry, BP</i>
15:45-16:00	<b>Tea/Coffee Break</b>		
16:00-17:00	ETS Simulations (ends at 17:15) – Facilitators: <i>Jamie Wallace and Dan Barry, BP</i>	Offsets and Carbon Asset Management, Facilitators: <i>Massimiliano Varruciu, EDF and James Liu, Statkraft</i>	Trading Best Practices, Facilitators: <i>Francisco Grajales Cravioto, Vattenfall and Ziyuan Wang, Shell</i>

### 4. Operational impacts

This session will focus on international companies sharing how participating in the EU ETS and other carbon markets impacts their operations and business activities.

17.00	<p><b>Development of Derivatives and options products in China (15 min) – Jeff Huang, IETA China WG Co-chair</b></p> <ul style="list-style-type: none"> <li>• <b>Panel discussion: Private sector perspectives on various trading strategies (30 mins)</b> Moderator: <i>Ziyuan Wang, Shell</i> Panelists: <ul style="list-style-type: none"> <li>○ <i>Eric Boonman, Statkraft and B-PMR Co-Chair</i></li> <li>○ <i>Jeff Huang, IETA China WG Co-chair</i></li> <li>○ <i>Ariel Perez, Hartree Partners</i></li> <li>○ <i>Simon Cheng, ICIS-Tschach Solutions</i></li> </ul> </li> </ul> <p><b>Q&amp;A (10 mins)</b></p>
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17.30	<p><b>International expert discussion on offsets, the CDM, and CCERs</b></p> <p>Introduction and Moderation by <i>Michael Fosh, Reed Smith</i></p> <ul style="list-style-type: none"> <li>• <i>Massimiliano Varrucchi, EDF</i></li> <li>• <i>Caspar Chiquet, South Pole Group</i></li> </ul> <p><b>Q&amp;A (10 mins)</b></p>
18:00	<p><b>Carbon leakage and competitiveness issues: How international companies manage competition with carbon pricing</b></p> <p>Presentation by <i>Linlin Hui, Norsk Hydro</i></p> <p>Response:</p> <ul style="list-style-type: none"> <li>• <i>Daniele Agostini, ENEL</i></li> </ul> <p><b>Q&amp;A (10 mins)</b></p>
18.30	<p><b>Closing Remarks</b></p> <ul style="list-style-type: none"> <li>• <i>Deputy Director General, NDRC</i></li> <li>• <i>IETA</i></li> </ul>

**\*\*QUESTIONS? PLEASE CONTACT JEFF SWARTZ-IETA ([SWARTZ@IETA.ORG](mailto:SWARTZ@IETA.ORG))\*\***