Risk Management of Carbon Price Exposure: Dealing with uncertainty
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Commerzbank Commodity Solutions Group – Argus European Emissions Market 2015
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Rules and environmental Regulation

How big are the emissions?

How volatile are the emissions?

Direct and Indirect Exposure

Auctions & Market Access

Business Risk

Maximise Opportunities

Reduce Risks

Why hedge, why now?

CO2 Price

Financial Risk

Who decides?

How big is the exposure?

Price fluctuations volatility

Does it Matter?

How much to hedge?

Free Allocation

Cost of Compliance

What Instruments?