



Energy Insights Releases IT Vendor Shortlist for Energy Trading and Risk Management Executives

FRAMINGHAM, Mass., November 21, 2005—Energy Insights announced today that it has published an Industry Shortlist (Doc # EI10072) to help executives evaluate IT suppliers in the Energy Trading and Risk Management (ETRM) area who best address the needs of the business. Energy Insights compared and contrasted eight vendors offering ETRM software applications and related services. The study includes essential guidance with specific recommendations for using the short list when evaluating IT suppliers for ETRM.

"With high oil and gas prices and increased volatility, energy markets have heated up, which has spurred a similar reaction in the energy trading and risk management market," says Jill Feblowitz, Director, Energy Wholesale Strategies and author of the study. "After the fall-out from Enron and misreporting of gas prices, the energy industry retreated from heavy trading activity, with ETRM vendors seeing a complementary retreat in the market for ETRM technology. However, recently, the market for ETRM has picked up, largely driven by regulatory requirements, risk mitigation, opportunities for growth, the need for better integration and to a lesser extent, obsolete technology."

According to Feblowitz, on average, 13% of a large utility's budget is spent on energy trading and risk management, including both internal and external resources. External spending on energy trading and risk management applications average 10.3% of the application budget. Similarly, 10.8% of the application budget for oil and gas companies goes to ETRM applications.

Each technology provider featured on the shortlist is assessed by how well its product fits market needs and the subsequent risk of adopting it. The "fit to market" assessment uses criteria that assesses the strength of a product in terms of feature/functionality, interoperability, architecture, quality of service and support, and cost. The "ownership confidence" assessment addresses the soundness of a technology supplier's strategy, financials, commitment to an industry, and customer satisfaction. The eight vendors who were evaluated in the study include:

- Allegro Development
- Global Energy Decisions
- Navita
- Openlink Financial
- SAS Risk Dimensions/Risk Advisory
- Solarc
- SunGard Energy
- Triplepoint Technologies

"The ETRM market has undergone changes in the last five years, with the contraction of the post-Enron market and several consolidations. We expect additional acquisitions in the next few years by the larger vendors, as much for functionality as for market share," Feblowitz said.

About Energy Insights, an IDC Company

Energy Insights, an IDC Company, provides energy industry executives with research-based advisory and consulting services that enable energy companies to maximize the business value of their technology investments, minimize technology risk through accurate planning, benchmark themselves against industry peers, adopt industry best practices for business/technology alignment, make more informed technology decisions and drive technology-enabled business innovation.

Energy Insights provides full coverage of the energy industry value chain from upstream to retail activities. Staffed by senior analysts with significant technology experience in the energy industry, Energy Insights provides a portfolio of offerings that are relevant to both IT and business needs.

Founded in January 2005, Energy Insights is headquartered in Framingham, Mass. Visit <http://www.energy-insights.com> for more information.

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