



NEWS RELEASE

# ICE Announces Record Growth in Renewable Fuel Contracts

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NEW YORK & LONDON--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE:ICE), a leading global provider of data, technology, and market infrastructure, today announced rapid growth in its U.S. Renewable Identification Numbers (RINs) and European Biofuels derivatives, reflecting the increasing use of biofuels by the road transportation sector to reduce emissions.

RINs are credits which track the compliance of biofuels in the U.S. Environmental Protection Agency's (EPA) Renewable Fuel Standard (RFS) program to meet biofuel blending targets in gasoline and diesel. RINs are generated by renewable fuel producers for compliance purposes and traded in secondary markets. RINs are critical to the margin calculations of refiners, as well as importers and exporters of gasoline and diesel, and ICE offers cash settled RINs futures, including the D6 and D4 RINs (OPIS) (product codes: RIN and RIK), to hedge risk in ethanol and biodiesel RINs.

A record volume of RINs traded on ICE in 2021, equivalent to almost 600 million RINs. In February 2022 approximately 194 million RINs traded, a record high for a single month, with open interest hitting a record equivalent to over 112 million RINs. A single day volume record was set on February 23 with the equivalent of 35 million RINs traded. The number of participants trading RINs has doubled versus 2020 as participants increasingly seek to manage their exposure to volatility in the price of RINs.

"The EPA's Renewable Fuel Standard aims to reduce emissions from road transportation by mandating renewable fuel levels," said Jeff Barbuto, Global Head of Oil Markets at ICE. "As RIN prices have increased, compliance with the RFS has become more expensive. Volume and open interest are building as the market recognizes it can manage RIN price exposure through RIN futures."



ICE's European Biodiesel and Ethanol derivatives traded 33,015 contracts in February 2022, with open interest reaching 41,101 contracts. Trading activity is centered around ICE's (Argus) FAME (Fatty Acid Methyl Ester), RME (Rapeseed Oil Methyl Ester) and UCOME (Used Cooking Oil Methyl Ester) biodiesel futures, and ICE's (Platts) Ethanol future.

In December 2020, ICE launched the Argus UCOME FOB ARA Range (RED Compliant) vs Low Sulphur Gasoil 1st Line future (product code: UCR). This is the first waste-based biofuel derivative launched by ICE and is used to hedge Argus' spot assessment of UCOME. In February 2022, the UCR contract traded the equivalent of approximately 261,000 metric tons of UCOME, while open interest grew to 3,650 contracts.

The European biodiesel sector is traded predominantly at a differential to the global refined benchmark **ICE Low Sulphur Gasoil**, which is often relied on as a proxy hedge due to its deeper liquidity further out the curve. ICE Low Sulphur Gasoil holds open interest out to January 2026.

ICE's renewable fuels markets form part of ICE's extensive environmental complex. ICE offers customers access to the largest and most liquid environmental markets in the world to manage and price emissions, as well as meet compliance obligations. In 2021, ICE traded a record 18 billion tons of carbon allowances, equivalent to an estimated \$1 trillion in notional value and equal to over half the world's estimated total annual energy-related emissions footprint.

## About Intercontinental Exchange

**Intercontinental Exchange, Inc.** (NYSE: ICE) is a Fortune 500 company that designs, builds and operates digital networks to connect people to opportunity. We provide financial technology and data services across major asset classes that offer our customers access to mission-critical workflow tools that increase transparency and operational efficiencies. We operate **exchanges**, including the **New York Stock Exchange**, and **clearing houses** that help people invest, raise capital and manage risk across multiple asset classes. Our comprehensive fixed income **data services** and execution capabilities provide information, analytics and platforms that help our customers capitalize on opportunities and operate more efficiently. At **ICE Mortgage Technology**, we are transforming and digitizing the U.S. residential mortgage process, from consumer engagement through loan registration. Together, we transform, streamline and automate industries to connect our customers to opportunity.

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exchange website under the heading "Key Information Documents (KIDS)."

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release regarding ICE's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE's Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on February 3, 2022.

Source: Intercontinental Exchange

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