

PRESS RELEASE

OMIP AND SPEEDWELL CLIMATE AGREE ON A PARTNERSHIP FOR PRODUCING RENEWABLE ENERGY INDICES FOR OTC RISK-TRANSFER

Lisbon, 03. June.2024

OMIP, the Iberian Energy Derivatives Exchange, Speedwell Climate, and Speedwell Settlement Services Limited, leading providers of data and settlement services relating to the climate risk-transfer market, have entered into an agreement to develop new renewable energy indices to address risks experienced by solar and wind energy producers in Spain and Portugal.

The Renewable Quanto Indices offer an innovative method for managing the risks associated with renewable energy production. They combine advanced modelled solar and wind generation volumes with day-ahead reference prices. These indices build upon Speedwell's national and regional modelled-volume indices, together with OMIP price data.

These benchmarks integrate renewable energy generation – wind and solar – with spot price fluctuations over different time periods (month, quarter, season, etc.), enabling users to transfer risk through market tools in the OTC market. This is particularly useful for hedging against cannibalization and shape risk. The indices are relevant for renewable energy producers, PPA buyers and sellers, asset holders, and investors providing a means to ensure revenue stability, secure financing, and support the development of renewables in the market.

With this new agreement, all OMIP members will gain access to a range of new indices that will aid in hedging their businesses. Additionally, this is expected to increase liquidity in the Iberian energy market.

Regarding this new agreement, Jorge Simão, COO of OMIP stated, “We are very happy with this new partnership. At OMIP, we are always looking to develop new products to meet the needs of our trading members. In an energy sector with so many challenges, if we want to meet the decarbonization goals that Europe has set for the coming years, these types of indices are crucial to ensuring that we achieve those goals.”

Concerning this agreement, Speedwell Climate Co-CEO Michael Moreno stated that “We are delighted to work with OMIP to broaden the range of risks that renewable producers can address. For some years now, Speedwell's proprietary wind and solar power production indices have helped market participants hedge volume risk – ie how much power is produced. Now, by combining forces with OMIP we are able to help the market with the difficulties relating to volume and price allowing the hedging of achieved price and capture rate. These are issues that we know are keenly felt in Iberia.”



THE IBERIAN ENERGY
DERIVATIVES EXCHANGE



Speedwell **Climate**

OMIP is a regulated market operator that, together with the OMIClear Clearing House, provides a trading platform for energy products In the Iberian Energy Derivatives Market, OMIP offers trading of products based on electricity and natural gas, with delivery options in Portugal, Spain, France, and Germany. These products, which include futures, forwards, swaps, options, and Financial Transmission Rights (FTRs), are actively traded by agents from Portugal, Spain, and various other European and non-European countries.

Established in 1999, Speedwell Climate Ltd and its affiliated companies offer the data and software needed to structure, price, execute, and settle index-based environmental risk-transfer contracts. These contracts cover a range of environmental variables, including renewable energy, temperature, rainfall, and more.

For more information, please contact: marketing@omip.pt.

About OMIP

OMIP runs the Iberian energy derivatives exchange since July 2006, providing exchange trading, central clearing and settlement (through OMIClear) and data distribution services for European power derivatives supported by state-of-the-art systems and STP processes. OMIP's trading members can trade power products (baseload, peak load and solar profiles), with financial or physical delivery and Spanish PVB-ES natural gas products, with financial or physical delivery. OMIP also provides a broad set of services in the wholesale and retail energy market, including the operation of Guarantees of Origin Auctions, as well as telecommunications market, including the organization of a complete set of auctions for different asset types such as Virtual Power Plants programs, Gas Release programs, transmission capacity rights, wind farms licensing rights, power and gas procurement or telecom frequencies, among other services.