



BPMR Mission: Korea

Industry to Industry Dialogue on Emissions Trading and Market Readiness

March 23-24

Hoam Faculty House in Seoul National University
Seoul, Republic of Korea (website [here](#))

I. Introduction

In April 2011, the South Korean government released its final draft for an emissions trading system, modeled on the EU ETS that outlines a three-phase program. This program, however, is not limited to a ten-year term of operation. Korea became the first Asian country to pass a national cap-and-trade system when the National Assembly passed this bill on May 2, 2012 almost unanimously. Emissions trading in Korea began on January 1, 2015. The system was designed to cater towards the opinions of stakeholders and industry, as well as accounting for South Korea's international competitiveness.

South Korea is the *first Asian country* to pass a national economy-wide ETS into law, and it is on track to become the second Asian country to implement its national economy-wide ETS.

The B-PMR Mission in Korea will compliment efforts being undertaken by the Ministry of Environment, Korea to help Korean industry and market operators understand emissions trading.

II. 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. In April 2012, the International Emissions Trading Association held in Beijing a workshop on how industrial enterprises take part in and prepare for carbon emissions trading and produced good results. Following this it launched the "Business Partnership for Market Readiness" (BPMR) and held its 1st BPMR Mission in Guangdong and Shenzhen in February 2013. Since 2013, the B-PMR has held Missions in Beijing, Tianjin, Seoul, Shanghai, and Mexico City. Details of the BPMR are available [here](#). Information from the first B-PMR Mission to Korea in September, 2013 is available [here](#).

Main points of the Mission:



- **Industry readiness:** Improve the understanding and knowledge of Korean industry on the role and function of a GHG emissions trading scheme.
- **Knowledge transfer:** Enhance the ability and skills of Korean industry to participate in the Korean ETS (K-ETS).
- **Policy preparation:** Assist the competent authorities in Korea to find out how to prepare and develop procedures for participation by industrial emitters of the K-ETS, and to gather their opinions and feedback on industry readiness.

III. Main Elements and Topics

The Mission will include the following topics:

- Allocation: Benchmarking and capacity utilization rate;
- Allowance calculation, and new entrants;
- Offsets: how to develop internal offset projects and sharing best offset strategies;
- Market stability reserve: industry views and ideas on reserve;
- Combined heat & power (CHP): Experiences from EU ETS participants;
- The first year of trading: sharing the EU ETS Phase 1 story;
- Carbon price forecasts and forward curves: how to do it;
- Corporate governance and organisation on emissions trading: building an internal carbon team, decision making, and roles & responsibilities.

Break-out Groups:

- Trading strategies and internal allowance management case studies for the power, steel/iron, petrochemical, cement, and non-ferrous metal sectors.

IV. Schedule and Details

- (1) Time: 2 days; 23-24 March 2015
- (2) Meeting Location: Hoam Faculty House in Seoul National University Seoul, Republic of Korea (website [here](#))
- (3) Organizers: International Emissions Trading Association (IETA)
- (4) Foreign Supporters: International Emissions Trading Association (IETA)
- (5) Local Supporters: Ministry of Environment, Korea
- (6) Simultaneous translation will be provided throughout
- (7) A post-Mission workbook will be developed and put on the IETA website by a media firm or, by the IETA Secretariat.



V. Agenda

March 23, Day One All Day- Seminar

Time	Contents	Speakers
9:00-9:30	Registration	
Opening Remarks		
9:30-9:40	Opening remarks by Ministry of Environment, Korea	Mr. Rhyun-min Park, Ministry of Environment
9:40-9:50	Opening remarks by British Embassy Seoul	Ms. Katrine Sasaki, UK FCO
10:00-10:10	Opening remarks by President and CEO of IETA	Mr. Dirk Forrister, IETA
10:10-10:30	Update on K-ETS and next steps	Mr. Hyung-Sup Lee, Ministry of Environment
10:30-11:15	Brainstorm and open discussion on consultation on issues to be discussed during the BPMR dialogue	
11:15-11:45	Coffee & Tea Break	
Theme 1: Trading preparation (Examples and best practices on carbon trading)		
11:45-12:10	The first year of trading: sharing the EU ETS Phase 1 story (15 minutes presentation, followed by 10 minutes discussion)	Eric Boonman, Statkraft
12:10-12:35	Carbon accounts and risk management (15 minutes presentation, followed by 10 minutes discussion)	Paul Curnow, Baker McKenzie
12:35-13:00	Corporate governance and organisation on emissions trading: building an internal carbon team, decision-making, and roles & responsibilities. (15 minutes presentation, followed by 10 minutes discussion)	Charlotte Wolff-Bye, Statoil
13:00-14:00	Lunch break	
Afternoon: Breakout Groups (Examples and best practices on effective and functional carbon market. Topics to include trading, corporate organisation, and market design)		
14:00-15:45	Group A: Power Speaker(s): Eric Boonman, Statkraft and Jason Lee, Solvay Group B: Petrochemical Speaker(s): Charlotte Wolff-Bye, Statoil Group C: Iron/Steel Speaker(s): Judith Schoeter, ICIS	



	Group D: Cement Speaker(s): Derik Broekhoff, Climate Action Reserve Group E: Non-ferrous metal and others Speaker(s): Paul Curnow, Baker McKenzie	
15:45-16:00	Coffee & Tea Break	
16:00-16:30	Experience sharing and group discussion about themes/lessons learned in the breakout sessions	
Theme 2: Offsets (Examples and best practices on preparing for and participating in an ETS)		
16:30-16:55	Offsets: the Californian Experience (15 minutes presentation, followed by 10 minutes discussion)	Derik Broekhoff, Climate Action Reserve
16:55-17:20	MRV and the challenges accompanying Offsets Generation (15 minutes presentation, followed by 10 minutes discussion)	Alastair Handley, Carbon Credit Solutions
17:20-17:45	Developing an internal and external offset strategy: what is key to engage and invest in offset projects (15 minutes presentation, followed by 10 minutes discussion)	Jason Lee, Solvay
17:45-18:05	Day 1 Wrap Up and Stocktaking	
19:30-21:00	Casual Dinner (optional)	

March 24, Day Two Morning - Seminar

Time	Contents	Speakers
9:30-10:00	Summary of IETA market architecture for the Paris 2015 Agreement (followed by discussion)	Jeff Swartz, IETA and Giles Dickson, IETA Board
Theme 3: Market Design (Examples and best practices on from industry on carbon market design and functions)		
10:00-10:30	Carbon price forecasts and forward curves: how to do it; (15 minutes presentation, followed by 10 minutes discussion)	Younghun Choi, ICIS
10:30-10:55	Allocation: Benchmarking and capacity utilization rate (15 minutes presentation, followed by 10 minutes discussion)	Alistair Ritchie, ICF International
10:55-11:05	Coffee & Tea Break	
11:05-11:30	Market stability reserve: industry views and ideas on reserve (15 minutes presentation, followed by 10 minutes discussion)	Giles Dickson, Alstom
11:30-12:00	China's national ETS (15 minutes presentation, followed by 10 minutes discussion)	Jeff Swartz, IETA with Eric Boonman and Giles Dickson
12:00-13:00	Lunch	

**March 24, Day Two Afternoon — Break Out Groups**

Sector Break Out Groups: ETS experience sharing & In-depth discussions		
13:00 – 15:00	Group A: Power Speaker(s): Giles Dickson, Alstom	
	Group B: Petrochemical Speaker(s): Charlotte Wolff-Bye, Statoil	
	Group C: Iron/Steel Speaker(s): Alastair Handley, Carbon Credit Solutions	
	Group D: Cement Speaker(s): Derik Broekhoff, California Action Reserve	
	Group E: Non-ferrous metal and others Speaker(s): Younghun Choi, ICIS	
15:00 – 15:10	Coffee & Tea Break	
15:10-15:40	Sharing information and lessons learned from break out groups	Break out group speakers
15:40-16:00	Final questions, discussion, and summary of B-PMR Seoul	IETA
END		

For any questions on the Mission, please contact Jeff Swartz (Swartz@ieta.org), +32 2 230 1160

IETA - Climate Challenges, Market Solutions

24, Rue Merle d'Aubigné
Geneva, 1207, Switzerland
Tel: +41 (22) 737 0500

Boite 27
Rue de la Loi 235
Brussels, 1040, Belgium
Tel: +32 (0)22 30 11 60
Reg. 0889.072.702

1730 Rhode Island Ave., NW,
Suite 802, Washington, DC
20036 USA
Tel: +1 (202) 629-5980

100 King Street West, Suite
5700, Toronto, Ontario
M5X 1C7, Canada
Tel. +1 (416) 913 0135