



## **Nodal Exchange to Launch the First-Ever Washington Carbon Allowance Vintage Specific and Washington Clean Fuels Program Futures Contracts in Collaboration with IncubEx**

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Nodal Exchange and IncubEx announced today the planned launch of Washington Carbon Allowance (WCA) Vintage Specific futures and Washington Clean Fuels Program (CFP) futures contracts.

The two first-of-their-kind listed contracts are scheduled for launch on August 11, 2023, pending regulatory review.

The Washington CFP futures contract physically delivers credits issued by the Washington Department of Ecology via the Washington Fuel Reporting System Credit Bank and Transfer System (WFRS-CBTS). Washington launched its Clean Fuel Standard on January 1, 2023, as the third state (after California and Oregon) to implement a market-based GHG emissions reduction program for transportation fuels, setting an emissions reduction target of 20% (based on 2017 levels) by 2034. These new contracts will extend Nodal's offering which currently includes the only physically-delivered renewable fuels contracts on California's Low Carbon Fuel Standard and Oregon's Clean Fuels Program.

The WCA Specific Vintage futures contract is also physically delivered and enables market participants to make or take delivery of specific vintages that meet their compliance needs under the Washington carbon "Cap-and-Invest" program. The new contracts expand on the pioneering Washington Carbon Allowance futures launched in December 2022 and WCA options contracts listed in January 2023 on Nodal Exchange. Since launch, more than 8,200 WCA futures and options (equal to 8.2 million WCAs) have traded on Nodal, with open interest rising to more than 3,500 lots.

The WCA Vintage Specific futures contracts join the slate of North American listed carbon products on Nodal Exchange including: California Carbon Allowance (CCA), California Carbon Allowance Vintage Specific, California Carbon Offset (CCO) futures, and Regional Greenhouse Gas Initiative (RGGI) futures and options.

"We've seen significant growth in the WCA market since launch, with increasing participant interest," said Dan Scarbrough, President and COO at IncubEx. "Based on customer feedback, we believe these products nicely complement the current carbon and renewable fuel credit markets listed on Nodal Exchange and mark another step in the growth of the Washington state market-based solutions aimed at reducing greenhouse gas emissions and for the North American compliance carbon markets more broadly."

"The new Washington contracts continue to illustrate the evolution of the North American environmental markets," said Paul Cusenza, CEO of Nodal Exchange. "Nodal is proud to have built the broadest suite of exchange-listed environmental products and to add to it with these unique 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 world's largest set of electric power locational (nodal) futures contracts and the world's largest set of



environmental contracts. As part of EEX Group, a group of companies serving international commodity markets, Nodal Exchange currently offers over 1,000 contracts on hundreds of unique locations, providing the most effective basis risk management available to market participants. In addition, Nodal Exchange offers natural gas and environmental 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).