

Speedwell Weather Limited

SettleCast®

Forecasts designed specifically for weather hedges where settlement is based on forecast values rather than observed values

www.SpeedwellWeather.com

**Environmental
Finance 2015**
Annual Market Rankings
Winner

Best Global Weather Risk Management Advisory /
Data Service Winner for the 8th consecutive year

Speedwell Weather Limited

An Introduction

- Providing weather services since 1999
- Largest private-sector database of world-wide quality historic weather data
- Dominant provider of settlement data for over-the-counter weather risk contracts.
- Products:
 - Weather data: historical data and feeds for tens of thousands of sites world wide
 - Weather forecasts
 - Weather derivative pricing and risk-management software
 - Weather risk contract settlement services
 - Consultancy/Weather station installation
- Emphasis on quality. We regard weather data as a form of financial market data
- We serve clients in insurance, weather derivatives, banking, energy and agriculture sectors world-wide
- Offices in the United States and the United Kingdom

The need for SettleCast[®]

For a number of years Speedwell Weather has provided weather observations to the weather risk community for settlement of conventional weather contracts. We have been doing this for over a decade and are the dominant provider of settlement data in the OTC weather risk market.

We are now seeing demand for weather risk products where settlement is based on *forecasted* values of temperature rather than the observed values.

SettleCast is designed to match temperature forecasts to the same time period as the relevant energy futures market.

Currently SettleCast is available for the Day-Ahead European gas market.

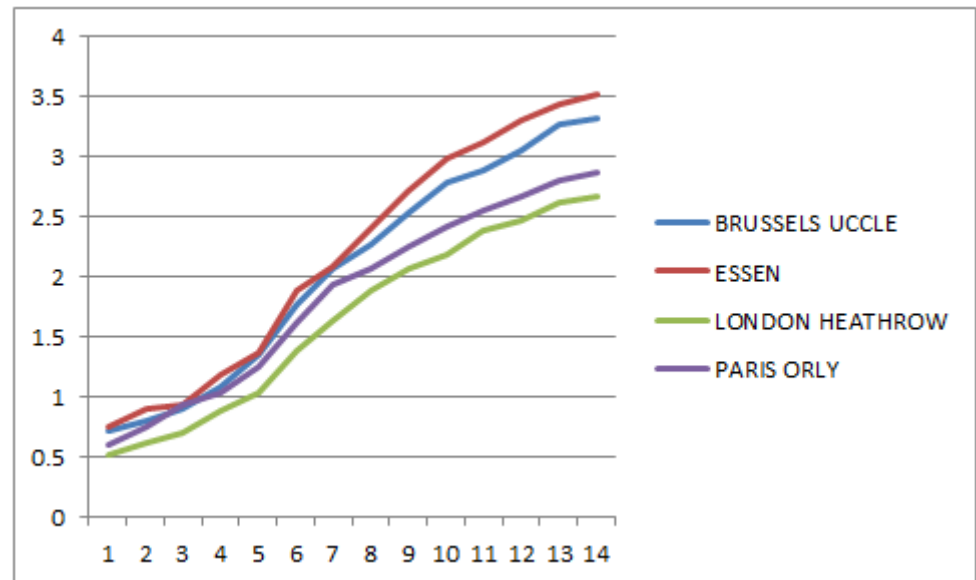
What is SettleCast[®] ?

- SettleCast is derived from the 15 day ECMWF model output, but has been customized for use by energy companies.
- SettleCast is currently available for the European gas market and is a forecast of the average of the 24 temperature values in the relevant 24-hour period (“T24”). T24 is usually a better proxy for energy consumption than the average calculated by using the Climate TMin and TMax.
- Frozen forecast model: **we understand that consistency of modeling is critical**. Speedwell freezes the parameters and method used for downscaling until all weather transactions have been closed.
- We provide historical verification data to measure the accuracy of the forecast.

What else is provided?

- Historic forecasts covering a minimum of 18 months and based on the exact method used in the current downscaling model are provided.
- We provide full verification statistics.
- We provide the actual T24 observations for the site.
- Feeds of SettleCast are available by FTP on a timely basis to hedgers and risk-takers.
- Smoothed climatologies also available.

Winter 2013-13: Oct 2012 to 31 Mar 2013
Average Absolute Error
Celsius, Days 1-14



Why Use Speedwell SettleCast[®] ?

- We have a pedigree in providing data for financial transactions. We understand these must meet the highest standards. We have been acting in this capacity for over a decade.
- Speedwell is neutral. We are not affiliated to any other company involved in providing weather risk instruments.
- Unlike other forecast products which are subject to continuous and often un-announced model changes, SettleCast is developed specifically for weather risk contracts by freezing model parameters. So counterparties can be confident that the historic forecast data used to price the transaction will be consistent with the forecast used to settle it.
- SettleCast is produced with a consistent methodology across international boundaries.

Where is SettleCast[®] available?

- We currently provide SettleCast based on the European gas day (6am to 6am) for over 80 European sites. These can be seen on our inventory tool here:
<http://www.speedwellweather.com/Pages/Others/DataInventory.aspx?IDFilter=12&IDGroup=3765>
- We can generate SettleCast for additional cities on request.
- We can generate SettleCast to respect any required day-convention. For example, in power markets, a base-load day is commonly 12am-12am and a peak-load day may be 7am-10pm.
- We are also able to generate SettleCast forecast based on population weighted baskets as well as individual sites.

Contacts

Regarding world-wide weather data and forecast matters please see www.SpeedwellWeather.com or contact:

Phil Hayes (UK)
David Whitehead (US)

phil.hayes@SpeedwellWeather.com
david.whitehead@SpeedwellWeather.com

Telephone:

UK office: +44 (0) 1582 465 569
US office: + 1 843 737-4843

Regarding software and consultancy services please see www.SpeedwellWeather.com or contact:

Stephen Doherty (UK)
Dr Michael Moreno (UK)
David Whitehead (USA)

stephen.doherty@SpeedwellWeather.com
michael.moreno@SpeedwellWeather.com
david.whitehead@SpeedwellWeather.com

Telephone:

UK office: +44 (0) 1582 465 569
US office: + 1 843 737-4843

Address UK: *Mardall House, Vaughan Rd, Harpenden, Herts, AL5 4HU*

Address USA: *418 King St, Floor 2, Charleston, SC 29403, USA*