

Alberta Offsets: A Compliance Buyer Perspective

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Power

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(*For CPX as of December 31, 2019)



Compliance Buyers

Agenda:

- What is a Compliance Buyer?
- How do we view the market?
- Contract mechanics



What is a Compliance Buyer?

TIER Regulation:

- Large Emitters in AB (>100k tonnes) are required to comply
- Compliance options include paying the carbon tax (\$30) or emission credits



Minister Nixon announces Alberta's TIER regulation and proposed legislation alongside industry supporters. Photo courtesy of the Government of Alberta.



Compliance Buyers View of the Market



Why Buy? To reduce compliance costs



Price: The main differentiator



Term: Can be spot or long-term



Deal Volume: 50k tonnes is ideal



Contract Mechanics



Legal: Program risk



Credit: Settlement and mark-to-market risk



Warranty: 3-year warranty for invalidation is standard





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