



ENERGY RISK MANAGER

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MCG'S ENERGY RISK MANAGER (ERM)

MCG's Energy Risk Manager (ERM) provides a comprehensive real time picture of complex gas and power portfolios, risk metrics and limits that ensure compliance with your organization's risk policy. ERM enables traders and utility merchants to quantify and manage forward exposure with a rich set of reporting and risk metrics, custom reports and workflows that business analysts can use without programming knowledge or assistance.

KEY FEATURES

TRADE CAPTURE: Integrated with MCG's optional Integrated Asset Manager (IAM) system for physical and financial trade capture for power, gas, crude oil, natural gas liquids (NGLs), renewables, and industry standard derivatives including futures, options, swaps, and swaptions, as well as confirmations for those transaction types. Includes trade capture for liquefied natural gas (LNG) and Intercontinental Exchange (ICE) gateway for trade uploads.

POSITION MANAGEMENT: Strategic portfolio wide position view down to hourly granularity at delivery point. Combines physical and financial transaction details to provide a comprehensive position across all commodities, with position reporting and custom graphics for power and a variety of fuels.

PROFIT & LOSS: Intra-month and forward P&L as well as explanation of day-to-day changes such as curve shift, new transactions, changed transactions, and Greeks for non-linear positions.

LIMIT MANAGEMENT: Tenor, volumetric, and locational limits down to the meter by counterparty and trader with alerts/notifications.

OPERATIONS / SCHEDULING: Uses best available volume with a variety of buckets such as trade volume, scheduled volume, and actual volume. Supports Park and Loan (PAL) storage trades.

STATEMENTS / INVOICES: Generates fees and aggregates them into invoices or statements with customizable format and layout. Interfaces with G/L software.

COMPLIANCE: Ensures data integrity by controlling who can modify trades at each stage in the lifecycle. The system provides the end user with the ability to track limits down to the trader and portfolio for the company.

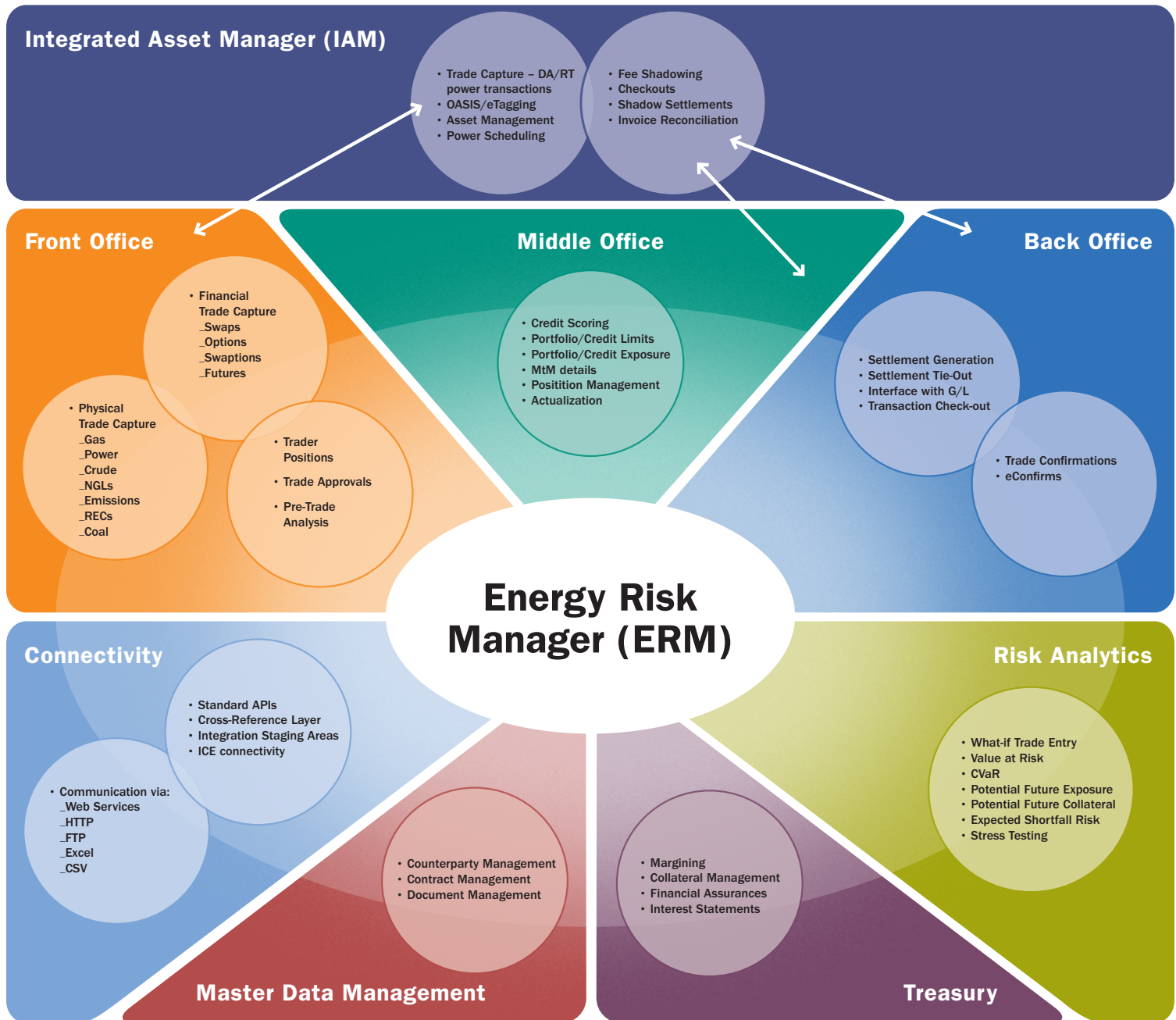
Market Risk: Provides tools for assessing market risk including:

- _ Monte Carlo Value at Risk with back testing (MC VaR)
- _ Historical Value at Risk (H VaR)
- _ Historical (event based) stress tests
- _ User designed stress tests

Credit Risk: Proven ability to measure credit exposure utilizing:

- _ Credit VaR
- _ Potential Future Collateral (PFC)
- _ Potential Future Exposure (PFE)
- _ Walk forward (expected transactions going forward with no price change)
- _ Expected/Unexpected Risk
- _ Stress Testing
- _ What If transaction modelling for impact of proposed trades on credit lines

SOFTWARE OVERVIEW



KEY BENEFITS

- _ Ensure compliance with company risk policy and limits
- _ Automate the incorporation of exchange based trades (ICE, NYMEX) via the MCG exchange gateway
- _ Automate calculation of volatilities and correlations from raw prices
- _ Decision support tools that quantify risks, highlight areas of risk concentration, and enable 'What If' analysis
- _ Automate the explanation of (daily) P&L changes
- _ State of the art technology with a rich feature set delivering the most powerful ETRM system available

► For complete information, contact MCG at: **612-376-7757** or email: **sales@mcgenergy.com**