

Americas Derivative Awards 2026

Americas Energy Derivatives Exchange of the Year – Nodal Exchange

Nodal Exchange launched its first market in April 2009, growing from, in the words of Chairman and CEO Paul Cusenza, “a ground floor startup”, to now where it offers traders the largest set of power and environmental futures and options contracts in the world. Nodal Exchange also lists natural gas contracts and will soon list compute futures.

The exchange continues to push forward, adding to the number and type of contracts on its platform and as well as developing the suite of risk-management tools for clearing members. These innovations have allowed Nodal Exchange to continue to break its own records for trading volumes.

In an interview with *GlobalCapital* to mark its win as Americas Energy Derivatives Exchange of the Year, Paul Cusenza describes how the exchange's unique risk management tools help traders, the new products he thinks will keep it ahead of competitors, and the forces that shape power and environmental markets now and in the years ahead.

Can you give two or three examples of the services that Nodal Exchange provides and how clients benefit and thrive from them?

The reason we exist is all about risk management and for those who trade power on Nodal Exchange, they benefit in all three of the areas that we provide risk management for: price risk, credit risk, and liquidity risk. On price risk, they benefit because we offer the widest set of electric power futures in the world. That's important because power in the United States is priced at many local nodes, so if you want to hedge the price of electric power you need to trade these many locations and not just the main hubs.

The second risk is the credit risk piece, because if you have a hedge contract for the price of power years into the future, you set up a credit risk for when those contracts finally settle. That's where you need the clearing services, which we provide through our subsidiary Nodal Clear. We've been the leaders in portfolio margining since our launch.

The third area is liquidity risk. When you look at the zonal markets, for example, PJM, which is in 13 states plus the District of Columbia, we're over 95% of the liquidity.



We're very liquid in these contracts that are more granular. We also have liquidity in the main hubs too. That liquidity dimension is important because when you want to get in and out of a position, you can.

What do you see as the near- and long-term risks and the opportunities for Nodal Exchange?

If there's a risk, you might say it is that global warming is becoming more significant. So, we will continue to see greater volatility in power prices because of the weather volatility. Nodal Exchange provides the market tools to manage these price risks.

Similarly, geopolitical events affect price volatility, and the world is a little less stable than it has been historically. All those dimensions create risk. The opportunities are then that we're responsive to traders in providing the products that they need. The opportunity is to have the right tools to trade, to have the right products for their hedging, and to do it with excellent risk management.

The other thing I would say is that, in the long run, I hope the world transitions from

hydrocarbons to cleaner energy given the increasing weather volatility. I tend to think about the distant future and in 50 years we should be using less gas and oil. Electricity is critical to all our lives. We don't actually need gas and oil to generate it. We can do that through sun and wind and other things that are cleaner. So, my hope is that in the future, we reach a more sustainable environment for planet earth.

How is Nodal Exchange planning to capitalise on those changes?

We'll continue to introduce more diverse products, so that people can get the hedges they need and the right tools. Risk management is our core, and we'll give people the tools so they can trade better, more flexibly, and more ably.

Nodal plans to continue to provide the market with products that are

granular and that allow them to hedge effectively. Examples just in the last year are Nodal's introduction of power dailies, hourlies, and what we're going to be doing, hopefully by the end of this year, compute futures which will allow participants to hedge the cost of graphical processing units (GPUs) in addition to electricity.

How important is industry recognition for the company?

Why I appreciate Nodal receiving this award is that it acknowledges what we're doing and how we're doing it well. It's great for my employees to feel that. We have roughly 160 employees, and they work really hard and they strive to get things done well, so it's nice to celebrate that.

It's just nice to be able to say: Here are very capable and competent journalists who have looked at this and have stated that they recognise this is something to celebrate as being well done. That's also good because it can cause some entities who maybe, for whatever reason, weren't giving us a second look to give us a second look.