

The Results Service



Here are the results of the first *Carbon Trading* magazine market survey

Words: Robin Lancaster



There was a time when a survey of the world's carbon markets would focus almost wholly on the EU Emissions Trading Scheme (ETS) and the UN's Clean Development Mechanism (CDM). But the times they are a changing.

This, the first *Carbon Trading* market survey, goes beyond those two markets to include North America, Australia and New Zealand and the voluntary sector. Future years could see further expansion to countries and regions, such as China and Kazakhstan, while others could perhaps fall away.

Market participants were invited to vote in the survey over a three-week period in late October and early November. Voters were asked to make judgements based on efficiency and quality of service, reliability in the market and ability to adapt to changing market conditions.

The response, given the short time period the survey was open, was better than anticipated by the magazine. More than 400 people completed the online voting questionnaire during the three-week period – in future, it is likely that more time will be given to complete the survey.

The EU ETS categories polled well, as would probably be expected of what is still the world's largest carbon market. Trading giant Vitol topped the best trading company, with Barclays coming in as runner up. Vitol also won the same category for the Clean Development Mechanism (CDM) and was second in North America.

London-based broker Icap topped the best brokerage EU ETS category, just ahead of energy and environmental markets specialist Evolution Markets. Evolution was prominent in the other broking categories. The US-based company was the winner of best brokerage firm CDM, North America and the voluntary carbon market.

In the voluntary market, another sector that polled well, UK-based Climate Care stood out taking top spot in two categories – best trading company and best project developer – as well as joint winner of the best advisory firm category.

"We are delighted to be recognised again for our work in the voluntary market," said Edward Hanrahan, director of Climate Care. "To win across the three main categories ... is a strong validation of the integrated, holistic approach

EU Emissions Trading Scheme

	Winner	Runner up
Best trading company	Vitol	Barclays
Best brokerage firm	Icap	Evolution Markets
Best verification company	DNV	SGS
Best advisory firm	ICF International	Ecofys
Best law firm	Baker & McKenzie	Norton Rose
Best exchange	Intercontinental Exchange (ICE)	European Energy Exchange

Clean Development Mechanism

	Winner	Runner up
Best trading company	Vitol	Orbeo
Best brokerage firm	Evolution Markets	Icap
Best project developer	South Pole Carbon	Tricorona
Best Designated Operational Entity	DNV	TÜV Rheinland
Best advisory firm	Climate Focus	ICF International
Best law firm	Baker & McKenzie	Norton Rose
Best exchange	ICE	BlueNext

North America

	Winner	Runner up
Best trading company	CE2 Capital	Vitol
Best brokerage firm	Evolution Markets	Karbon
Best project developer	Environmental Credit Corp	EOS Climate
Best validation company	First Environment	Scientific Certification Systems
Best verification company	First Environment	Scientific Certification Systems
Best law firm	Baker & McKenzie	Van Ness Feldman
Best exchange	ICE	(No clear 2nd place)

Australia/New Zealand

	Winner	Runner up
Best trading company	Westpac Bank	Macquarie Bank
Best brokerage firm	OM Financial	Carbon Match
Best project developer	CO2 Australia	Climate Friendly
Best advisory firm	Climate Friendly	CO2 Australia
Best law firm	Baker & McKenzie	Norton Rose

that we bring to client and partner relationships," he said.

"Through the last 15 years of constant innovation, a key driver for us has always been working with partners towards a shared end goal of maximising impacts for people, for the environment – and for our corporate clients and investors. Strong, enduring relationships, as well as continual benchmarking are essential to this success and for this reason, peer and industry voted awards are particularly important to us," he added.

The Carbon Neutral Company was the other winner of the best advisory company voluntary market, in what turned out to be the most contested title in the whole survey. The company also came in second in the best trading voluntary market poll.

Another voluntary market category that drew a lot of votes was best registry. This was won by Markit, with APX/NYSE Blue coming in second. The best law firm in the voluntary market was Baker & McKenzie. The global firm was also successful in all of the other law firm categories, with Norton Rose coming runner up in each one, apart from the voluntary market section where Linklaters came second, and North America which saw Van Ness Feldman as runner up.

Other companies successful in the voluntary market part of the survey were US-based Scientific Certification Systems (SCS), which won both best validation and verification categories. SCS was also runner up in the same groups for North America, which were head by First Environment.

The best voluntary market standard went to the US-based Verified Carbon Standard (VCS), with Switzerland-headquartered Gold Standard coming a close second. The

VCS started out as the Voluntary Carbon Standard, but the name change last year signifies that it's work is now stretching well beyond just the voluntary sector.

The CDM category also polled well, just behind the EU ETS and voluntary carbon market. It will be interesting to see how well the sector polls next year, after restrictions on the use of CDM credits in the EU cap-and-trade system – the largest source of demand – come into play.

This year, however, South Pole Carbon was the winner of the best project developer category, closely followed by Sweden-based Tricorona. Norway-based DNV topped the best Designated Operational Entity (DOE) category – a DOE carries out validation and verification services on a project – and was also the best verifier EU ETS poll. Tüv Rheinland came in second in the CDM.

Netherlands-based Climate Focus came out winner of the best advisory firm CDM, with ICF International in second place. ICF did, however, win the same poll in the EU ETS section. The last category for the CDM was best exchange. This was won by the Intercontinental Exchange (ICE), which also headed the same category in the EU ETS and North America sections.

BlueNext, which recently announced that it will close, still polled in second place in the CDM category, while Leipzig-based European Energy Exchange came in second in the EU ETS poll. There was no clear second place in the North America section.

The North America section may well need to be split into separate categories in the future, with California and Quebec starting cap-and-trade schemes from 1 January. This year the continent was treated a whole and polled CE2 Capital Partners as best trading company and Environmental Credit Corp as best project developer.

Another section that may need to be split in the future is Australia/New Zealand. This year's results saw Australia-based bank Westpac win the best trading company, OM Financial win the best brokerage firm. CO2 Australia won best developer and came second in the best advisory company, which was won by Climate Friendly. The latter company was also runner up in the best project developer section. ●

Voluntary Carbon Market

	Winner	Runner up
Best trading company	Climate Care	Carbon Neutral Company
Best brokerage firm	Evolution Markets	Armajaro
Best project developer	Climate Care	South Pole Carbon
Best validation company	Scientific Certification Systems	SES Inc
Best verification company	Scientific Certification Systems	SES Inc
Best advisory company	=Carbon Neutral Company, Climate Care	-
Best law firm	Baker & McKenzie	Linklaters
Best standard	Verified Carbon Standard	The Gold Standard
Best registry	Markit	APX/NYSE Blue

Carbon Trading would like to express its congratulations to all the winners and thanks all the people who took the time out to vote in the magazine's first survey of this kind.