

## SERINGAS: GLOSSARY

A – B – C – D – E – F – G – H – I – J – K – L – M – N – O – P – Q – R – S – T – U – V – W – X – Y – Z

### A

**AAU – Assigned Amount Unit:** The emission quota expressed in tonnes of CO<sub>2</sub> equivalent assigned to countries under [Annex B](#) of the [Kyoto Protocol](#).

**Absolute target (UK):** The emissions target for participant that sets a cap on overall [emissions](#), irrespective of output levels.

**Account:** The place where [Allowances](#) and/or Kyoto units are held and [transactions](#) recorded.

**Additionality:** In the [greenhouse gas](#) program, reductions are considered to be additional if they represent reductions that would not have occurred without the credit-producing project.

**Allocation (UK):** The number of [Allowances](#) or Kyoto units that an affected source holds for a specific [compliance](#) year. When used in the expression ‘country allocation’ this refers to the quantified targets as fixed in [Annex B](#) of the [Kyoto Protocol](#). Under the European Directive the allocation of allowances should be for free.

**Allowance (UK)(EC): (also known as a quota, permit (but not in the European Directive), emission permit or cap):** In the UK [scheme](#) each allowance represents the right to emit one tonne of carbon dioxide or equivalent. Each allowance will have a vintage and cannot be used for [compliance](#) with a previous year’s target.

In the Community Trading Scheme, an allowance is defined as a right to emit one tonne of carbon dioxide equivalent during a specified period, which shall be valid only for the purposes of meeting the [operators’](#) commitments. An allowance has a unique consecutive serial number but no vintage.

**Annex 1 Countries:** The 24 original members of the OECD (except Mexico and Korea) and the so-called transition countries who signed the [UNFCCC](#) agreeing to limit their emissions in 2000 to those of 1990.

**Annex B Countries:** The thirty-eight countries which signed the [Kyoto Protocol](#) agreeing to a limitation or reduction of their [emissions](#) for the period 2008-2012 based on the levels emitted by them in 1990.

1997		Comments
Parties listed in Annex B of KP	Emission Target	(target within the EU bubble)
European Union	-8%	
Australia	+8%	
Austria	-8%	(-13%)
Belgium	-8%	(-7,5%)
Belarus		did not sign the Protocol
Bulgaria	-8%	
Canada	-6%	
Croatia	-5%	
Czech Republic	-8%	signed the Convention in 1993
Denmark	-8%	(-21%)
Estonia	-8%	
Finland	-8%	(0%)

France	-8%	(0%)
Germany	-8%	(-21%)
Greece	-8%	(+25%)
Hungary	-6%	
Iceland	+10%	
Ireland	-8%	(+13%)
Italy	-8%	(-6,5%)
Japan	-6%	
Latvia	-8%	
Liechtenstein	-8%	
Lithuania	-8%	
Luxembourg	-8%	(-28%)
Monaco	-8%	
New Zealand	0%	
Norway	+1%	
Poland	-6%	
Portugal	-8%	(+27%)
Romania	-8%	
Russia Federation	0%	
Slovak Republic	-8%	<i>signed the Convention in 1993</i>
Slovenia	-8%	
Spain	-8%	(+17%)
Sweden	-8%	(+4%)
Switzerland	-8%	
Czechoslovakia		<i>Replaced by Slovak Republic and Czech Republic</i>
The Netherlands	-8%	(-6%)
Turkey		<i>did not sign the Convention nor the Protocol and asked to be deleted from Annex I</i>
Ukraine	0%	
United Kingdom	-8%	(-12,5%)
United States	-7%	
<b>ANNEX B PARTIES TOTAL</b>	<b>- 5.2%</b>	

**Annex II Countries:** The 24 members of the OECD and the European Union who committed to help developing countries restrict their emission levels by the transfer of technology.

## B

**Banking (or carry-over):** Retaining an emission permit or [credit](#) for use at a later time. Member States may impose restrictions on the banking of allowances into the Kyoto [commitment period](#) (2008-2012). Governments will establish a percentage limit on the allowances that can be banked into the Kyoto commitment period.

**Baseline<sup>[r]</sup> or baseline emissions:** Total emissions over a specified period of time, for use as a reference point for future emissions reductions. The baseline, as opposed to the baseline list, may only include material sources.

**Baseline and credit (UK):** Mechanism applies whereby allowances are granted to [participants](#) if they have over-achieved their relative or absolute target. They are allocated allowances therefore at the end of each [compliance period](#) if they have over-achieved their relative or absolute target. If a participant has under-achieved its target then it must buy the necessary quantity of [Allowances](#) to make up the shortfall to its agreed target i.e. it only trades the difference whereas, theoretically at least, all of the allowance under a [cap and trade](#) mechanism is tradable.

**BAT – Best Available Techniques (UK):** [Operators](#) in the UK will have to adopt BAT in order to comply with the best available techniques as defined in the [IPPC](#) Directive which is being implemented into UK law.

**BAU – Business as usual scenario:** The level of [emissions](#) that would occur if no effort was made to reduce them.

**Benchmarking:** This is a method of allocating [Allowances](#) based on a comparative analysis of initial emission levels and which allows for early action.

**Block:** [Quotas](#) and [credits](#) are materialized via a numbering by blocks. A block gathers quotas or credits with consecutive serial numbers. Each block is unique and identifiable.

**Borrowing of allowances (UK):** No borrowing of [Allowances](#) from a company's [allocation](#) for the following year will be allowed under the UK [Scheme](#).

**Bubble:** A regulatory concept whereby two or more emission points are treated as if they were under a hypothetical dome, thus creating a single [emissions](#) source. A bubble can involve two or more emission points within a facility, or can extend to two or more different facilities within a limited geographic area. Countries are also allowed to 'bubble' their commitments to reduce emissions and individual national allocations can be agreed between them. The European Union decided to adopt this path.

**Burden Sharing Agreement:** The Agreement between the EC parties where the Member States agreed to a reallocation of the [AAUs](#) accorded to them under the [Kyoto Protocol](#) in the EU [bubble](#) and where each Member State is jointly and severally responsible for [compliance](#) with the overall bubble emission limits.

**Buyer:** A person who acquires [credits](#) or [Allowances](#) from another person through a purchase, lease, [trade](#), or other means of transfer.

## C

**Cancellation Account(s):** Account on which [Allowances](#) and Kyoto units are cancelled. There are four different national cancellation accounts.

**Cap (UK):** A limit on total emissions over a specified period of time.

**Cap and Trade (US concept and UK [description here]):** Mechanism whereby an entrant receives [Allowances](#) for the forthcoming [compliance period](#). At the end of the compliance period a participant must hold allowances equal to its actual verified emissions. If a participant has failed to meet its target it will then lose its incentive payment unless it has bought allowances in the market during the compliance period. It can also sell allowances if it has polluted less than its permitted allowances.

**Carbon Dioxide (CO<sub>2</sub>):** The principal [greenhouse gas](#) responsible for some two thirds of total emissions expressed in tonnes of CO<sub>2</sub> equivalent. If an emission is quoted in tonnes of carbon, the conversion ratio is:- one tonne of carbon = 12/44 (3/11th) of a tonne of CO<sub>2</sub> or expressed as a factor: 1 tonne of carbon = 3.67 tonnes of carbon dioxide. Due to the fact that for the same weight of the two products there are two molecules of non-polluting oxygen in CO<sub>2</sub>, carbon is therefore priced at 3.67 times CO<sub>2</sub>.

**Carbon Monoxide (CO):** is not a [greenhouse gas](#) as defined by Kyoto.

**Carbon Sequestration:** In the [greenhouse gas](#) program, a concept that refers to capturing carbon and keeping it from entering the atmosphere for some period of time. Carbon is sequestered in carbon [sinks](#) such as forests, soils, or seas and oceans.

**Categories of activities:** Types of activities covered by the Annex I of the Directive.

**CboT – Chicago Board of Trade:** The commodity and financial trading exchange in Chicago.

**CCX – Chicago Climate Exchange :** [GHG](#) emissions trading scheme opened in Chicago in September 2003. This scheme gathers companies that have committed to reduce, on a voluntary basis, their GHG emissions of 4% by 2006.

**CDM – Clean Development Mechanism:** In the [greenhouse gas](#) program, the CDM is a mechanism established by Article 12.2 of the [Kyoto Protocol](#) for project-based emission reduction activities in developing countries by Annex I countries.

**(CDM) Executive Board:** The Body within the United Nations that will apply the [CDM](#) and verify, control emission-reduction projects and authorise the issuance of [Credits](#) in the form of [CERs](#). These credits can be used for compliance by the investing entity and therefore by the [Party](#) or country concerned.

**Central Administrator:** Authority designated by the European Commission to operate the [CITL](#).

**CERs – Certified Emission Reductions:** In the [greenhouse gas](#) program, CERs are verified and authenticated reductions of greenhouse gas from the abatement or sequestration projects which are certified by the [CDM Executive Board](#).

**Clearing [τ]:** The settlement and delivery of a security normally carried out by a “clearing house”.

**Commitment Period:** 2008-2012 ( the first commitment period), the five year period over which the signatories of the [Kyoto Protocol](#) have committed to reduce their overall emissions in total by 5.2% compared to the level of their emissions in 1990.

**Commitment Period Reserve:** Agreement was reached at [COP 6](#) in Bonn that a recommendation be made that each party included in [Annex 1](#) should maintain in its national registry during the [Commitment Period](#) 90% of its [AAUs](#) i.e. it should not transfer out of its national registry to another national registry at a given moment in time more than 10% of its AAUs.

**Community Independent Transaction Log (CITL):** Communication hub through which all communications between EU national registries go through. This log performs a certain number of automated checks to ensure there are no irregularities associated with a [transaction](#). From 2008 onwards, the CITL shall reroute all message concerning external transfers to the [ITL](#).

**Competent Authority:** Authority designated within each Member State to ensure the implementation of the rules of the Directive on emissions trading.

**Compliance [τ]:** is the concept of presenting (known as [surrendering](#) in the European Directive) an equivalent number of [Allowances](#) to verified emissions of an operator. Under the European Directive a compliance period is annual from 1<sup>st</sup> January to 31<sup>st</sup> December of each year.

**Compliance Account:** Account on which [Allowances](#) are surrendered by [operators](#) for comparison with the verified emissions.

**Compliance Committee:** The Compliance Committee is composed of two branches, a facilitative branch and an enforcement branch, responsible for ensuring that [Parties](#) respect their commitments.

**Contact:** Authorized representative of a [participant](#) in the French National [Registry](#).

**COP – Conference of Parties:** In the [greenhouse gas](#) program, the COP is the supreme body of the [UNFCCC](#). The role of the COP, which consists of more than 170 nations that ratified the Convention, is to promote and review the implementation of the Convention.

**Credits:** Originate from [JI](#) or [CDM](#) projects and will be certified by the [\(CDM\) Executive Board](#) and granted on the basis of the number of tonnes equivalent of CO<sub>2</sub> that have been deemed to have been economised compared to a ‘business-as-usual’ [baseline](#) that could have been used in the project.

## D

**Directive on Emissions Trading:** Directive 2003/.../EC of the European Parliament and of the Council adopted in July 2003, establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.

**Division:** The Division is an entity representing part of a [participant](#) (generally an [operator](#)). This is a possibility given to users to manage their accounts more easily, based on their administrative organization, by grouping them under a Division.

## E

**Emissions:** Emissions of the [greenhouse gases](#) covered by the [Kyoto Protocol](#).

**ERU – Emission Reduction Unit:** The type of emissions reduction [credit](#) associated with [JI](#) projects as defined in the [Kyoto Protocol](#). A JI project is one carried out between two countries which are included in Annex I and one ERU equals one tCO<sub>2e</sub>. The host country of the investment transfers to the investing country its equivalent [AAUs](#) of the ERUs which the project has been granted by mutual agreement between the two countries. There is therefore no net change in global quotas. ERUs can therefore be used for compliance by the investing entity.

**ERUPT – Emissions Reduction Procurement Tender:** The Dutch Government's program which specifies the characteristics of emission reduction projects classed as [JIs](#) as defined in the [Kyoto Protocol](#) and resulting in the transfer of [ERUs](#) from the host country of the investment back to Holland which will be bought back by the Dutch Government from the Dutch investor.

**Emissions Trading:** Emissions trading is a regulatory program that allows firms the flexibility to select cost-effective solutions to achieve established environmental goals. With emissions trading, firms can meet established emissions goals by: (a) reducing [emissions](#) from a discrete emissions unit; (b) reducing emissions from another place within the facility; or (c) securing emission reductions from another facility. Emissions trading encourages compliance and financial managers to pursue cost-effective emission reduction strategies and incentivises emitting entrepreneurs to develop the means by which emissions can inexpensively be reduced.

**ETA – Emissions Trading Authority (UK):** The UK body responsible for the day-to-day functioning of the UK [Scheme](#), with an approval, policing, reconciling and recording role initially sitting within central Government. It is however the longer-term intention to establish the ETA as a statutory independent body.

**ETS – Emissions Trading Scheme (UK):** The UK Department of the Environment, Transport and the Regions (DETR – now DEFRA) promoted scheme launched in May 2001.

## F

**Flexible Mechanisms:** Under the [Kyoto Protocol](#) three flexible mechanisms to reduce global emissions are provided for: Emissions Trading, [Joint Implementation](#) and the [Clean Development Mechanism](#).

## G

**GEF – Global Environment Facility:** A multi-billion dollar fund set up by the World Bank, the United Nations Development Program UNDP and UNEP the United Nations Environment Program to fund projects in developing countries that have global climate change benefits.

**Global Warming Potential:** In the [greenhouse gas](#) program, the GWP is an index found in the [Kyoto Protocol](#) that allows for the comparison of greenhouse gases with each other in the context of their relative potential to contribute to global warming.

**Grandfathering:** The initial [allocation](#) of emission permits by a Government (as opposed to auctioning to the highest bidder).

**GHG – Greenhouse Gas:** One of the six gases:

- CO<sub>2</sub>, carbon dioxide,
- CH<sub>4</sub>, methane,
- N<sub>2</sub>O nitrous oxide,

- SF<sub>6</sub> sulphur hexafluoride,
- PFCs perfluorocarbons
- HFCs hydrofluorocarbons

considered to contribute to global warming and therefore covered by the [Kyoto Protocol](#) although there are in fact more than six as there are multiple PFCs and HFCs.

**Greenhouse Gas Reduction:** A [greenhouse gas](#) reduction is a reduction in emissions that is recognised to contribute to climate change – e.g. CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, and SF<sub>6</sub>. [Greenhouse gas](#) reductions are often measured in tonnes of carbon dioxide-equivalent (**tCO<sub>2</sub>e**). For example, 1 ton of methane has the same global warming potential as 20.9 tons of carbon dioxide.

**Grouping:** [Role](#) defined by the French registry to enable operators to group permits under a [Site](#) or a [Division](#).

**G77:** This is a grouping of 132 developing countries formed in 1967 which is co-ordinating their negotiating stance on [Kyoto](#).

## H

**Holding Account:** Account on which [Allowances](#) and the, from 2008, [AAUs](#) are initially allocated.

**Hot Air:** The reduction in a country's total [emissions](#) below its quota without it doing anything constructive, brought about, for example, by a slow-down in a country's economy, resulting in its ability to trade its surplus emission permits/allowances.

## I

**IETA – International Emissions Trading Association:** A non-profit, independent international association of parties interested in trading emission permits with some 35 members created in 1999 to promote the development of market-based trading in greenhouse gas emissions.

**Independent Transaction Log (ITL):** Communication hub through which all communications between [Parties'](#) registries go through. This log performs a certain number of automated checks to ensure there are no discrepancies associated with the transaction.

**Installation:** Stationary technical unit where one or more activities listed in Annex I of the Directive are carried out.

**IPCC – Intergovernmental Panel on Climate Change:** The Intergovernmental forum established in 1988 by the WMO – World Meteorological Organisation and UNEP responsible for issuing reporting guidelines and good practices for compliance with the [Kyoto Protocol](#) and recognised as the most credible source of information on climate change. The GHG Protocol is based on these guidelines.

**IPPC – Integrated Pollution Prevention and Control:** The Directive issued by the EC in 1996 setting out the rules for pollution control.

**Issuer:** The [Party](#) issuing a number of quotas on the basis of the National Allocation Plan. In the French registry, issuer is a [role](#) attributed to the Party only.

## J

**JI – Joint Implementation:** In the [greenhouse gas](#) program, JI, or activities implemented jointly, refers to greenhouse gas reducing projects implemented by industrialised countries included in Annex I with each other. A JI project gives rise to the issuance of [ERUs](#) in units of one tCO<sub>2</sub>e for the amount of emission reductions agreed between the two countries

## K

**Kyoto Protocol:** In the greenhouse gas program, the Kyoto Protocol is an agreement between 159 nations that attended the 3rd [COP](#) to the [United Nations Convention on Climate Change](#) which was held in Kyoto, Japan in December of 1997. The Kyoto Protocol specifies the deadlines and specific levels of greenhouse gas reductions that signatory countries are to achieve. Overall, developed countries are to reduce greenhouse gas emissions by 5.2% between 2008 and 2012 as measured against 1990 emission levels. (See individual country figures under the definition of [Annex B Countries](#)).

## L

**Linking Directive:** Draft of a European Directive completing the Directive on emissions trading. Its purpose is to take into account credits generated by [JI](#) and [CDM](#) projects.

**LULUCF – Land-use, land-use change and forestry:** Under the [Kyoto Protocol](#) parties may subtract from their absolute emission levels the “[sink](#)” effect resultant from afforestation, reforestation and the ceasing of deforesting in order to calculate their total emissions. However there is still much debate on how exactly the sink effect should be calculated and each party will have to negotiate separately on its particular method of calculation.

## M

**Montreal Protocol:** Protocol adopted on September 16<sup>th</sup> 1987 concerning substances that depleted the ozone layer and has been subsequently adapted and modified.

## N

**NGO – Non Governmental Organization:** In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs usually pursue activities to relieve suffering, protect the environment, provide basic social services, or undertake community development, etc.

**NOx Emissions:** The sum of nitric oxides and nitrogen dioxides emitted, calculated as nitrogen dioxide and not therefore a [greenhouse gas](#).

## O

**OECD – Organisation for Co-operation and Economic Development:** Created in 1961, the OECD groups 30 member countries in a unique forum to discuss, develop and refine economic and social policies.

**Offset:** The reduction of pollution by means of the existence of a carbon absorbing [sink](#) or a project reducing emissions.

**Operator:** Any person who operates or controls an [installation](#), or to whom decisive economic power over the technical functioning of the installation has been delegated.

## P

**Participant (UK):** An emitter of greenhouse gases entering into the UK [Scheme](#) with a [target](#).

**Participant (FR):** In the French [registry](#), a participant means a natural or physical person taking part in the European Trading Scheme with at least one account opened in the national registry. A participant is defined by the combination of two characteristics, namely its [role](#) and its [type](#).

**Party:** a signatory of the [Kyoto Protocol](#).

**Permit:** Under the terms of the proposed European Directive a permit will be required by all [installations](#) covered by the European Trading Scheme and a permit will be required of a site emitting pollution participating in the trading scheme. Such a permit will not be transferable and is to be distinguished from an [Allowance](#) which refers to an amount of pollution (in units of tCO<sub>2</sub>e) and which is transferable within the trading scheme.

**Penalty:** The EC Directive distinguishes between two types of penalties. A financial penalty according to which an [operator](#) shall pay €40 for each tonne of carbon dioxide equivalent emitted by that installation for which the operator has not surrendered allowances between 1 January 2005 and 31 December 2007, and €100 thereafter. A penalty “in nature” according to which the same non-compliant operator shall [surrender](#) an amount of allowances equal to those excess emissions for which he paid a fine during the following calendar year.

**Pooling:** Possibility given to operators of [installations](#) carrying out one of the activities listed in the Annex I of the Directive to form a pool of installations from the same [activity](#). The pool is administered by a [trustee](#) and the trustee is responsible for paying the [penalties](#) in case the pool is not in [compliance](#).

**Principal Contact:** Contact with all the access and management rights over the [participant](#)'s account(s). The principal contact is the sole representative for the registry manager. The Principal Contact is the only one to be able to create secondary contacts for the (represented) participant.

## Q

## R

**Registry:** The heart of an [emissions trading scheme](#) recording permits, [Allowances](#) and [transfers](#) from one participant to another. The main functions of a registry are:

- Initial [allocation](#) to each participant;
- Account information and account's position for each [participant](#);
- Account management and transfers;
- [Transaction](#) management;
- Compliance process management;
- Retirement and cancellation of quotas and credits;
- [Banking](#) of [quotas](#) and [credits](#) for future use;
- Information reporting.

**Registry Manager:** The registry manager is responsible for executing requests from the public authorities and the account holders. In addition, the registry manager sees to ensure the correct functioning of the system, ensures [compliance](#) treatment and reporting.

**Relative target (UK):** The output related (in terms of energy use per unit of production) emissions target for a [participant](#) in the UK [Scheme](#).

**Removal Units (RMUs):** Credit unit made available to track the elimination of greenhouse gases through the use of carbon [sinks](#).

**Reports:** All the statements providing some information on the [registry](#) activities. One should differentiate between the so-called « official » reports, listed by the international texts and available to the public, and the « non compulsory reports », available to the account holders and public authorities only. Some reports are automatically generated by the registry on a regular basis and other reports can be directly created by the users from the registry web site.

**Reservoir:** A component or components of the climate system where a [greenhouse gas](#) or a precursor of a greenhouse gas is stored.

**Retirement Account:** Account on which allowances used for [compliance](#) are retired after the compliance process.



**(The) Rio Declaration:** The 27 principles of [sustainable development](#) unanimously adopted by 178 States in June 1992 at the Rio de Janeiro conference.

**ROC – Renewables Obligation Certificates (UK):** The UK Government has proposed that the trading of “green certificates” should be allowed for energy suppliers with a renewable energy obligation. When individual suppliers over-achieve they will be able to convert their over-achievement into CO<sub>2</sub> equivalent and sell it into the [ETS](#). Suppliers will not however be allowed to redeem allowances from the main scheme against these obligations.

**Role:** In the French [registry](#), a [participant](#) is assigned a role according to its legal obligations. There are five different roles: [issuer](#), [operator](#), [trader](#), [trustee](#) and [grouping](#).

## S

**Scheme (UK):** The UK Emissions Trading Scheme which can be entered by three routes by direct or indirect emitters: by direct entry, whereby a participant volunteers to take on an [absolute](#) target in return for a financial incentive from the Government for which he has to bid at an auction, via an agreement with the Government setting targets for target units set in relative or absolute terms, or by entering without a target or as a non-emitter and registering with the [ETA](#) to trade allowances/credits in the Scheme.

**Secondary Contact:** Contact created by the [Principal Contact](#) and benefiting from restricted access and management rights compared to the Principal Contact.

**Seller:** A person who sells [credits](#) or [Allowances](#) to another person through a sale, lease, forward trade, or other means of market transaction.

**Sink:** Any process, activity or mechanism which removes a [greenhouse gas](#), an aerosol or a precursor of a greenhouse gas from the atmosphere. Ready examples are forests, seas and oceans and soil.

**Site:** A site gathers one or more [installations](#) in the same location. In the French [registry](#), [participants](#) can more easily manage their accounts according to a geographical organization, by grouping them under a Site.

**SOx Emissions:** Emissions of sulphur dioxides, which are not greenhouse gases as defined by Kyoto.

**Subsidiary Body for Scientific and Technological Advices (SUBSTA):** Its task is to provide the [COP](#) with advice on scientific, technological and methodological matters relating to the Convention. It serves as the link between the scientific information provided by expert sources such as the [IPCC](#) on one side, and the policy-oriented needs of the COP on the other.

**Subsidiary Body for Implementation (SBI):** The SBI assists in assessing and reviewing the implementation of the Convention. It plays a key role in examining the National Communications and Emission Inventories submitted by the Parties and provides advice to the [COP](#) on the financial mechanisms (operated by the Global Environmental Facility – GEF), as well as on administrative and budgetary matters.

**Supplementarity:** The concept that the three [flexible mechanisms](#) foreseen by [Kyoto](#) can be used in addition to the simple restriction of domestic emissions to comply with the individual country quotas established by Kyoto.

**Surrendering:** Each year, [operators](#) shall surrender a number of allowances equivalent to their verified emissions. Operators who do not surrender enough allowances before 30 April of each year will be penalized.

**Sustainable Development:** The development path which answers the needs of the present generation without compromising the capacity of future generations to achieve theirs.

## T

**Target:** The level at which [emissions](#) are capped and therefore which a polluter cannot exceed without [penalties](#).

**tCO<sub>2</sub>e** (tonne of carbon dioxide equivalent): A metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential ([GWP](#)). The other gases taking part in the greenhouse

effect (like CH<sub>4</sub>, methane, or N<sub>2</sub>O, nitrous oxide for instance) are expressed in carbon dioxide equivalent based on their GWP. Each quota or credit equals one tonne of carbon dioxide equivalent.

**Trade: (UK):** A trade is a financial transaction between parties, which may or may not result in the [transfer](#) of [Allowances](#) between them. Trades can cover a variety of transactions, including ‘forwards’ and derivatives such as ‘options’. It is therefore possible to trade without having allowances at the time the trade is carried out.

**Trader:** [Participant](#) holding a trading account.

**Trading Account:** Account from which a [participant](#) can trade allowances and Kyoto units.

**Transaction:** Any movement of [quotas](#) and [credits](#) from one account in the [registry](#) to another. The term of “transaction” therefore covers transfers, [allocation](#), issuance, conversion, retirement, cancellation and [carry-over](#).

**Transfer:** Refers to the movement of [Allowances](#) from one participant’s account in the [registry](#) to another resulting in a transfer of property. A transfer can only be carried out through the registry. To be distinguished from a [trade](#) and a [transaction](#).

**Trustee:** Administrator of a [pool](#) with sufficient access rights to manage the accounts of the pool members. The trustee:

- receives the total quantity of allowances allocated to the pool members ;
- is responsible for [surrendering](#) allowances equal to the total emissions from the pool’s [installations](#);
- is responsible for the [compliance](#) of each member of the pool and as such is responsible for paying the [penalties](#).

**Type (of Participant):** There are five different types of participants in the French [registry](#), which can have different roles: legal entity, person / individual, NGO, [site](#) and [division](#).

## U

**UNFCCC – United Nations Framework Convention on Climate Change:** The agreement on climatic change control adopted by the United Nations on May 9<sup>th</sup> 1992.

**US EPA – United States Environmental Protection Agency:** The agency that administers the SO<sub>2</sub> acid rain program and operates the SO<sub>2</sub> trading scheme.

## V

**Verifier:** Organization / company accredited by the [Competent Authority](#) to audit the [operators](#)’ reports.

## W

**WBCSD – World Business Council for Sustainable Development:** The Geneva based organisation responsible for drafting the GHG Protocol which together with the WRI has established the universally acceptable method of measuring and reporting GHG outputs.

**WRI – World Resource Institute:** The American based association for the protection of the environment involved with the WBCSD in drafting the GHG Protocol.

## X

## Y

## Z