



FOR IMMEDIATE RELEASE

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APX Announces Infrastructure for the Auction of Emissions Allowances

APX Technology Further Supports State and Regional GHG Market Mechanisms

Santa Clara, CA – APX, Inc., the leading infrastructure provider for North American environmental and energy markets, is pleased to announce that it intends to provide software technology and services to support the auction of Emissions Allowances in US environmental markets. States across the US have made auction mechanisms the approach-of-choice to distribute a percentage of their Emissions Allowances to stakeholders in their greenhouse gas (GHG) market implementations. APX is uniquely suited to provide Auction Services for GHG markets because of six advantages:

- (1) APX technology already serves as the system-of-record for much of the US power sector, which is the first focus of most US GHG market designs, such as the Regional Greenhouse Gas Initiative (RGGI), as well as California and the Western States.
- (2) Most US power market companies are already Account Holders in APX systems. This makes possible a “**direct deposit**” mechanism for winning bids of Emissions Allowances into existing Certificate accounts. In addition to rapid implementation and low cost of an Auction system, this enables corporations to track their balances of Emissions Allowances, Carbon Offsets (project related credits), Renewable Energy Certificates (RECs), and other environmental commodities in one system. APX intends to extend its technology to support non-power sector companies, including manufacturing.
- (3) APX has more than a decade of experience in market and auction mechanisms. As far back as 1998, APX completed development and commenced operation of an exchange and daily auction on the inauguration of California’s deregulated wholesale electric energy markets. APX has continued to grow its energy transaction management business and currently schedules and settles more than 700 million megawatt hours annually throughout North America. This includes receiving, confirming, and storing bids and offers for power market transactions in near real time.
- (4) APX has worked closely with regulatory authorities at the state and regional level around the country for many years, and has a long track record in providing technology and services to US environmental markets, on time and as promised.
- (5) The company is independent, policy neutral, and does not take financial positions in the markets we serve, which further enhances credibility.
- (6) The APX business model enables the company to deliver the auction platform with **no up-front technology, hardware, or software license fee** from states or regulatory groups. APX will collect an administrative fee from auction participants and a volumetric fee based on allowance Certificate quantities.

APX technology will handle the submission of bids and Emissions Allowance awards, in addition to capabilities already available today, including:

- Web-based administration of Account Holders, with registration, approval, and notification mechanisms.
- Creation of unique serialized Certificates for Carbon Project Offsets (verified emissions reductions), Emissions Allowances, and RECs that are traded and transferred to meet voluntary and regulatory compliance obligations.
- Tracking of ownership of Certificates.
- Transactions of Certificates and trading between parties. APX systems are not an exchange or brokering system, but rather record and fully track transfers of ownership of Certificates and enable such transfers.
- Management of Certificate balances by Account Holders, including the majority of power sector companies.
- Banking of Certificates for use in future compliance periods.
- Full audit trail and transaction history for all Certificates from origination to retirement, including the full pedigree and origin of each Certificate.
- Web-based access with full transparency for stakeholders and regulators.
- A level playing field for all participants, including equal access for large and small firms.
- A full and clear implementation of rules and market timelines, according to prescribed guidelines for access and use of the system.
- A clear workflow process, so that all market participants know what they have to do to participate.
- Reporting mechanisms for participants and state agencies to verify compliance.
- A secure market system, with redundant data centers and geographic redundancy for secure 24/7 operations.

APX systems are already in use across the US to track environmental commodities (carbon project offsets, RECs, and Energy Efficiency and Conservation Certificates), all power generation, load (electricity demand), power imports and exports and associated emissions, and emissions of all GHG gases & other pollutants at the site level.

About APX, Inc.: APX is North America's leading infrastructure provider for environmental markets in renewable energy and greenhouse gases, as well as corporate environmental management. APX technology is now the system of choice for every major renewable energy market in North America, including the PJM (GATS), ISO New England (NEPOOL GIS), WECC (WREGIS), MISO (M-RETS) and ERCOT (Texas REC) markets. Users of these systems include hundreds of the nation's largest environmental commodity brokers, marketers, generators, and load serving entities. APX also provides technology, strategic consulting, and expert operational services to assist wholesale power market participants reduce costs and improve performance in power scheduling, settlement, market operations, and demand response programs. A privately held company, APX is headquartered in Santa Clara, CA. www.apx.com.

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