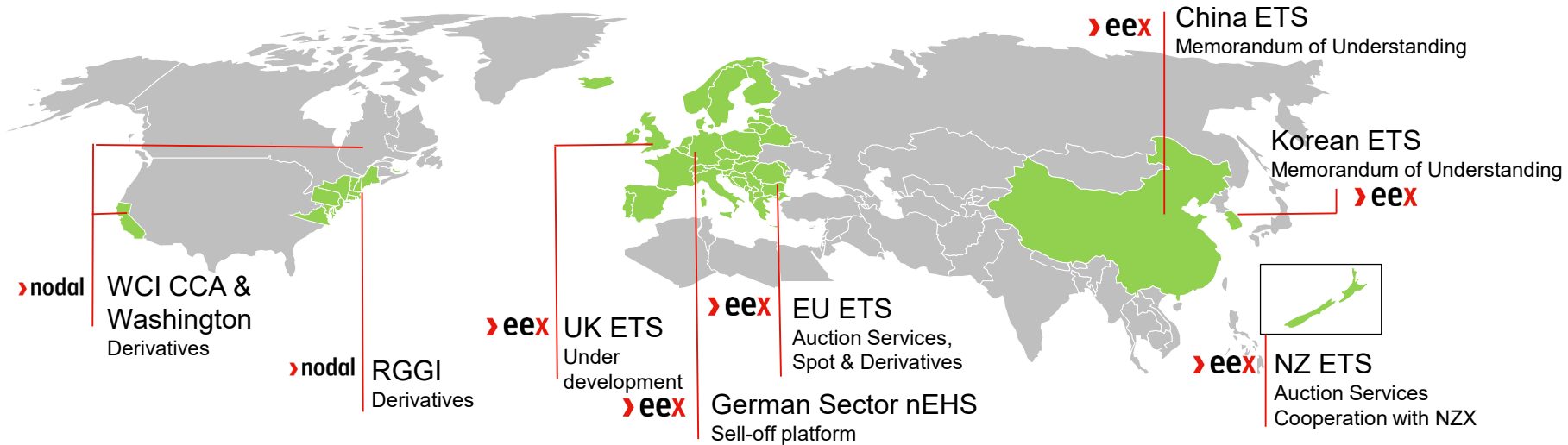


CFTC Second Voluntary Carbon Markets Convening

Caroline Gentry, Director Environmental Markets,
Nodal Exchange




Washington DC, July 19, 2023

EEX Group's activities in global environmental markets




North America 

- **Nodal lists world's largest set** of environmental contracts
- **US carbon**, renewable energy certificate and renewable fuel credit markets
- **Voluntary Carbon Market launched** in June 2022
- 2023 H1 total trading volume increased by 21% from 2022 H1

Europe   

- **EU ETS offering since 2005**, spot and derivatives
- Trusted platform for primary market auctions in **all EU states**
- Launch of German **Transport and Heat** ETS platform in 2021
- More than **1.6 billion tonnes of CO₂** transacted in 2021 (+26%)

Asia-Pacific   

- Launch of **auction platform for New Zealand ETS** in 2021 with local partner NZX
- Investment by Deutsche Börse into **AirCarbon Exchange** to develop voluntary carbon
- Cooperation with Chinese carbon exchanges to develop national carbon market and **international marketing**

Environmental contracts offered by Nodal Exchange

We believe in a granular, holistic offering of environmental products and services

North America

Compliance Carbon Emissions

- WCI CCA Futures & Options
- Washington Carbon Futures & Options
- RGGI Carbon Futures & Options

Carbon Offsets

Compliance

- WCI California Carbon Offset 0
- California Carbon Offset 8
- California Carbon Offset 0 with Direct Environmental Benefits

Voluntary

- VER CORSIA Eligible Futures & Options
- VER Nature Based Futures & Options
- Carbon Removal Future
- Global Emission Reduction (GER) Future
- CER 2013+
- CER 2016+
- CER Commitment Period 2

SO₂/NO_x Emissions

- CSAPR TR SO₂ Group 1&2 Futures
- CSAPR TR NO_x Annual Allowances Futures
- CSAPR NO_x Ozone Season Group 2&3 F&O

Renewable Energy Certificates

- PJM GATS REC Futures & Options (Tri-Qual, DC, MD, NJ, OH, PA)
- NEPOOL GIS REC Futures & Options (Duo-Qual, CT, ME, MA, NH, RI)
- NY-GATS REC Futures
- M-RETS REC Futures
- TX REC Futures & Options

Renewable Fuel Credits

- California Low Carbon Fuel Standard F&O
- Oregon Clean Fuel Program F&O
- Renewable Identification Numbers F&O (D3 Cellulosic Biofuel, D4 Biodiesel, D5 Advanced Biofuel, D6 Renewable Biofuel)

Today, Nodal Exchange proudly offers the broadest set of environmental contracts globally.

Focus on Nodal voluntary carbon contracts

We believe in building markets long-term and in the combination of synergetic elements

- EEX Group acquires 100% of Nodal Exchange in March 2017
- EEX Group starts strategic cooperation with IncubEx in September 2017 to expand the environmental offering and grow the business
- IncubEx has deep expertise in the environmental derivatives markets and provides external business development

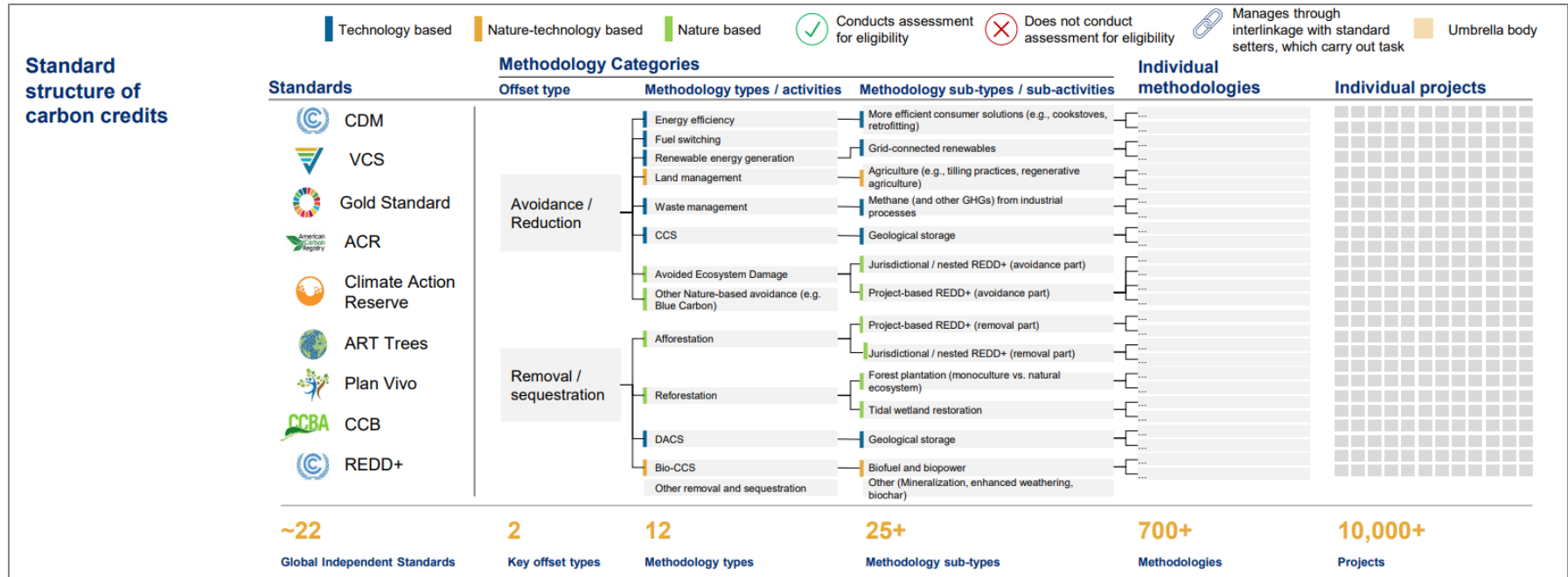
Typical carbon futures contract

- **Underlying:** greenhouse gas emissions allowance of the relevant program, each representing 1 metric tonne of CO₂e
- **Trading unit:** 1 lot
- **Lot size:** 1,000 allowances
- **Currency:** USD
- **Price precision:** \$0.01 (or EUR 0.01) / allowance
- **Contract series:** monthly, main expiry in December
- **Final settlement price:** Daily settlement price of last trading day
- **Settlement:** physical delivery three (or two) business days after last trading day via registry system

Nodal's Voluntary Carbon Vision

Driving the standardization of the voluntary carbon market

Overview - Offset standards & categories



The path to standardization

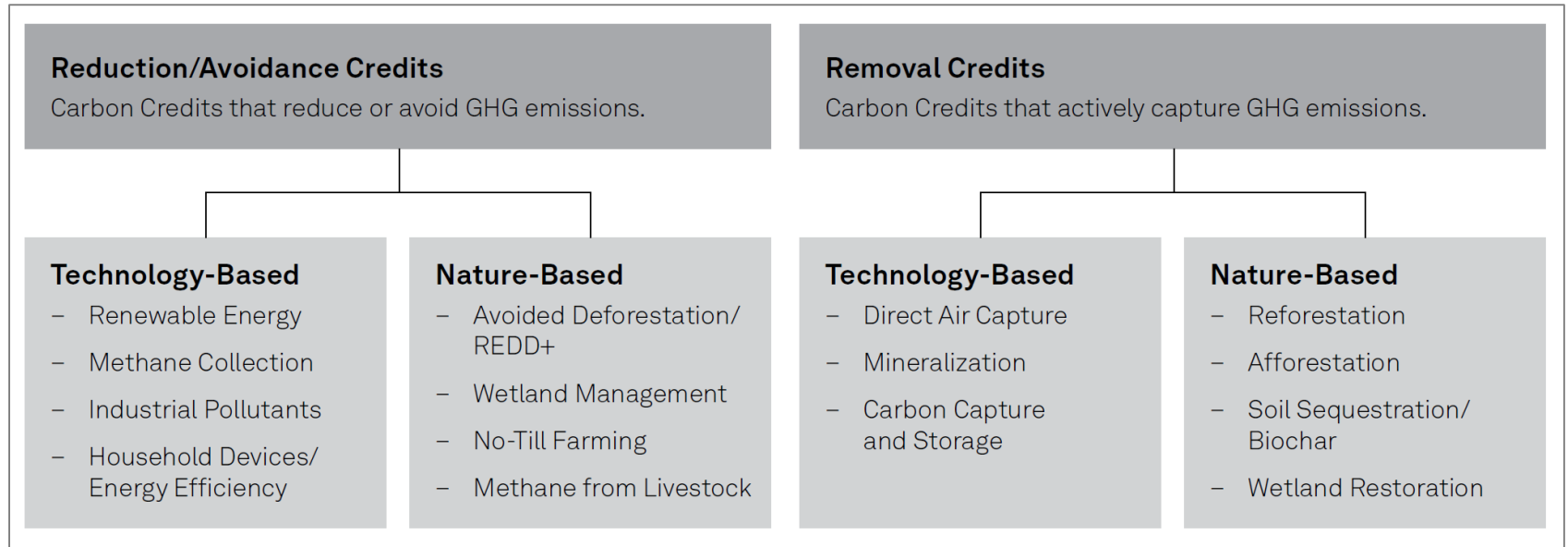
The VCM is a complex, highly fragmented market. 22 Global Independent Standards are setting the playground for 12 methodologies with 25+ methodology sub-types and 700+ specific methodologies for 10,000+ projects. And in the end buyer and seller come together on a bilateral basis - highly time-expensive and without clear price signal.

→ Nodal strives to facilitate a greater level of standardization to unlock the full potential of VCM

Nodal's Voluntary Carbon Vision

Standardization as much as possible, differentiation as much as needed

Four main categories of voluntary carbon credits...



Source: S&P Global Platts

Removal as best-case solution

Several scientific groups such as the Oxford Principles for Net Zero Aligned Carbon Offsetting and the Institutional Investors Group on Climate Change (IIGCC) expressing a preference over the long term for offsets that focus on removing carbon from the atmosphere (e.g., afforestation, reforestation, soil enhancement, and carbon capture and storage technologies) over reduction-based offsets that prevent more carbon going into the atmosphere (e.g. REDD+ or renewable energy).

Nodal Voluntary Carbon Product suite

	CORSIA	Nature-based	Removal	GER
Product description	Each credit represents a carbon reduction/removal that is eligible under the 2021-2023 pilot phase of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) scheme established by the International Civil Aviation Organization (ICAO).	Each credit represents a carbon reduction/removal generated by a nature-based project (e.g. avoided deforestation) and accompanied by additional certification(s) for co-benefits achieved (e.g. Climate, Community & Biodiversity (CCB) standards and Reforestation).	Each credit represents a carbon removal that absorbs CO2 from the atmosphere and stores it. Currently, the eligible methodologies are Nature-based solutions (Afforestation and Reforestation).	The GER by NZM (Redshaw) consists of 4 sub-contracts which represent different credit types in the market from cookstove credits, over nature-based solutions to removal credits.
Eligible registries	Verra VCS, Climate Action Reserve (CAR), American Carbon Registry (ACR), Gold Standard (GS)	Verra VCS in combination with Verra CCB	Verra VCS, Gold Standard, American Carbon Registry (ACR)	Verra VCS, Gold Standard (GS), Union Registry
Achievable climate goals of companies*	Carbon neutral	Carbon neutral	Net-Zero	Net-Zero by 2050 Carbon neutral each year
Differentiator	Gold Standard as additional registry	Vintage contracts to give the market the opportunity to trade newer vintages	First-of-its-kind product Using removals is the only way to go Net-Zero	First-of-its-kind product to get on a pathway to Net-Zero by 2050
Offering	Futures contracts (36 monthly exp. + 7 additional Dec exp.; USD denominated) Options for the CORSIA and nature-based product (36 monthly exp. + 7 additional Dec exp.; USD denominated)			

Thank you!