



## Providing You with Outstanding Market Expertise

The TFS Energy coal and emissions team has a combined energy market experience of 20 plus years. We are proud to have brokered many of the coal and emission markets' pioneering transactions, with many of our team accomplishments being recognized in the leading market publications *Environmental Finance* and *Energy Risk*.

Environmental Finance Awards for 2005-2006:

- Best Broker US NOx Markets
- Best Broker EU-ETS
- Best Broker UK Allowances
- Best Broker UK Renewables

To learn more, please contact us at +1.212.943.2883 and ask for Brian Carroll, Eric Klein or Joseph Cacioppo

### About TFS

Founded in 1985, Tradition Financial Services (TFS) is a market leader in the brokering of financial and non-financial products. With offices worldwide, we cover currency options, equity derivatives, freight, precious metals, energy and pulp & paper markets. TFS Energy brokers a full spectrum of OTC energy and energy-related physical and derivative products (including electricity, natural gas, crude oil and refined products, coal, emission and weather derivatives) and exchange-traded futures and options. For the second year in a row, TFS ranked first in Energy Risk's 2004 annual broker awards. Our parent company, Compagnie Financière Tradition (CFT), is one of the world's top three brokers in financial and commodity-related products with a presence in 18 countries and 2,000 employees. CFT is listed on the Swiss Stock Exchange (CFT). For further information, please visit [www.tfsbrokers.com](http://www.tfsbrokers.com)

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### Coal and Environmental Products Desk





## TFS Energy Your 1 Source for Energy

### A Global Market Leader in Energy Brokering

TFS Energy is a leading coal and emissions broker for the U.S. domestic and North American emissions and environmental markets. Our New York-based team of seasoned coal and emissions brokers is dedicated to providing comprehensive client support, which includes structuring customized physical and financial hedging structures in the spot, option and forward markets to meet the increasing needs of our diverse client base in the utility, financial and manufacturing communities. TFS has the capability to assist in all post-transaction logistics, including contracting, clearing and escrow services.



### Coal:

In the coal markets, we have helped develop a purely physical trading market into a more broad-based hedging mechanism through the use of futures, options and financial swaps. Our team is focused on continuing to grow the physical markets in Central and Northern Appalachian and Powder River Basin products, as well as expanding our reach in the Illinois Basin and Rocky Mountain products.

Besides our local expertise in the United States, we also have a very strong presence in Europe. Our London-based coal desk created the TFS API indices, which are currently used for all European swaps. Collaboration between our two offices will help us continue to bring value to this globally evolving market.

Our core domestic focus are the Federal SO<sub>2</sub> and SIP Call NO<sub>x</sub> trading programs. Our strength in these areas has been recognized in Environmental Finance magazine where TFS was awarded Best Broker for NO<sub>x</sub> allowances 2005-2006. The proposed revisions to NO<sub>x</sub> and SO<sub>2</sub> compliance obligations under the Clear Air Interstate Rule (CAIR) and in the next several years and the introduction of mercury trading under the Clean Air Mercury Rule (CAMR) should prove to be the driving force for domestic trading over the balance of the decade. The SO<sub>2</sub> proposals have already spurred considerable activity in the previously dormant 2010 and later allowances. TFS specializes in devising hedging structures to assist clients in optimizing their emissions portfolio under these new frameworks.

### Environmental Products:

In the environmental and emissions markets, we actively broker transactions in all major arenas. These include:

- U.S. EPA's SO<sub>2</sub> Acid Rain Allowances;
- NO<sub>x</sub> SIP Allowances;
- New York State NO<sub>x</sub> and SO<sub>2</sub> Allowances;
- California RECLAIM (RTCs) Credits;
- Houston-Galveston Area (HGA) NO<sub>x</sub> Allowances;
- Renewable Energy Credit (RECs);
- Emissions Reduction Credits (ERCs) and Discrete Emissions Reduction Credits (DERCs); and
- Emerging Markets Focus: Regional Greenhouse Gas Initiative (RGGI) and West Coast Governor's Global Warming Initiative.



Our London-based environmental products desk has a major presence in the European Union Emissions Trading Scheme (EU ETS), UK Allowances and the European Renewable Market. Our European and U.S. desks work closely to assist our clients globally with Kyoto-based transactions under the Clean Development Mechanism (CDM) and Joint Implementation (JI) mechanism.