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## **Nodal Exchange and LCH.Clearnet Ltd Begin Offering Real-Time LMP Contracts**

**WASHINGTON and LONDON, January 7, 2010**

Nodal Exchange, LLC and LCH.Clearnet Ltd announced today the addition of 8 new contracts settling against Real-Time Locational Marginal Price (LMP) at four locations: PJM Western Hub, PJM AEP-Dayton Hub, PJM Northern Illinois Hub, and MISO Cinergy Hub. Contracts for both peak and off-peak time periods are available at each location. The Real-Time contracts are available for trading beginning today, January 7th, 2010, for the June 2010 through January 2014 expiries, and are being offered in the daily auctions alongside contracts for the 72 key hubs and zones that settle against Day-Ahead LMP. In addition, these new Real-Time contracts are also available over-the-counter for submission to Nodal Exchange for clearing by LCH.Clearnet.

Roger Liddell, Chief Executive, LCH.Clearnet said: "Responding to the needs of the market remains a priority for us, as this new contract launch demonstrates. We are delighted to support Nodal Exchange as this innovative and successful service continues to grow."

"These contracts are the first Real-Time LMP settled contracts offered by Nodal Exchange, as all other contracts settle against Day-Ahead LMP. Our participants wanted us to introduce these contracts for these select locations in order to more fully meet their needs. With these contracts, participants will not only be able to trade Real-Time LMP on Nodal Exchange, but will also be able to trade Day-Ahead/Real-Time spreads." said Paul Cusenza, Chief Executive Officer of Nodal Exchange.

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## **About Nodal Exchange, LLC**

Nodal Exchange is the first independent electronic commodities exchange dedicated to offering locational (nodal) futures contracts and related services to participants in the organized North American electric power markets. Nodal Exchange builds on the success of the existing Regional Transmission Organization/Independent System Operator (RTO/ISO) Day-Ahead and Real-Time markets by offering cash-settled futures contracts in a cleared market enabling Nodal Exchange participants to effectively manage basis and credit risk. Daily auctions are held on 72 hubs and zones and weekly auctions on all approximately 1,800 hubs, zones and nodes. The Nodal Exchange platform also accepts for clearing bilateral over-the-counter (OTC) transactions submitted by participants and brokers. Nodal Exchange is an independent, privately held company. For more information, visit [www.nodalexchange.com](http://www.nodalexchange.com).

## **About LCH.Clearnet**

LCH.Clearnet is the leading independent clearing house group, serving major international exchanges and platforms, as well as a range of OTC markets. It clears a broad range of asset classes including: securities, exchange traded derivatives, energy, freight, interbank interest rate swaps and euro and sterling denominated bonds and repos; and works closely with market participants and exchanges to identify and develop clearing services for new asset classes.

A clearing house sits in the middle of a trade, assuming the counterparty risk involved when two parties (or members) trade. When the trade is registered with a clearing house, it becomes the legal counterparty to the trade, ensuring the financial performance; if one of the parties fails, the clearing house steps in. By assuming the counterparty risk, the clearing house underpins many important financial markets, facilitating trading and increasing confidence within the market.

Initial and variation margin (or collateral) is collected from clearing members; should they fail, this margin is used to fulfill their obligations. The amount of margin is decided by the clearing house's highly experienced risk management teams, who assess a member's positions and market risk on a daily basis. Both the soundness of the risk management approach and the resilience of its systems have been proven in recent times.

LCH.Clearnet is regulated or overseen by the national securities regulator and/or central bank in each jurisdiction from which it operates.