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ENVIRONMENT



Introduction to Korea Emission Trading Scheme ; *Korean Offsetting program*

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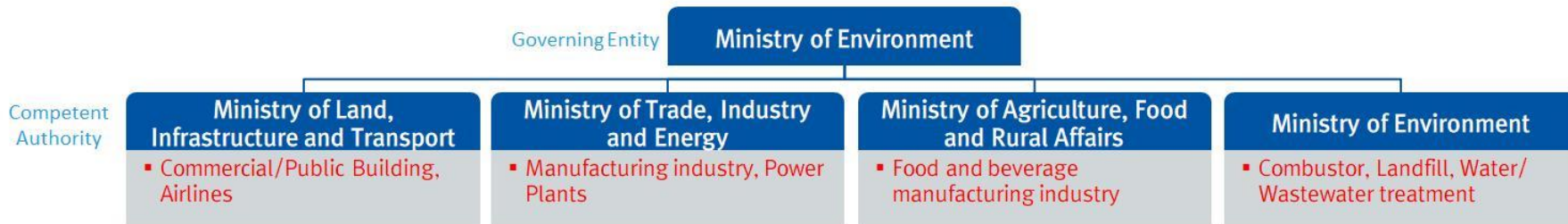
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Korean ETS – History and governance

- Nov. 2012 : Enforced Act ‘Allocation and Trading of Greenhouse Gas Emission Permits’
- Jan. 2014 : Established the 1st Master Plan for the Korean Emissions Trading Scheme
- Sep. 2014 : Established the National Allocation Plan for the 1st Phase
- Sep. 2014 : Legislated 6 codes of regulation for KETS implementation
- **Jan. 2015 : Official launch of KETS**
- Jan. 2017 : Established the 2nd Master Plan for KETS
- Restructured the governance of KETS

(Ministry of Environment(2015) → Ministry of Strategy and Finance(2016) → Ministry of Environment(2017))





Korean ETS – Overviews

- Flexible mechanism : trading, banking, borrowing and offsets
- GHG covered : 6 Kyoto gases (CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆)
- Allocation Method : mainly grandfathering (GF) but Benchmark (BM) for some sectors, BM for Aviation (domestic flight only)
- Inclusion thresholds : Corporation > 125,000tCO₂eq or Site > 25,000tCO₂eq
- Sectors and entities covered : 26 sub-sectors with 600 entities(as of Feb.2017)

Parties for trade

- Only regulated companies + three government owned banks are allowed to trade
- Possibly open to the 3rd party from phase 3 (2021~)

Banking

- Unlimited banking of credits (no expiry) – restrictions on banking to be introduced (TBD)

Borrowing

- Intra-Phase borrowing up to 10% (20% for phase 1) of credits for certain compliance year

Offsets/CDM

- Surrender up to 10% of allocation, except for adipic acids and HFC projects
- Korea domestic CDM credits can be converted to KETS credits
- Offsets from foreign projects directly performed by Korean companies to be allowed, from phase 2



Operational Plan by Phase

	1 st Phase (2015~2017)	2 nd Phase(2018~2020)	3 rd Phase (2021~2025)
Allocation	<ul style="list-style-type: none"> 100% Free allocation Mainly GF based allocation except for 3 sub sectors (grey clinker, oil refineries, aviation) 	<ul style="list-style-type: none"> 97% Free, 3% Auctioned Wide application of benchmark 	<ul style="list-style-type: none"> Less than 90% Free, more than 10% Auctioned Mainly benchmark based allocation
Offset projects	<ul style="list-style-type: none"> Diversifying domestic and CDM project methodologies Promoting offset projects by reducing entry requirement for small scale projects 	<ul style="list-style-type: none"> Promoting domestic offset projects – developing more projects by sector Promoting overseas offset projects – allowing offset credit from overseas projects for compliance 	<ul style="list-style-type: none"> Drawing up guidelines on overseas credits in accordance with the Paris Agreement negotiations Diversifying methodologies for overseas projects
MRV	<ul style="list-style-type: none"> Setting up the MRV mechanism Expanding verification bodies/verifiers 	<ul style="list-style-type: none"> Revising the emission report from for benchmark based allocation Updating the MRV standards 	<ul style="list-style-type: none"> Capacity building for verifiers Adopting international MRV standards
Trading Market	<ul style="list-style-type: none"> Designating the Korean Exchange (KRX) as an allowance exchange Implementing market stabilization measures 	<ul style="list-style-type: none"> Launching regular auctions Considering adopting a market maker scheme 	<ul style="list-style-type: none"> Allowing third party participation in the trading market will be discussed (TBD)
Intl. cooperation and incentives	<ul style="list-style-type: none"> International cooperation with EU, China and Japan Incentives for emission reduction facilities 	<ul style="list-style-type: none"> Pursuing bilateral cooperation by developing local emission reduction projects Investing auction profits into environmentally friendly projects 	<ul style="list-style-type: none"> Consider ETS linkage Diversifying investment portfolios



Part 1

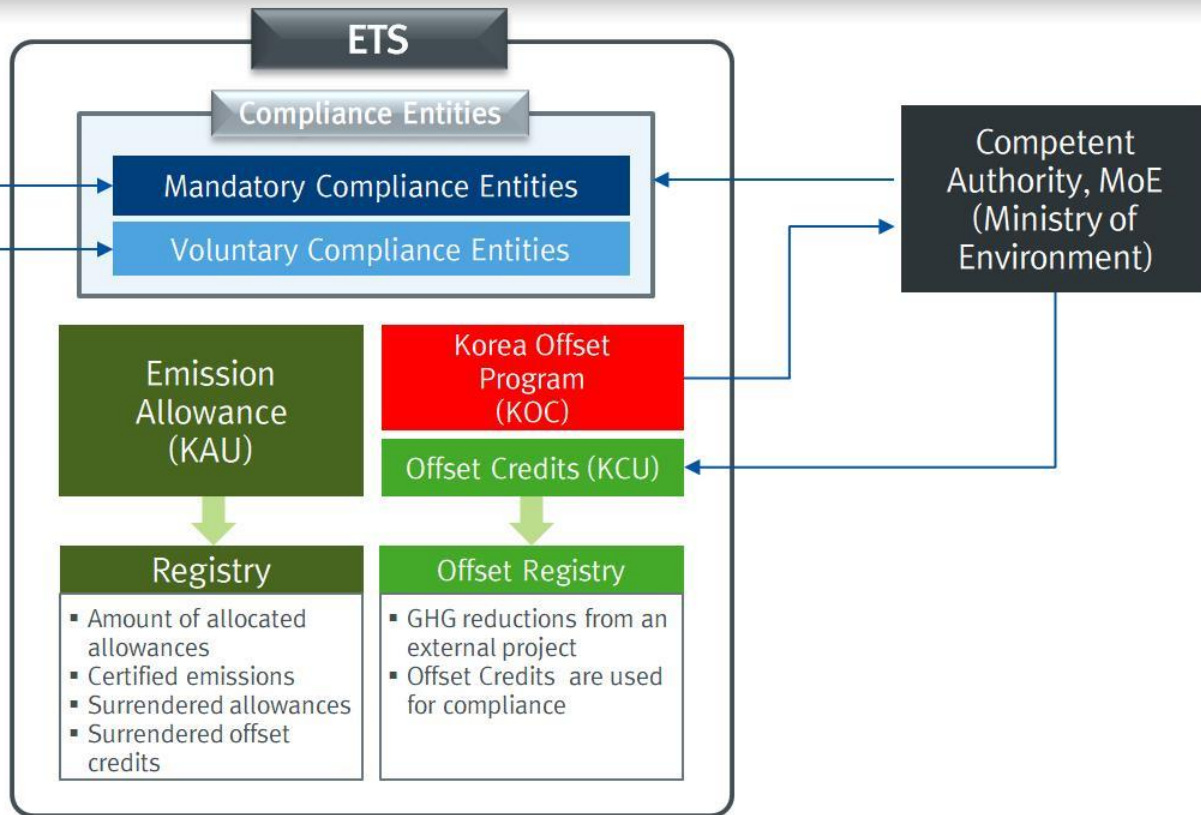
How are the emissions units generated by your programme, mechanism or project?

→ Credits are KOC, KCU and KAU.

KOCs are generated by offset program and...



Offset Credit Conversion process



Carbon Credit

- KAU (Korean Allowance Units)
- KCU (Korean Credit Units)
- KOC (Korea Offset Credit)



Korea Offset Program

The project participant can sell Korean Offset Credit(KOC) to the ETS Compliance entities, which is issued through external projects, purchased KOC can be transferred to KCU or traded from the Carbon market by Compliance entities.

External Projects

“External Project” means a project to reduce, sink, or remove GHG emissions using international/national standards **outside of the boundaries of the mandatory compliance entities** to Article 8 of the ETS regulation.

Purpose of Korea Offset Program

Dissemination of Reduction Activity

Dissemination of Emission Reduction in Private Sector & Small Company

Achieving Efficiently

Achieving efficiently GHG Reduction targets and stabilization of Carbon Market

Industrial Development

Sustainable growth by promoting GHG reduction industry

Achievement of the National GHG Emission Target

Sustainable growth

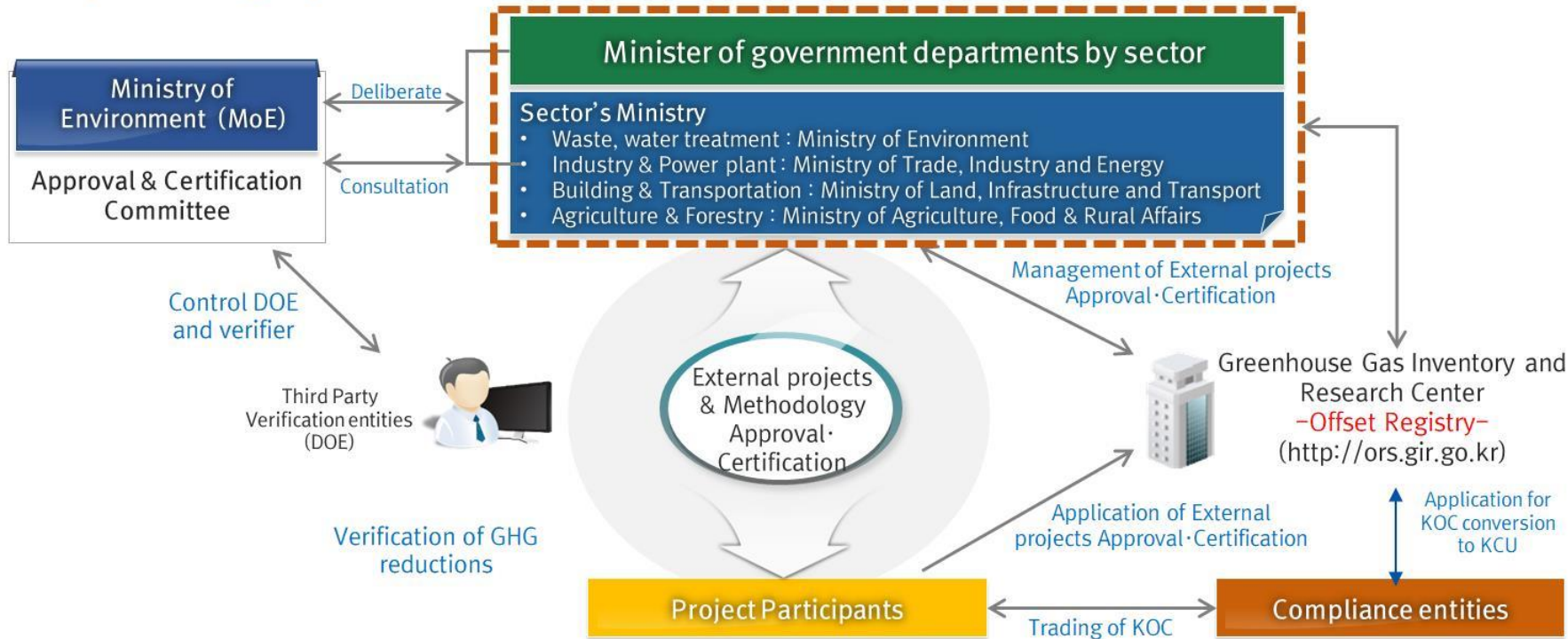


Linkage between KETS & KOP





Operating System of the KOP





Approved Methodologies

➤ Nov .2017, Approved Methodologies are 34 (Gov.: 31, Participant : 3) ※CDM : 211 meths. were adopted

* Same classification of methodology with CDM

<p>#1 Fuel Switch</p> <p>❖ No. of meths. : 5</p> <ul style="list-style-type: none"> • Fossil Fuel → Fossil Fuel • Fossil Fuel → Wood Pellet • Fossil Fuel → Chaff • Fossil Fuel → Wood Pellet (Rural) • Fossil Fuel → District Heating 	<p>#2 Renewable Energy</p> <p>❖ No. of meths. : 6</p> <ul style="list-style-type: none"> • RE power generation (grid connection) • RE power generation (self-use) • RE power generation (self-employed, rural) • Solar system • Solar System (Rural) • Geothermal system (rural) 	<p>#3 Waste Heat Utilization</p> <p>❖ No. of meths. : 3</p> <ul style="list-style-type: none"> • Unused heat recovery and utilization • Unused heat recovery and utilization (rural) • Unused heat recovery and power generation 	<p>#4 Efficiency Improvement</p> <p>❖ No. of meths. : 7</p> <ul style="list-style-type: none"> • Installation of power saving facilities • High-efficiency facility replacement • Replacing high-efficiency lighting in buildings • High efficiency lighting replacement • Replacing High-efficiency Building Equipment • High-efficiency thermal insulation materials (rural) • Rural LED installation (rural)
<p>#5 Biomass</p> <p>❖ No. of meths. : 5</p> <ul style="list-style-type: none"> • Collective energy heat supply using woody biomass • Bio CNG vehicle fuel • Sewage treatment plant Biogas recovery • Biogas plant (rural) • Biomethane city gas supply 	<p>#6 Agriculture</p> <p>❖ No. of meths. : 4</p> <ul style="list-style-type: none"> • Cultivation of circulating water • Water management during paddy cultivation • Use slow-release fertilizer • By-product fertilizer use 	<p>#7 Waste</p> <p>❖ No. of meths. : 1</p> <ul style="list-style-type: none"> • Production and utilization of thermal energy utilizing waste wood 	<p>#8 Forestry</p> <p>❖ No. of meths. : 3</p> <ul style="list-style-type: none"> • Afforestation / Reforestation • Using wood products • Forestry restoration Project



Type of External Project on KOP

	Single Project	Bundling Project	Program Project
Define	<p>Reduction Projects with Single Measure</p> <ul style="list-style-type: none"> • General : 3,000ton/annual excess • Small scale : 100 ~ 3,000ton/annual reduction • Micro scale : Less than 100ton/annual reduction 	<p>Small scale or Micro scale Reduction project bundled to one project (various reduction measures can be applied)</p> <ul style="list-style-type: none"> • Small scale : less than 15,000 ton/annual reduction • Micro scale : less than 500 ton/annual reduction 	<p>Project to be implemented in policy by Gov., Local Gov., Public Sector</p> <ul style="list-style-type: none"> • Application a single reduction project • Program project + CPA(No limit)
Monitoring Cycle	<ul style="list-style-type: none"> • General : More than once in 2 years • Small scale and Micro scale : Maximum validity period of Certification ※ At least once during validity period of certification 	<p>Maximum validity period of Certification</p> <p>※ At least once during validity period of certification</p>	<ul style="list-style-type: none"> • General : More than once a year • Small scale and Extremely scale : Maximum validity period of Certification ※ At least once during validity period of certification
Credit period	<ul style="list-style-type: none"> • Fixed (Maximum 10 year, no Extension) • Renewal (7 year + two period extension) 	<ul style="list-style-type: none"> • Fixed (Maximum 10 year, no Extension) • Renewal (7 year + two period extension) 	<p>〈Program project〉 Within 28 years 〈CPA〉</p> <ul style="list-style-type: none"> • Fixed (Maximum 10 year, No Extension) • Renewal (7 year + two period extension)



External Project approval and certification

External project Registration procedure

	STEP	EXECUTION ENTITY
1	External project application for approval	Project Participant
2	Receiving application of External project	Sector's Ministry
	Validation	Sector's Ministry
	Validation Result	Sector's Ministry
	Review and Response	Project Participant
	Validation Completion	Sector's Ministry
	Ministry of Environment consultation	Ministry of Environment
3	Request for Deliberate	Ministry of Environment
	Approval of Deliberate	Certification Committee
	Notice of Deliberate results & registration	Sector's Ministry

External project Certification procedure

	STEP	EXECUTION ENTITY
1	Application for certification of GHG reduction	Project Participant
2	Receiving application for cert. of GHG reduction	Sector's Ministry
	Certification Review of GHG reduction	Sector's Ministry
	Notification Cert. review outcomes	Sector's Ministry
	Review and Response	Project Participant
	Certification review completion	Sector's Ministry
	Ministry of Environment consultation	Ministry of Environment
3	Request for Certification Deliberate	Ministry of Environment
	Certification Deliberate	Certification Committee
	Notice of Certification results & registration	Sector's Ministry



Part 2

What are the features and benefits of the emissions units generated by your programme, mechanism or project, including the means to ensure their quality?

→ **Korea Offset Program is very similar to UNFCCC – CDM which is the most popular offset program in worldwide...**



Korea Offset Program vs. CDM – laws & standards

Korean Offset Program	FRAMEWORK ACT	CDM
Framework Act on Low Carbon, Green Growth	FRAMEWORK ACT	UNFCCC
Act on the Allocation and Trading of Greenhouse-Gas Emission Permits	ACT	(1997) KYOTO Protocol
Enforcement Decree of the Act on the Allocation and Trading of GHG Emission Permits	ENFORCEMENT DECREE	KYOTO Mechanism (ET, CDM, JI)
Code for Regulations for Validation and Certification of External Project (Additionality, Debundling)	ENFORCEMENT REGULATIONS	(2001) Marrakesh Agreement
Code for Regulations for Validation and Certification of External Project (Additionality, Debundling)	RULES & STANDARDS	Glossary of CDM terms CDM Project Cycle procedure for PA, PoA CDM Project Standard CDM Validation and Verification Standard
-	GUIDELINES	Guidelines for (Additionality, Debundling, Leakage, Common Practice, Investment analysis)

Korean Offset Program requires consistent supplement document, compare to CDM



Korea Offset Program vs. CDM – Baseline identification

KOP	Definition of baseline	CDM
<ul style="list-style-type: none"> Scenarios that are most likely to occur within the project boundaries in the absence of the KOP project activity 		<ul style="list-style-type: none"> The scenario for the CDM project activity that reasonably represents the emissions by sources of GHGs that would occur in the absence of the CDM project activity
<ul style="list-style-type: none"> Identification of alternative scenarios Explain identified baseline process Explain the best available scenario selection with logical and analytical background and description * Simplified, but application is very limited than CDM 	<p>Identification of Baseline</p>	<ul style="list-style-type: none"> Step1 : Identification of alternative scenarios Step2 : Barrier Analysis Step3 : Investment Analysis Step4 : Common Practice Analysis → with approval of CDM additionality
<ul style="list-style-type: none"> Baseline scenarios are in methodologies 	<p>Features</p>	<ul style="list-style-type: none"> Baseline consideration varies by the project scale (micro, small and large scale)
<ul style="list-style-type: none"> Standard for KOP project (National law) <ul style="list-style-type: none"> KOP project PDD Guideline 	<p>Guidance</p>	<ul style="list-style-type: none"> CDM Tools <ul style="list-style-type: none"> – Combined tool to identify the baseline scenario and demonstrate additionality., etc.



Korea Offset Program vs. CDM – Additionality

KOP	Definition	CDM
<ul style="list-style-type: none"> The effect of the project activity to reduce anthropogenic GHG emissions below the level that would have occurred in the absence of the project 	<p>Additionality</p>	<ul style="list-style-type: none"> The effect of the CDM project activity to reduce anthropogenic GHG emissions below the level that would have occurred in the absence of the CDM project
<ul style="list-style-type: none"> Law · regulation/economic additionality <ul style="list-style-type: none"> Under 60,000ton/yr : Legal Over 60,000ton/yr : Legal + Economic 	<p>Assessment</p>	<ul style="list-style-type: none"> Environmental additionality Economic additionality Technical additionality
<ul style="list-style-type: none"> Step1 : Law · Regulation additionality <ul style="list-style-type: none"> 1a : Identification of alternative scenarios 1b : Law · regulation Analysis Step2 : Economic additionality <ul style="list-style-type: none"> 2a : Identification of Analysis method 2b : Cost/Investment/Benchmarking Analysis 2c : Financial indicator Analysis 2d : Sensitivity Analysis 	<ul style="list-style-type: none"> Step1 : Identification of alternative scenarios Step2 : Barrier Analysis Step3 : Investment Analysis Step4 : Common Practice Analysis <div style="border: 2px solid red; padding: 5px; margin-top: 10px;"> <p>The Additionality assessment process of CDM project and KOP project is similar.</p> </div>	



Korea Offset Program vs. CDM – Monitoring Principals

Apply international standards (UNFCCC CDM) and ISO standards
Consistency, Reproducibility, Transparency, Accuracy, Conservativeness

Standard for Validation and Certification of External Projects

Article 26(Monitoring principles) .

1. Monitoring methods shall comply with the registered project plan and the approved methodology..
2. External projects shall be measured in a manner that minimizes uncertainty.
3. Emission Reduction of external Project shall be consistency, reproducibility, transparency and accuracy.
4. When estimating the data needed to estimate the amount of emission Reduction from external Projects, the value shall be conservatively applied.

Consistency

Apply approved methodologies

Reproducibility

Third-party Verification Entity

Transparency

Regular monitoring and reporting

Accuracy

Monitoring principle (Measurement)

Conservativeness

Estimating ; conservatively applied.

Applicable to monitoring principles corresponding to ISO 14064 and UNFCCC CDM standards



Korea Offset Program vs. CDM – PDD Configuration comparison

외부사업 사업계획서

사업명	신재생에너지 생산 및 판매 사업
사업주체	신재생에너지사업자
사업 목적	신재생에너지 생산 및 판매를 통한 온실가스 감축
사업 내용	태양광 발전 시설 설치 및 운영, 신재생에너지 생산 및 판매
사업 기간	2015. 1. 1. ~ 2015. 12. 31.
사업 예산	100억 원
사업 예산 조달 방법	자본금, 차관
사업 추진 일정	2015. 1. 1. ~ 2015. 12. 31.
사업 추진 지역	충청남도 천안시

신재생에너지사업자

KOP	Configuration	CDM
O	A. General description of project activity	O
O	B. Application of a baseline and monitoring methodology	O
O	C. Duration of the project activity / Crediting period	O
O	D. Environmental impacts	O
X	E. Local stakeholder consultation	O
X	F. National Authorization Requirement	O

CDM PDD FORM

Project Design Document Form (PDD-PROJ-001)

SECTION A. Description of project activity

A.1. Purpose and general description of project activity

A.2. Location of project activity

A.3. Technology/processes

A.4. Parties and project participants

A.5. Public funding of project activity

A.6. History of project activity

A.7. Endorsing

SECTION B. Application of selected methodologies and standardised baselines

B.1. Reference to methodologies and standardised baselines

B.2. Applicability of methodologies and standardised baselines

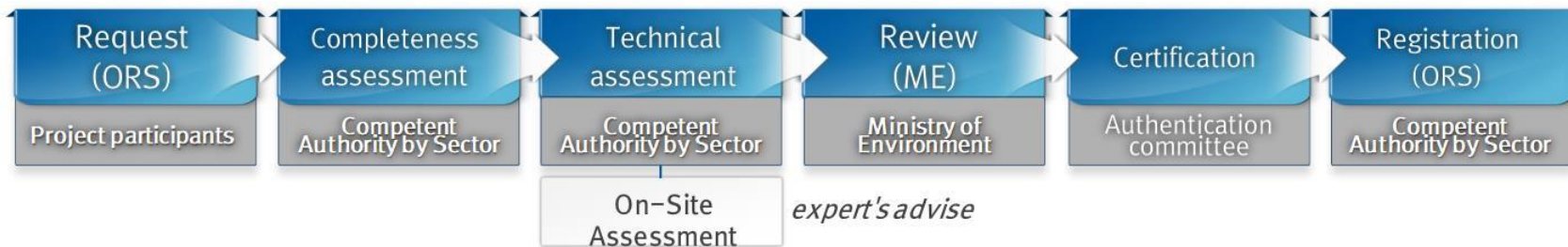
B.3. Project boundary, sector and government-given policies

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KOP do not necessary Local stakeholder consultation & Authorization



Korea Offset Program vs. CDM – Validation Process & Standard



Completeness Assessment	
<ul style="list-style-type: none"> ☑ Competent Authority by Sector (Operating Entity) ☑ Document Review 	
<hr/>	
<ul style="list-style-type: none"> ▪ Completeness of Document ▪ Evidence ▪ general requirements (Additionality) 	<i>Check List</i>

Technical Assessment	
<ul style="list-style-type: none"> ☑ Competent Authority by Sector (Operating Entity), Technical Expert's advise ☑ Document Review, On-Site Assessment 	
<hr/>	
<ul style="list-style-type: none"> ▪ Accuracy of Data ▪ Field(On-Site) situation ▪ Compliance of Monitoring Plan 	<i>Check List</i>



Korea Offset Program vs. CDM – Monitoring Report Configuration

외부사업 모니터링 보고서

사업명	
주요사업자	
주요사업 지역	
작성 일자	
작성 부서	

1. 사업개요

11. 사업명, 사업목적 및 내용

12. 사업의 위치

13. 외부사업 사업지 및 운영기간, 감독할 소유권

구분	사업명	사업시행기간
사업지역 1		
사업지역 2		

14. 세부 항목별 및 시설

15. 인증 소유기간 및 모니터링 기간

인증 소유기간	년	월	일	모니터링 시작	년	월	일
모니터링 종료				모니터링 시작			

16. 외부사업 인증상태의 변동성 평가

2. 사업내용 및 변경사항

21. 사업 전, 후 운영

22. 사업지역 변경

23. 사업 종료 후 종료사항

KOP	
○	
○	
○	
○	
○	
○	
X	

Configuration	
A. Description of project	
B. Implementation of project	
C. Description of monitoring system applied by the project	
D. Data and parameters	
E. Calculation of SDG outcomes	
F. Stakeholder inputs and legal disputes	

CDM	
○	
○	
○	
○	
○	
○	

Monitoring report form for CDM project activity

CDM-001-001

SECTION A. Description of project activity

A.1. General description of project activity

A.2. Location of project activity

A.3. Parties and project participants

Parties Involved	Project participants	Address of the host country
Part 1 (Host Party)	Part 2 (CDM Party)	Part 3 (CDM Party)
Part 1	Part 2	Part 3

A.4. Reference to applied methodologies and established baselines

A.5. Crediting period type and duration

SECTION B. Implementation of project activity

B.1. Description of implementation project activity

B.2. Post-implementation changes

B.2.1. Temperature deviations from the registered monitoring data, applied methodologies or operational baselines

B.2.2. Conclusions

B.2.3. Changes to the start date of the crediting period

B.3. Inclusion of monitoring plan

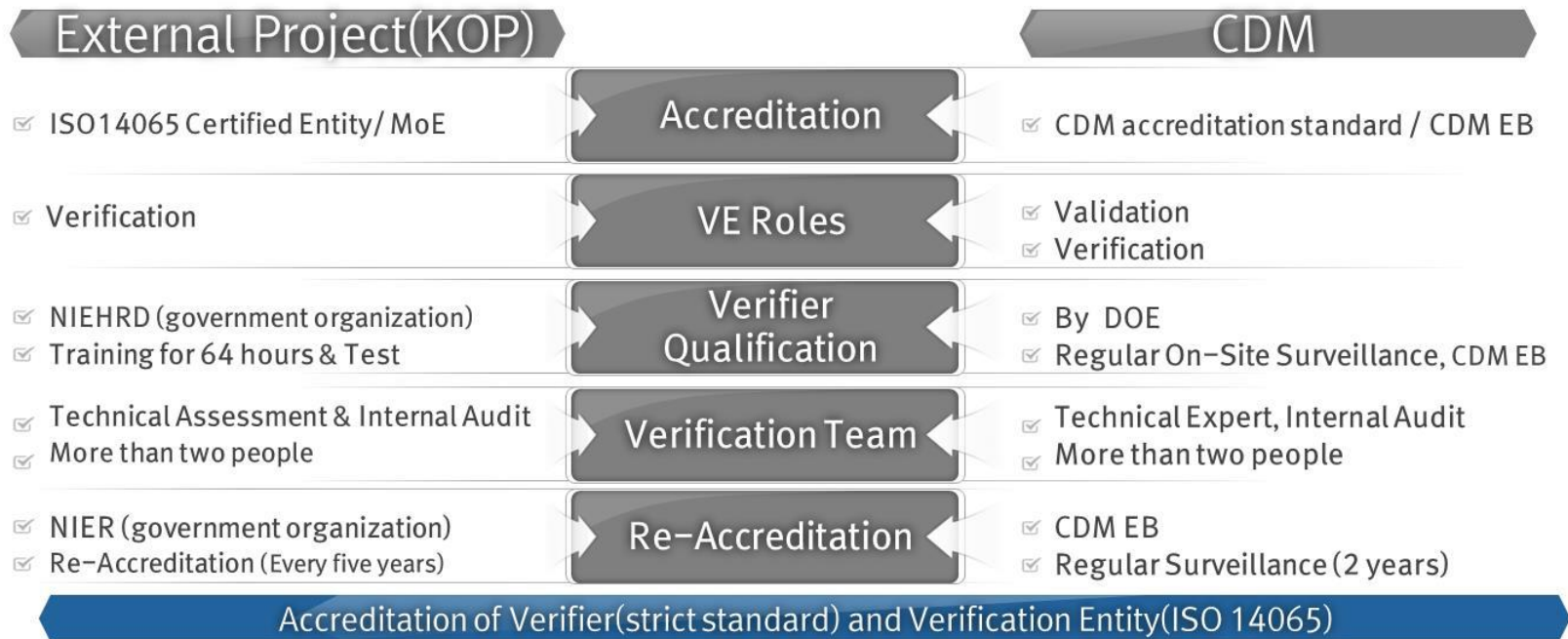
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KOP do not necessary Local stakeholder inputs and regal disputes



Korea Offset Program vs. CDM – Verification



VE : Verification Entity



Part 3

Where can potential buyers purchase the emissions units generated by your programme, mechanism or project?

→ **Trading platform is KRX. But account shall be...**

Part 4

How does your programme, mechanism or project track the use of emissions units?

→ **Every, each emission units are traceable through...**



Eligible buyer & seller for KETS

KAU : Compliance entities are eligible to buy and sell (until phase 2, 2018~2020)

- Additionally only 3 Public Banks are allowed to open allowance trading accounts on the KETS until Phase 2. (*Korea Development Bank, Korea Exim Bank and the Industrial Bank of Korea*)

① Purchase directly from other compliance entity ② Purchase futures on an exchange

- From phase 3, can the 3rd party be participated? Not Determined Yet!!!

KOC : Compliance entities, Project developer (project owner), Designated Financial Institution

- To trade KOC as the 3rd party, project participation is required
- Designated Financial Institution shall be noticed by MoE (TBD)
- KOC shall be transferred to KCU on the request by Compliance entities



Buyer and Seller must have an account with the reserve to hold Credits.

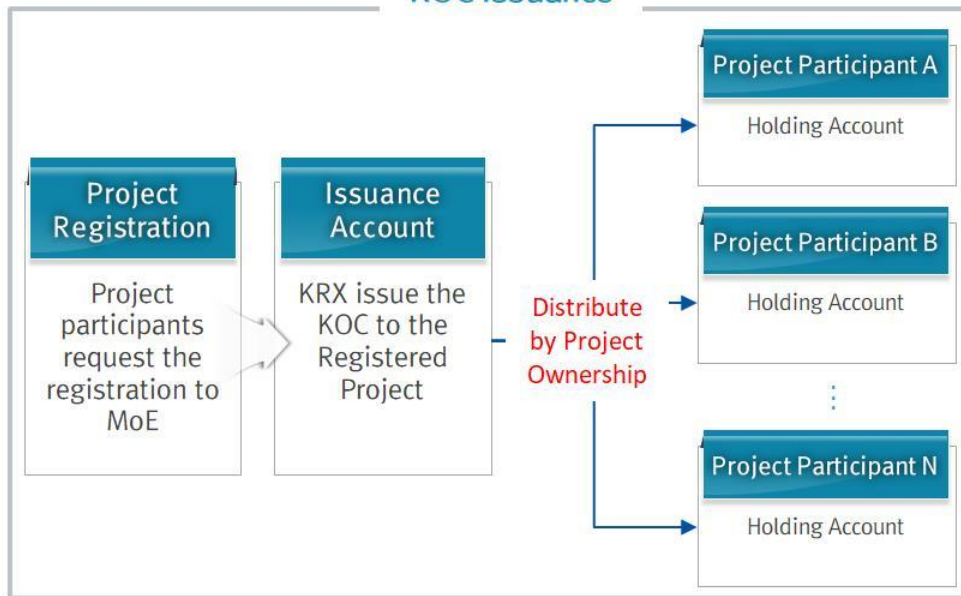
Account A virtual space opened in the name of the Minister of Environment and offset project participants in order to manage certified offset credits in the registry. Each account is identified with a unique ID number.

Issuance Account	issues certified credits from an offset project. (1 independent account per project)
Holding Account	keeps the certified credits of a project participant. (1 independent account per project participant)
Cancellation Account	records the cancellation of transferred credits from a Holding Account. (managed by the Ministry of Environment)
Offset Credit Account	holds the transferred credits(KCU) owned/obtained by ETS Compliance entities. (1 independent account per entity)
Forest Deposit Account	sets aside a certain portion of emission reductions from forest projects to prevent the loss of CO ₂ in the forest sector.
Disposal Account	manages the disposal of certified credits owned/obtained by ETS Compliance entities after their transfers to KCUs.

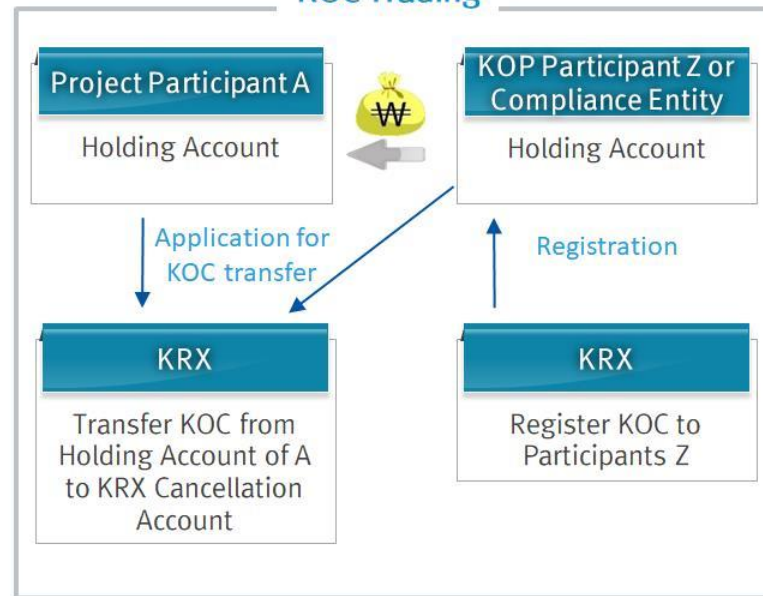


Transaction of Accounts

KOC Issuance



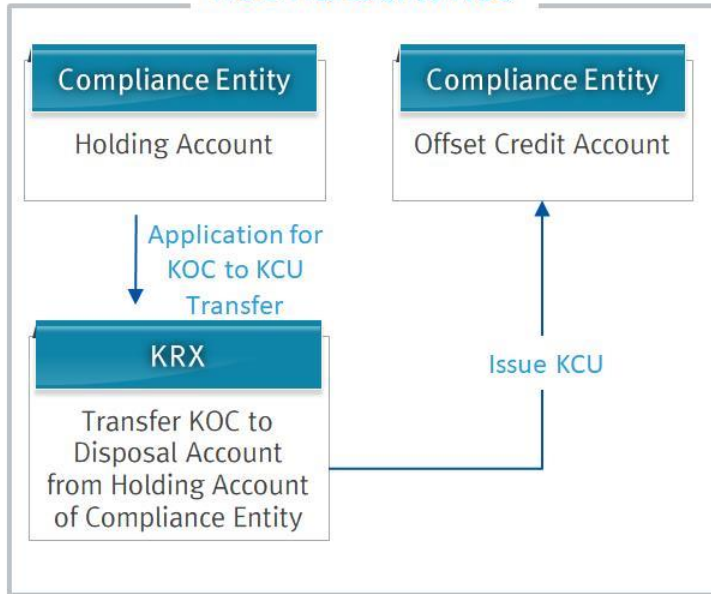
KOC Trading





Transaction of Accounts

KOC Transfer to KCU



To trade the KOC, the account should be required.

The account is only open to the Compliance Entity and Offset project participant.

- 1) Open to the 3rd party (Code for Regulation required by MoE)
- 2) Participate Project (as the investor)



Serial number assignment

Project SN

R	-	YYYY	-	KR	-	XX	-	XXXXXX	-	P-XX
①		②		③		④		⑤		⑥

- ① External Project Registration mark : Fixed value (“R” means “Registered”)
- ② Registration year
- ③ State of project operation: State code refer to ‘ISO 3166-1 alpha-2’
- ④ Type of External Project
- ⑤ Project register number
- ⑥ Type of Certified External project

Account SN

K R	-	VOP/COP/ NOP	-	XXX, XXX, XXX
①		②		③

- ① State for account owner
- ② Type of project participant
- ③ Serial number

Certified reduction SN

I	-	YYYY	-	YYYYMM YYYYMM	-	KR-XX -XXXXX	-	CDM	-	XX,XXX,XXX
①		②		③		④		⑤		⑥

- ① External Project Certification mark : Fixed value (“I” means “Issued”)
- ② Issued year
- ③ Emission Reduction Period
- ④ Number of Acceptance for external project (③, ④, ⑤, ⑥ of Project SN)
- ⑤ Global carbon reduction scheme mark (Ex, CDM)
- ⑥ Serial number

Methodology SN

XXX	-	XXX	-	Ver XX
①		②		③

- ① Type of project
- ② Number
- ③ Methodology version



Operate a transparent Registry system

- Ensure ownership to emission reduction
- Maintain a public registry of approved projects
- Issue and track serialized credits generated by projects.



Public reports include:

- | | |
|-----------------------------|------------------------------------------|
| - Project Participants Name | - Serial number for certified reductions |
| - Project Name | - Volumes of Emission reductions |
| - Project Register number | - Monitoring reports |
| - Certification period | - Verification reports |
| - Monitoring period | |



ICAO

ENVIRONMENT



ICAO

North American
Central American
and Caribbean
[NACC] Office
Mexico City

South American
[SAM] Office
Lima

ICAO
Headquarters
Montréal

Western and
Central African
[WACAF] Office
Dakar

European and
North Atlantic
[EUR/NAT] Office
Paris

Middle East
[MID] Office
Cairo

Eastern and
Southern African
[ESAF] Office
Nairobi

Asia and Pacific
[APAC] Sub-office
Beijing

Asia and Pacific
[APAC] Office
Bangkok



THANK YOU



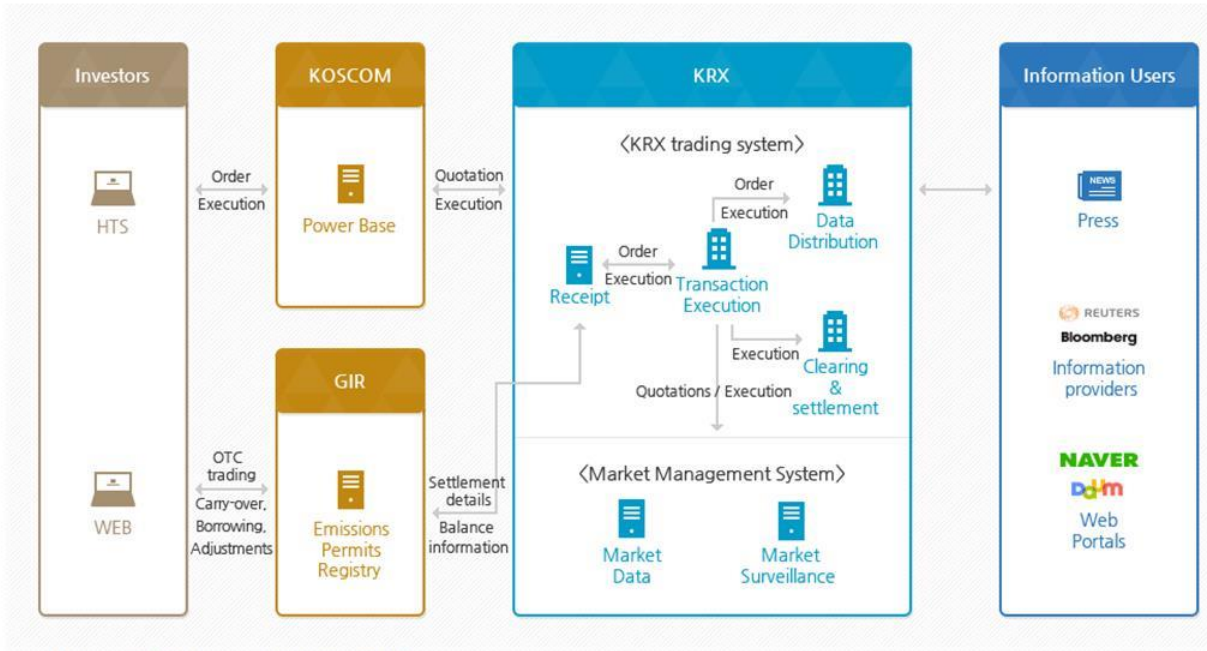
Korea Exchange (KRX, www.krx.co.kr)

- The KRX was appointed as the venue for emission trading in Korea (Jan. 2014)
- The KRX launched the emission credit market (Jan. 2015)

Operation of emissions credit exchange (<i>Article 22-2 of the Act</i>)	Business of the emissions permits exchange (<i>Article 27 of the Enforcement Decree of the Act</i>)
Members	Launching and operation of the market
Trading method	Competitive trading and auction (for allocation of allowance)
Clearing/settlement	Confirmation of trades, assumption of liability, netting, finalization of settlement details, settlement guarantee, handling of settlement failures, settlement instructions
Dissemination of trading information	Best bid and offer, opening/highest/lowest/closing price, market price are publicly announced on a real-time basis.
Market surveillance	Monitoring/Inspection on abnormal trading activities.
Dispute mediation	Mediation of trading disputes upon application.
Business of members in the market	Matters regarding the receipt customer orders.



Structure of the KRX Emissions Market

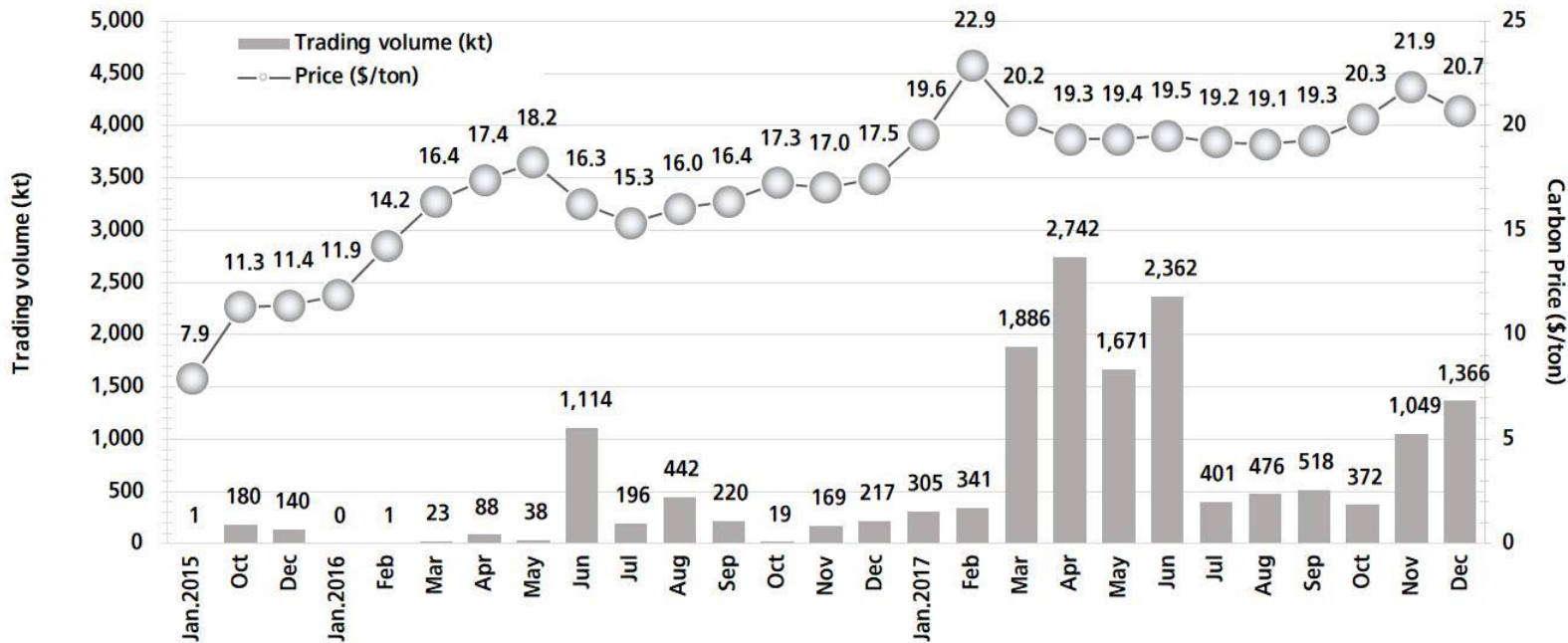


- Investor who have signed up for the membership of the emissions permits market (compliance entity) can submit orders using HTS, and the orders are executed, cleared and settled by KRX Market System.
- Investors (compliance entity) can participate in trading by registering their allocated emissions permits with the GIR emissions registry, and the trades of emissions permits are settled through the KRX's account at the GIR emissions registry and the payment is made through the KRX's account at settlement banks.

Homepage : www.krx.co.kr

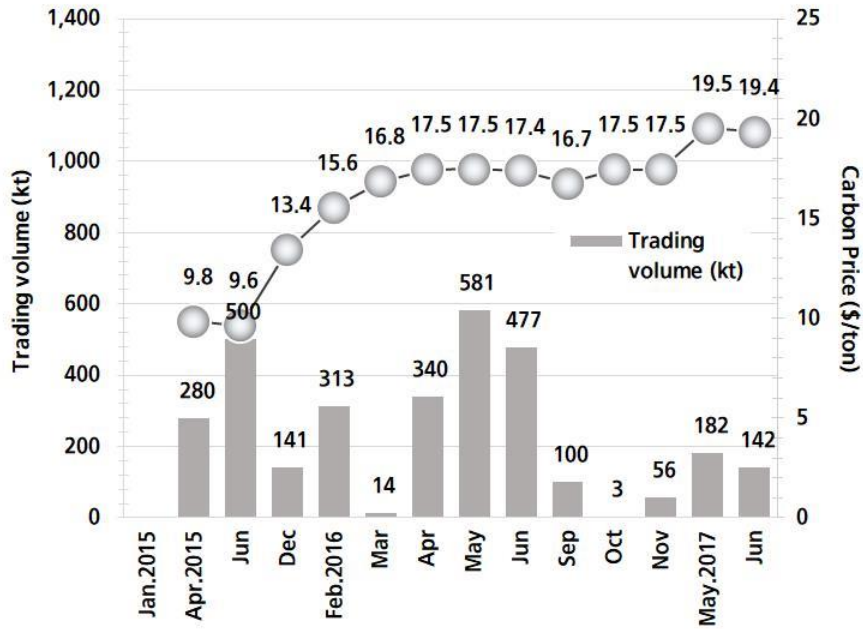


KAU

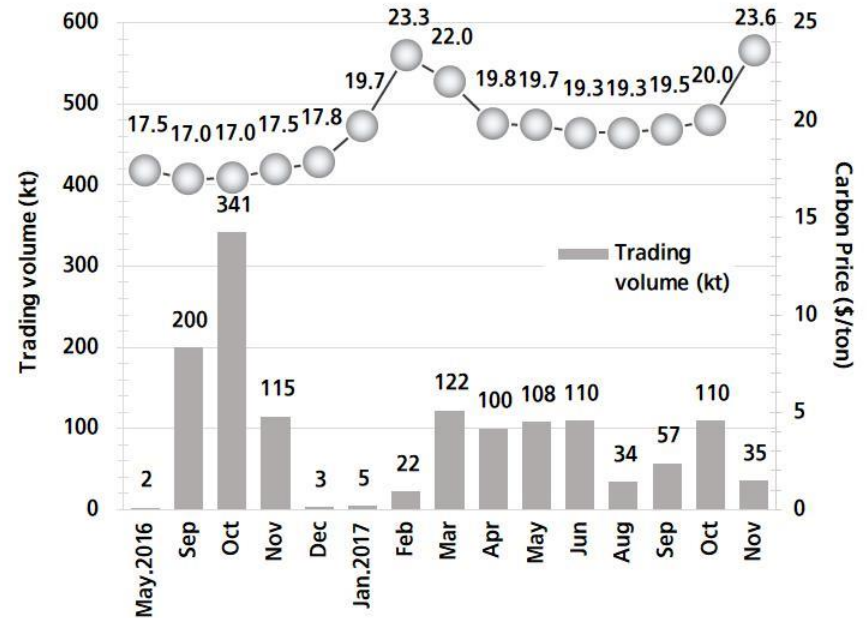




KCU



KOC





General Condition of KOP

1	Who?	<ul style="list-style-type: none">• Project Participants<ul style="list-style-type: none">- Participants that could manage, implement & operate the project- Compliance & Target Management Scheme entities, public & private sectors
2	When?	<ul style="list-style-type: none">• GHG Reduction activity after 14, April 2010 Project (legislation decreed)<ul style="list-style-type: none">- However, until the 1st phase, the project which was started before 14. April 2010 is possible for registration
3	Where?	<ul style="list-style-type: none">• Emission activities shall be outside the boundaries of Compliance entities<ul style="list-style-type: none">- Outside the organization boundary (emission reporting entity)- Public Sectors could develop and implement the offset project
4	What?	<ul style="list-style-type: none">• Project must subjected to the Approval Methodologies<ul style="list-style-type: none">- If not, new methodology should be prepared and get approval
5	How?	<ul style="list-style-type: none">• Under the Rule & Regulation of the External Project<ul style="list-style-type: none">- PDD → Validation → Deliberation → Monitoring → Verification → KOC Issue
6	Why?	<ul style="list-style-type: none">• Voluntary GHG Reduction Activities<ul style="list-style-type: none">- Reductions made by laws and regulations are not voluntary



Registered & Issued KOPs Overviews

Approved Methodologies

CDM 211

External Project 34



■ CDM ■ KOP

Registered Project

CDM 37

External Project 7

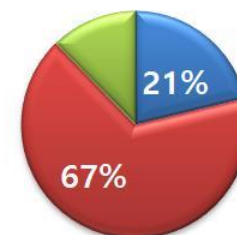


■ CDM ■ KOP

Issued KOC

CER convert into KOC

16,866,205 tCO₂eq



■ 2015 ■ 2016 ■ 2017

Currently the KOP has more projects & KOC issued from the Korea CDM Projects