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## **Nodal Exchange and LCH.Clearnet Ltd extend Real Time power offering to 100 contracts**

**WASHINGTON and LONDON, January 7, 2011**

Nodal Exchange, LLC and LCH.Clearnet Ltd (LCH.Clearnet) announced today the addition of 72 new contracts settling against Real Time Locational Marginal Price (LMP) of electricity at 36 new hub and zone locations. This brings the total number of Nodal Exchange contracts settling against Real Time LMP to 100, complementing the over 3,600 Day Ahead LMP settled contracts.

This significant increase comes exactly one year after the introduction of the first 8 Real Time LMP settled contracts on Nodal Exchange.

Contracts for both peak and off-peak time periods are available at each location for monthly terms extending out a rolling four years from the current month. Real Time contracts on 50 locations are being offered in the daily auctions alongside contracts for over 90 locations 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.

Since launch in 2009, Nodal Exchange has recorded seven successive quarterly rises in trading volume and has expanded to offer over 50,000 expiries.

Roger Liddell, Chief Executive, LCH.Clearnet said: "The demand from our customers to expand the reach of this service is a testament to its success. The efficiency and security that we bring to the nodal marketplace is clearly valued."

"We have seen great growth in the trading of our Real Time contracts and our participants asked that we extend our Real Time offering," said Paul Cusenza, Chief Executive Officer of Nodal Exchange. "We are very happy to once again join

LCH.Clearnet in being responsive to our participants' needs by adding contracts that permit the community to more effectively hedge risks in power prices. We look forward to continuing to meet market needs and provide innovation to the power markets."

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### **About Nodal Exchange, LLC**

Nodal Exchange is the first 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 over 90 key locations and weekly auctions on over 1,800 hubs, zones and nodes. The Nodal Exchange platform also accepts for clearing over-the-counter (OTC) cash settled trades for power and natural gas contracts 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, credit default 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.