

**SUNGARD**

**Q4**

OCTOBER - DECEMBER 2008 ISSUE



**SUNGARD ENERGY NEWSLETTER**

Integrated solutions for streamlining energy transactions and managing risk.

**EXECUTIVE INSIGHTS**



All of us at SunGard Energy Solutions wish you a very Happy New Year!

We all rang out 2008 last week and what a year it was. On the global economic front, it was a very good year for energy businesses despite the spreading financial crisis. On a more personal level, we know that many of you launched new initiatives to increase supply, become more efficient, address environmental concerns, and better serve your own customers. It was our pleasure to work with you and to support these initiatives.

**PRODUCT UPDATES**



**SOFTWORX**

*Release of Fuelworx 8.0.1*

**ACES**

*General Availability of jACES 2.0.2*

**FAME ENERGY**

*New Data Series Now Available*

**ZAINET**

*New Commodity Trading Area Introduced  
Deal Capture and Package Enhanced  
Maintenance Release 8.0.2.6. and 8.1.7*

**HAS**

*Release of HAS 2.2.0 and HAS 2.2.1*

**PROFESSIONAL SERVICES**

*Highlights from Past Quarter*

**ARTICLES**

Aces Product Lifecycle Support Update Announcement

FERC Finalizes Rule To Strengthen Wholesale Markets. What Should You Know As A Player In The Power Markets?

Could The Power Market Be A Safety Net For India Against The Looming Us Recession?

FERC Issued Order No. 717. Are You Impacted?

SunGard Supports NAESB Version 1.8 And FERC Actions

New Markets! New Customers!

SunGard Wins 2008 Energy Business Award For Energy Technology

SunGard North American Energy Summit 2008

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As we look ahead at what promises to be a challenging 2009, our focus here at SunGard is on ensuring that we do the best job for you. That focus is on execution of our integrated solution strategy, delivery of the quality and functionality defined in product roadmaps, and improved product support for users.

One of the initiatives we launched last year was a global users group. Today there are almost 200 members of the user group with a growing European chapter and increasingly active Community of Interest Groups. For 2009, we have put in place the technology to allow these user group areas to communicate directly and share knowledge via online forums. While SES supports this with infrastructure and subject matter experts, the user group and its forums are for you and the value of the knowledge base will increase as you actively contribute to it.

Also in 2008, we introduced new lifecycle support best practices to enable us to delivery quality new products to you more quickly. As a result, you should be seeing monthly communications about maintenance releases for products and improving quality in those releases. Don't wait for these communications to ask for more information about the roadmaps, the product lifecycle support practices, or to provide feedback on them.

There is a lot of information packed into this issue of the quarterly newsletter and while not all of it may be directly applicable to you, we hope that you'll scan all of the headlines to get a feel for what's happening across the business globally. We invite you to drill down to read more about the progress in specific product areas, tap into some industry insights, learn about new expansion areas, and "meet" some new customers.

This quarterly newsletter is for you. Our goal is to ensure that it provides you with something of value each quarter. If we've missed something you want to see in future issues or you have other suggestions, please do not hesitate to let me know.

Best regards,

Sharon

Sharon Fortmeyer-Selan  
SVP Marketing

**SOFTWORX**

*Announcing the release of Fuelworx 8.0.1*

Generally available in November 2008, Fuelworx 8.0.1 maintenance release offers enhanced performance and greater stability.

This release features the following functionality enhancements:

- Ability to use rounded step rate charges on sales transactions
- Updated Estimated Quality for calculated variables
- Heat Units of Measures (UOM's) on Budgetworx plans from Commodity Quality association now displayed on the UOM drop down list
- Miscellaneous customer specific modification and bug fixes including a new tool to export approved payment invoice data to a shared table to be passed in the Oracle Financial system.

**ACES**

*SunGard Announces General Availability of jACES 2.0.2*

With the general availability of the java release of ACES, referred to here as jACES, the industry's leading power operations solution moves into the new product lifecycle support process which began roll out in mid-year starting with ZaiNet. As the most current release of the SunGard power operations solution, jACES2.0 will be delivering a maintenance release on a monthly basis for the next six or more months and then evolving to bimonthly and quarterly maintenance releases as the version matures and a new major release is delivered.

jACES 2.0.2 is now available through the SupportZone to those early adopters who have licensed it. If you have not yet licensed the Java product, please contact your sales executive to arrange a meeting to learn more about our roadmap for enhancements to our power operations product and start planning your move.

**FERC Finalizes Rule To Strengthen Wholesale Markets. What Should You Know As A Player In The Power Markets?**

**Wholesale Market Operations**

In a final rule issued on October 17, 2008, the Federal Energy Regulatory Commission ("FERC") finalized regulations with the aim of strengthening the operation and competitiveness of organized wholesale electric markets. Specifically, FERC amended its regulations under the Federal Power Act in four areas:

**1. Demand Response**

RTOs and ISOs can now accept bids for ancillary services from technically capable demand response resources. Further aggregators of retail demand responses can bid a combined demand response directly into an RTO's or ISO's organized market. However, this might not be permitted by the laws or regulations of the relevant electric retail regulatory authority. Finally, RTO's and ISO's are required to allow the market price to more accurately reflect the value of energy during a period of operating reserve shortage, while providing for market power mitigation.

**2. Long-Term Power Contracting**

RTOs and ISOs are required to dedicate a portion of their website for market participants to post offers or buy and sell power on a long-term basis.

**3. Market Monitoring**

In an effort to improve Market Monitoring, FERC requires the Market Monitoring Units ("MMU") to report directly to the board of directors of their corresponding RTO or ISO. Further RTOs/ISOs will need to provide resources to their MMUs to carry out their duties including access to market data, resources and personnel. MMUs will be required to review and report the performance of wholesale markets to RTOs and ISOs, identify ineffective market rules and propose changes and notify FERC in case a market participant's behavior requires investigation.

**4. Responsiveness to Customers and Stakeholders**

RTOs and ISOs will be required to increase responsiveness to customers and stakeholders and their compliance will be assessed based on the following criteria:

- Inclusiveness
- Fairness in balancing diverse interests
- Representation of minority positions and
- Ongoing responsiveness

In each of these four areas, each RTO or ISO is encouraged to consult with its stakeholders and must make a compliance filing within six months of the date that Order No. 719 was published in the Federal Register (i.e., October 28, 2008) that explains how its existing practices comply with the Order No. 719, or that details plans to achieve compliance. FERC noted that significant differences exist between regions and that it does not require adoption of the same solution in all regions to address these issues.

**Order No. 719 took effect on December 29, 2008.**



### **Could The Power Market Be A Safety Net For India Against The Looming Us Recession?**

Even as the world economy slows down it appears as though India is among the few economies that may continue to grow. The negative effects of a global economic slowdown will likely reach its shores; however, India's story will be driven primarily by domestic consumption.

The Indian power industry in particular has experienced enormous growth after its change from a regulated industry to a competitive industry. The Ministry of Non-Conventional Energy Sources (MNES) has set a goal of installing 10% of additional power generation capacity in the country through grid-connected renewable power by 2012.

A recent Frost & Sullivan research indicates that due to the rapid development in the country; the power demand by 2012 would require the Indian Power sector to replicate what has been achieved during the last 50 years in the next 10 years.

United States accounts for one-fourth of the world's GDP; hence any significant slowdown in the US economy is bound to have reverberations elsewhere. However, interdependence between the US economy and other emerging economies like India has reduced considerably over the last two decades.

Thus, the effect may not be as drastic as would have been the case in the 1980s. Can India ride out the U.S. recession storm; remains a big question. To transform the Indian economy the investment in power is not just essential but is also the most logical path going forward.

### **Product Lifecycle Support Update Announcement**

Over the years, members of the SunGard Energy Solutions user community have provided suggestions that have helped shape many functional enhancements in the products you use. We thank you for your input in this process.

We now seek your help in another area. The breadth of our solution suite and the popularity of products within it has resulted in many customers on various code streams, some of which are quite out of date. Supporting older code streams causes a number of problems for a software company. In particular, the effort to replicate enhancements and bug fixes over multiple historical versions works against efforts to increase the quality and timeliness of releases and functional advancements. Our customer base staying at or near the current release version could yield significant improvements.

At SunGard Energy Solutions, we continually strive to work with you to provide solutions of increasing quality, stability, and functionality. As part of a commitment to do a better job of providing quality solutions in a timely manner, we began the roll out in May of new product lifecycle support best practices beginning with our ZaiNet customers. These changes focus us on supporting fewer releases of a product.

With the completion and release for general availability of the new Java release, we are now bringing ACES under the new product lifecycle support practices. These practices include standard support for the most current releases of products on current technology and sustainability support of older releases or releases on old technology.

Going forward, we will make maintenance releases monthly following a new release and taper these off to bimonthly or quarterly as the release matures. A few weeks ago, we sent out a letter describing the lifecycle support practices for ACES and our commitment to evolving and enhancing what has been the premier power operations solution for many years.

ACES has a strategic role in our solution suite going forward and we encourage you to contact your sales executive team to discuss how you can take full advantage of it. The Java replacement product for ACES provides a smooth upgrade path from the current version of ACES.

Current ACES users will want to work with your SunGard sales and services team to move to the Java release before Sun's April of 2009 de-support of Forte creates problems for your business.

## FAME ENERGY

### *New Data Series Now Available from SunGard's FAME Energy*

To meet market requirements for transparency and make informed trading decisions, you must constantly tap into the latest market data. To help you keep up with a growing requirement for market data, SunGard is pleased to announce the immediate availability of seven new data series.

- **Reuters Money Market** - forward, deposit and interest rate swaps; more than 15 years of history available for some series
- **NYMEX 4.30 Snapshot** - the snapshot covers both electronic and pit trades for a number of NYMEX's leading energy contracts
- **ICE OTC** - activity and settlements data for North American power and gas
- **ICAP U.S. Power and Gas** - broker prices from ICAP
- **Tullett Prebon U.S. Power and Gas** - broker prices from Tullett Prebon
- **MJK Commodities** - a wide range of soft commodities, including futures and cash commodities; coverage for global exchanges
- **Nuclear Reactor Statistics** - daily updates by location for every nuclear reactor in the U.S. as well as historical data sourced from the U.S. Nuclear Regulatory Commission (NRC)

Get the data you need to make more efficient trades. To subscribe to any of the new data, contact your sales associate.

## ZAINET

2009 marks the introduction of a wide range of functionalities to ZaiNet 8.3.0 release due later in the year, including a combined GUI for ZaiNet and Analytics. ZaiNet will enter the Commodity Trading Area with a focus on metals and Biomass.

### *Metals*

Managing and assessing risk for utilities goes beyond pure energy commodities and includes base metals which may be part of construction or infrastructure projects.

To help you effectively manage these risks along with those of your energy commodities, we have added new deal types for metals to ZaiNet.

ZaiNet now provides support for futures, swaps, financial options, and physical trades for Metals. Additionally, futures deals for LME and NYMEX are also supported.

### *Biomass*

Companies that generate energy from renewable sources or produce biofuel are required to track the consumption of biomass in order to meet the standards for renewable energy.

ZaiNet is now equipped to capture and track the valuation and actualization of biomass trades in ZaiNet. Some examples of the type of biomass supported by ZaiNet include Biofuel and biodegradable wastes such as wood wastes, solid wastes and landfill methane.

### *Deal Capture Capability Enhanced*

The deal capture capability in ZaiNet has been enhanced to allow customers to move into expanding markets. Following is a list of current enhancements with a prelude into upcoming support for 2009.

### **Carbon Futures**

Carbon allowance futures (EUAs and CERs) traded on the ICE ECX, EEX, BlueNext, NYMEX and Nordpool exchanges are now supported. Support for CCE will be added later in 2009.

### **FX Futures**

FX futures traded on the CME and LIFFE exchanges will be supported in the form of currency futures, options, as well as cross currency futures and options.

### **Freight Futures**

Large volume of fuel is shipped via vessels for consumption. ZaiNet now provides the ability to capture freight derivatives to enable users to offset their freight risk.

### **Heat Deals**

Cogeneration plants typically produce, consume and resell heat. ZaiNet now supports capturing the produced heat in deal capture.

### *Deal Package Capability Enhanced*

To facilitate portfolio or risk management services, ZaiNet now allows the construction of a packaged deal via Deal Packages. This allows users to create a packaged deal which may contain 2 or more separate deal types that can be treated as a single deal.

### Maintenance Releases 8.0.2.6. and 8.1.7

8.0.2.6 and 8.1.7 were released in December 2008. These releases consists of a variety of customer issues around security in the ETB, bug fixes to MISO reporting and volatilities.

**FERC Issued Order No. 717. Are You Impacted?**

Current FERC rules prohibit interstate natural gas pipelines and public utilities from giving their marketing affiliates or wholesale merchant functions undue preferences over non-affiliated customers. To implement these rules, pipelines have formed separate legal entities for their marketing affiliate roles to ensure the separation of information. On October 16, 2008, the FERC issued Order 717, eliminating the concept of energy affiliates and the corporate separation approach in favor of the employee functional approach. The new order refocuses the standards on the areas with higher potential for affiliate abuse. As a result FERC expects compliance to be less elusive for regulated entities and enforcement to be more effective.

The Standards of Conduct in Order No. 717 are implemented through several new requirements

- Independent Functioning – requiring that transmission function employees operate independently from market function employees.
- Transparency and Posting – prohibiting the transmission provider from non-public information to their market function employees and providing instruction to remediate problems when they occur.
- No Conduit Rule – prohibiting transmission providers from disclosing non-public information to market function employees through a third party.

**Order No. 717 took effect on November 26, 2008.**

**FERC Order 717 and SunGard Customers**

While many of the changes in Order No. 717 are internal business processes for SunGard customers, the SunGard gas systems are ready to address the business practice changes that result. SunGard's gas systems align to changing business practices with existing support of role based security and separation of duties by legal entity or within a legal entity. While previous legislation led some customers to install their products on separate databases and separate hardware, this legislation allows customers to utilize the secure capabilities of the system.

**Hedge Accounting Solution (HAS)***Announcing the Release of HAS 2.2.0 and HAS 2.2.1*

The EAS Hedge Accounting Solution has delivered two maintenance releases this quarter; HAS 2.2.1 and HAS 2.2.0. Highlights of the releases include:

*HAS 2.2.1 Maintenance Release*

Reaching Generally Availability on December 19, 2008, the HAS 2.2.1 maintenance release enhances the manual matching functionality and improves the overall audit capability. The modified manual matching functionality allows users to match a specific volume of the deal (hedge or hedge item).

Users can also add Many-to-Many matching functionality in the matching window. Partially matched deals with open volumes can now be viewed directly from the manual match window.

Further the screen or the trade selection window is equipped with standard sizing controls. The modified match details pane in the matching screen now includes all available trade details found in HAS trades and HAS\_trade\_details.

A new filter called Match Rules to retrieve deals is now available for matching. For manually matched trades, the match rule associated with the match automatically appears on the match screen.

The HAS 2.2.1 audit functionality provides enhanced capability to validate changes through the accounting month status filter updates, deletions and all previously made changes.

The Audit reporting on matching filters, system information filters and system configuration filters are now supported in .xml, .html and .csv formats.

*HAS 2.2.0 Maintenance Release*

Having become generally available on November 25, 2008 HAS 2.2.0 maintenance release offers enhanced Deal Modification and Trade Log Modification screens. These enhancements allow users to review new or modified deals against existing match, recalculate the effectiveness and discard trades with previously reviewed modifications.

## PROFESSIONAL SERVICES

At SunGard Energy we take our commitment to meet customer projects on time very seriously. The rigorous implementation of the SunGard Global Service Methodology helps us reduce the associated project risk for you.

Dedicated commitment and participation in the Global Services Methodology proved instrumental in the successful completion of the following projects during this past quarter.

CUSTOMERS	SunGard IMPLEMENTATION/UPGRADES
DCP Midstream	GMS Upgrade
MMS	Entegrate Upgrade
El Paso Electric	ZaiNet Upgrade
MX Energy	Entegrate Upgrade
National Grid	Entegrate Upgrade

### SunGard Supports NAESB Version 1.8 And FERC Actions

On September 18, 2008, the FERC issued a Notice of Proposed Rulemaking (NOPR) to adopt NAESB Version 1.8. Comments were due November 10, 2008. Given the timeline in the NOPR, the best estimate for implementation is April 2009. For SunGard customers this set of changes has a minor impact. The changes and SunGard's response are outlined below.

#### NEW DATA SETS

There are four new optional data sets that will now be offered. Pipelines are required to offer these datasets if they offer the corresponding services.

- 1. Storage Information** – This new data set has been added to communicate storage balance and / or activity basis. For those customers who offer customer storage services it would be mandatory to offer the new storage information dataset.
- 2. Measurement Events / Alarms** – This new mutually agreed data set added to send meter operators data for a given measurement facility.
- 3. Pre-approved Bidders List** – This data set includes the names of the parties who are pre-approved for capacity release.
- 4. Producer Imbalance Statement** - Producers will use this dataset to report the entitlements, production deliveries and current month / ending imbalance quantities for interest owners at a location. This is not a data set used by pipelines.

New standards were adopted to facilitate the communication between Transportation Service Providers and Power Plant Operators. Revisions were made to the Base Contract for Purchase and Sale of Natural Gas. A new mandatory element was added in Capacity Release and a mandatory mapping change was made in Capacity Release. Multiple elements were added throughout the datasets as 'optional' changes.

#### How does SunGard support this?

SunGard will implement these mandatory changes for those Pipeline Customers who require the change. Discussions with the Regulated Customer Advisory Group for these changes and several 'optional' changes are in progress. Further, numerous code values were added to existing data elements. SunGard will implement these changes for both Marketing and Pipeline Customers.

For more information, please call your Account Executive.

*Excellence  
In  
Energy  
Technology*



**Energy Business  
Awards 2008**

**NEW MARKETS! NEW CUSTOMERS!**

***SunGard Extends Integrated Trading Solutions for TATA Power in Southern Asia***

SunGard Energy Solutions (SES) will offer integrated ETRM solutions to TATA Power Trading Company (TPTC) a leading power trading company and wholly owned subsidiary of TATA Power - India's largest private sector Power Utility. To harness the full potential of the growing power market in India, TPTC realized the need for a complete system overhaul especially in its risk management operations.

The SES team further identified process issues and recommended an integrated front-to middle back operation. Lack of automation of trading processes with heavy reliance on several disparate confirmation mechanisms, was also a major issue. Additionally to meet compliance and regulatory requirements, the need for audit trail capability in spreadsheets and reporting capability was identified. Finally to reduce overall costs of trading, increase trade volume and capitalize on new opportunities, SES recommended straight-through processing in the trade lifecycle.

To meet these challenges, SES recommended its ETRM solution fully integrated with EDX to provide straight through processes from front to back office. The advanced reporting capability to closely monitor business performance will allow users to report on various trade parameters. The reporting tool in turn would provide the flexibility to customize data for operations management, analysis and compliance as needed. A fully integrated front-middle-back office, will enable TPTC to increase its overall operational efficiency in the existing and expand its trading business into other commodities.

***SunGard Brings Integrated Data Management to Ecuador's National Oil Company (NOC)***

Like Asia, the Latin American energy market is growing at a rapid pace. With an urgent need for sustainable energy diversification, renewable energy sources are becoming an increasingly important component of Latin Americas' energy matrix. The exponential growth of energy markets has attracted numerous players and investors to the region necessitating the need for accurate market data to make informed decisions.

SunGard Energy Solutions has entered into a contract with Ecuador's NOC to aggregate its multiple sources of data into a single seamless interface. The NOC struggled to consolidate its multiple data sources using home grown systems and manual input for several years. With SunGard's Data Management Solutions the company will be able to aggregate multiple sources of data and automate its market data access for accurate and timely decision making, improve analytics and reporting. This will result in more cohesive operations for the company with a fully integrated front-middle-back office.

**SunGard Wins 2008 Energy Business Award for Energy Technology**

November 25, 2008 — Wayne, PA, A consortium of energy news and market intelligence organizations named SunGard Energy Solutions the winner of the Silver Award for Energy Technology in the 7th annual Energy Business Awards 2008. The Energy Business Award recognizes organizations making a significant impact on the way energy business is conducted, trading risks are mitigated, energy systems are developed, energy technology is advanced and other key accomplishments.

Winners of the Energy Technology category were chosen based on their unique and substantial impact on trading efficiency and effectiveness through technological advances in front-, middle- and back-office application technology; online trading; data aggregation and management; and billing systems.

Guy Isherwood, publisher and editor of Commodities Now magazine and co-founder of the Energy Business Awards, said, "SunGard is a worthy representative in its field of excellence, and reflects the growing importance and awareness of energy business disciplines." Matt Mandalinci, president of SunGard's energy business, said, "Survival in today's rapidly changing energy sector depends on an organization's ability to quickly access the information needed to anticipate, evaluate and adapt. SunGard understands that consolidating multiple data sources and applications is a business imperative driven by increasing velocity of change, complexity of understanding enterprise risk and necessity to achieve regulatory compliance."

The Energy Business Awards are organized by a consortium of energy publications including Commodities Now, WorldPower and Emission Dynamics, and consultancy and market intelligence firm, The Energy Partnership. Energy industry practitioners and other relevant institutions nominated companies for recognition in a variety of categories, followed by online voting that required participants to choose from five short-listed companies in each category as determined by the awards panel. Award winners were chosen by the total number of votes received.

### SunGard North American Energy Summit 2008

More than 110 customers joined SES for the North American Energy Summit held in St. Pete Beach, October 27-31. The first day of the Energy Summit began with general sessions delivered by industry experts on topics such as the dynamics of the risk management operations, FERC regulations and CFTC enforcement challenges, and process management. The breakout session topics highlighted the need for emissions management and fuels management, delivering quality data, managing upgrades, optimizing power operations, retail gas, GTM, ZaiNet and other solutions offered by SunGard for energy companies. Sessions from other SunGard divisions included business process management, the importance of daily independent market data, and energy trade monitoring and surveillance (ETMS).

Several customers shared their experience with SunGard highlighting the operations benefit they received from SunGard Energy's suite of applications. Xcel Energy, Consumers Energy Corporation, Energy Transfer Partners, and Electrabel provided insight into their experiences on fuel operations, managing risk with ZaiNet and GTM, the challenges of purchasing and deploying a fuels management system, and business process management. Further "Birds of a Feather" roundtables provided opportunities for customers to have candid discussions with peers, colleagues and SunGard representatives on topics such as improving back-office processes and operational risk, dealing with exploding data requirements, and new requirements for effective fuels management.



In addition, the SES Worldwide User Group held Communities of Interest Group (CIGs) meetings for ZaiNet, Entegrate, natural gas, support knowledgebase/report sharing, and reporting/SOX compliance. User interest was high and generated new interest from non-members. The Summit concluded with post-event specialized training for ZaiNet and Energy Softworx. Currently we are scouting locations for the 2009 North American Energy Summit.

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#### ABOUT SUNGARD ENERGY SOLUTIONS

SunGard's energy solutions help energy companies, industrials and financial services, to efficiently compete in global energy markets by streamlining and integrating the trading, risk management and operations of physical commodities and their associated financial instruments.

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