



News Release

ICAP completes innovative solar derivative deal in Australia

18 November 2021 – London:

ICAP, part of the TP ICAP Group, a leading global markets infrastructure and data solutions provider, announces that it has completed a landmark deal in the weather derivatives market in Australia, bringing together a renewable energy provider and a reinsurance company participant with a fixed agreement for the first time.

The transaction brokered by ICAP has enabled an Australian utility company to lock in a fixed price for the electricity generated by its solar plant, with the volume of power in the trade determined by the amount of sunshine on the day. By doing so, the Australian Utility has the certainty of a fixed price in a market that is highly volatile, ensuring that it can effectively manage investment in the solar plant.

The reinsurance company benefits from exposure to the variability in sunshine and power prices, enabling it to diversify its risk exposure across different weather elements and regions.

Initiatives such as this enable market participants to diversify their risks, increase investment in the renewable energy industry and accelerate the transition to a low-carbon economy.

Kellee Campbell, Divisional Director, Energy and Commodities ICAP Australia, said "This deal highlights that, with the changing generator stack in Australia, weather is set to play an even more important role in generation outcomes and the way in which portfolios manage risk. Along with ICAP Australia's well-established Electricity, Renewable and Gas market broking and data services, weather based structures is a valuable addition to our offering."

Nick Ernst, Managing Director, Weather Markets, TP ICAP said: "At TP ICAP we aim to be the broker for the transition to a green economy, and a key part of that is breaking down the obstacles to renewable energy. The volatility of renewable energy sources such as solar plants, which are affected by changing temperature, sunshine, wind and precipitation, can act as a deterrent for investment. Transactions such as this are an innovative way to reduce the variability in the energy price received by the producer, effectively enabling market participants to hedge the risks in their business and support growth in the solar industry."

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About ICAP

ICAP is a leading markets operator and provider of post trade risk mitigation and information services. ICAP matches buyers and sellers in the wholesale markets in interest rates, credit, commodities, FX, emerging markets and equity derivatives through voice and electronic networks, post trade risk mitigation and ICAP's information services provide data across all key asset classes and offers innovative solutions for real-time, end-of-day and historical products. ICAP is a TP ICAP company. For further information, please visit www.icap.com.

About TP ICAP Group plc

TP ICAP Group plc is a leading global markets infrastructure and data solutions provider. The Group operates a portfolio of separate and competing brands to deliver intermediary services, contextual insights and intelligence, trade execution, pre- and post-trade services, and data-led solutions. We are formed of four business divisions:

- **Global Broking:** the largest Interdealer Broker in the world operating under the *ICAP*, and *Tullett Prebon* brands servicing clients in Rates, FX, Credit and Equities. We match buyers and sellers, facilitate price discovery, liquidity, execution and risk management.
- **Energy & Commodities:** the world's leading OTC energy and commodities broker operating under the *ICAP*, *PVM* and *Tullett Prebon* brands. Active in all major commodities markets including oil, gas, power, renewables, ferrous metals, base metals, precious metals and soft commodities.
- **Agency Execution:** serving the buy side operating under the *Liquidnet* and *COEX Partners* brands. We provide trading services for a broad range of asset classes, serving a sophisticated client base of asset managers, asset owners and hedge funds.
- **Data & Analytics:** the largest OTC data provider in the world operating predominantly under the *Parameta Solutions* brand offering unbiased data products and solutions that facilitate trading, enhance transparency, reduce risk, improve operational efficiency and a broad range of risk management solutions.

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