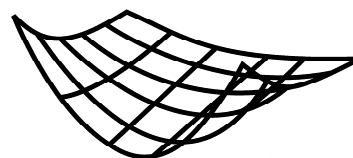


Pricing in Carbon Emission Markets Practitioner Workshop at QMF 2008 12 December 2008- Sydney, Australia



Quantitative Finance Research Centre

Pricing in Newly Designed Emissions Markets



Carbon Emission trading schemes have been designed to reduce pollution by introducing appropriate market mechanisms. The two most prominent examples of existing cap and trade systems are the EU-ETS (European Union Emission Trading Scheme) and the US Sulfur Dioxide Trading System. In such systems, a central authority sets a limit (cap) on the total amount of pollutant that can be emitted within a pre-determined period.

The main thrust of the workshop is the design and the evaluation analysis of new cap-and-trade schemes for the control and the reduction of atmospheric pollution. The tools developed are intended to help policy makers, companies and regulators understand the pros and cons of the emerging emission markets.

- Emission markets: voluntary trading schemes, European Emission Trading Scheme (EU ETS) principles of a cap and trade system, lessons from existing markets
- Economic theory of emission trading: equilibrium models, the role of abatement costs and uncertainty in the process of allowance price formation, allowance price drivers
- Fair pricing of emission-related financial products: equilibrium and risk neutrality, reduced-form martingale modeling, risk-neutral valuation
- Design of emission markets: windfall profits within EU ETS and other shortcomings of generic schemes, possible modifications of a cap and trade mechanism, optimality criteria for market design.

Juri Hinz is Associate Professor at the National University of Singapore. Prior to that he led the Financial Engineering Group at ETH Zürich. His current research focuses on problems arising from emissions trading and the liberalisation of the energy industry. His publications deal with real-time auctions on electricity, modelling day-ahead electricity prices, pricing commodity derivatives and portfolio optimisation. He consults for energy-related companies and is a frequent lecturer in training courses for industry in the area of emissions trading and commodity trading and risk management.



Information Workshop at QMF 2008

\$1,200 payment on/before 19 October 2008
\$1,365 payment after 19 October 2008

The fee includes GST, morning and afternoon tea and lunch.

Date and Time
12 December 2008
9.00am – 5.00pm

Registration

The number of participants is limited so please register for this workshop as soon as possible. Contact the conference coordinator to receive a registration form or visit the QFRC website.

Venue
Amora Hotel Sydney
11 Jamison Street
Sydney NSW 2000

Contact Details

QMF Conference Co-Ordinator
School of Finance & Economics
University of Technology,
Sydney
PO Box 123
Broadway NSW 2007
Australia
Tel: + 612 9514 7735
Fax: + 612 9514 7722
Email: qmf@uts.edu.au
www.qfrc.uts.edu.au/qmf