



## **Nodal Exchange to Launch the First-Ever Washington Carbon Allowance and National Wind Renewable Energy Certificate Futures Contracts in Collaboration with IncubEx**

**WASHINGTON & CHICAGO – November 14, 2022**

Nodal Exchange and IncubEx announced today the planned launch date of December 5<sup>th</sup>, 2022 for the Washington Carbon Allowance (WCA) futures contract and the National CRS Listed Wind Renewable Energy Certificate (REC) futures contracts, pending regulatory review.

The WCA contract will be the first exchange listed and cleared contract corresponding with the newest regional carbon market in North America, in Washington state. The Washington carbon “Cap-and-Invest” program, which is set to commence compliance obligations on January 1, 2023, will gradually cover about 75% of the state's largest emitters of CO<sub>2</sub>. Washington Carbon Allowances from the listed contracts will be physically delivered via the Washington Compliance Instrument Tracking System Services (CITSS) registry.

The program aims to lower CO<sub>2</sub> emissions 45% below 1990 levels by 2040 and 95% below 1990 levels, reaching net-zero carbon emissions by 2050 as set by the Washington state's Climate Commitment Act.

The WCA futures contract joins the slate of North American listed carbon products on Nodal Exchange including: California Carbon Allowance (CCA) futures and options, California Carbon Offset (CCO) futures and Regional Greenhouse Gas Initiative (RGGI) futures and options. Open interest in North American carbon futures on Nodal has reached 40,211 lots, up 128% year over year.

"The North American carbon market landscape continues to evolve, grow and mature and the new Washington cap-and-invest program is another illustration of how states and provinces are building on the success of neighboring jurisdictions in addressing environmental issues via market-based solutions," said Dan Scarbrough, President and COO at IncubEx. "We see this contract as another major exchange product development that provides all the known benefits of transacting environmental commodities in a regulated futures market."

Nodal Exchange and IncubEx are also pioneering the National CRS Wind REC futures. This first-of-its-kind contract, sometimes referred to as a hybrid compliance/voluntary REC, delivers Renewable Energy Certificates from four distinct registries where existing Nodal REC futures contracts are listed: ERCOT Renewables Registry, Western Renewable Energy Generation Information System (WREGIS), North American Renewables Registry™ (NAR), or Midwest Renewable Energy Tracking System (M-RETS®) for qualifying wind energy production from

facilities which are listed with the Center for Resource Solutions (CRS) as an element of CRS' administration of its Green-e® certification program. The new product will be made available as front-half and back-half contracts corresponding to the first half and second half of the calendar year which can also be traded in combination.

The new National CRS Wind REC futures enable Nodal customers to aggregate liquidity across key REC markets across the US, with physical delivery from the leading registries. The new Nodal Exchange contracts complement the largest suite of REC futures contracts listed on any exchange, including Nodal Exchange's: Texas CRS wind, Texas CRS solar, M-RETS CRS wind, NAR CRS wind and NAR CRS solar contracts. In aggregate, trading volume has totaled 130,130 lots (130.1 million MWh) and open interest currently stands at 42,951 lots (representing 42.9 million MWh).

"These new carbon and REC contracts are reflective of our drive to offer innovative and pioneering products that meet the needs of our customers in the environmental space," said Paul Cusenza, CEO of Nodal Exchange. "These contracts add two unique contract offerings to what is already the world's broadest suite of exchange listed environmental contracts."

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## ABOUT INCUBEX

IncubEx is an incubator for exchange traded products, services, and technology solutions. At its core, IncubEx is a product and business development firm. The company works in conjunction with its global exchange partner, European Energy Exchange (EEX), Nodal Exchange and other leading service providers and stakeholders to design and develop new financial products in global environmental, reinsurance, and related commodity markets. The company has a specific focus on innovation and continuous improvement of products and services, including technology, trading solutions, and operational efficiencies. The IncubEx team is led by former key Climate Exchange executives and is uniquely positioned to capture these opportunities with its partners. The company was founded in 2016 and currently has offices in Chicago and London. See more at [www.theincubex.com](http://www.theincubex.com).

## ABOUT NODAL

Nodal Exchange is a derivatives exchange providing price, credit and liquidity risk management solutions to participants in the North American commodities markets. Nodal Exchange is a leader in innovation, having introduced the largest set of electric power and environmental futures and options contracts in the world. As part of EEX Group, a group of companies serving international commodity markets, Nodal Exchange currently offers over 1,000 power contracts on hundreds of unique locations, providing the most effective basis risk management available to market participants. In addition, Nodal Exchange offers natural gas contracts. All Nodal Exchange contracts are cleared by Nodal Clear which is a CFTC registered derivatives clearing organization. Nodal Exchange is a designated contract market regulated by the CFTC. For more information, please visit [www.nodalexchange.com](http://www.nodalexchange.com).