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Triple Point taps into renewable fuels *Software evolves to handle shifting energy market*

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Oil trading is so last year.

The hot commodities today are ethanol and biodiesel. For Westport-based Triple Point Technology Inc., that means strong demand for its expanded Commodity XL software.

Triple Point, whose customers include the Tennessee Valley Authority, Engen Petroleum, Alliant Energy, Lehman Brothers and General Maritime, has inked deals with two users since the introduction of its software in July.

Commodity XL for Biofuels was engineered to address the global market for renewable energy fuels and their feedstocks. The contracts have buoyed the optimism of Michael Schwartz, Triple Point's chief marketing officer.

"We should sign another three or four in the first quarter of next year," he said. "In the biofuels market, there are risks you need to manage - price, supply chain and secondary costs, like insurance. You need a sophisticated platform."

As word about the company's new software begins to spread in the market, privately held Triple Point should see a corresponding boost in its revenue. Its software requires a sizable investment by the customer - from several hundred thousand dollars to several million dollars, depending on the size of the business.

"It's a natural continuation for us. It's a perfect move forward," Schwartz said. "Biodiesel and ethanol are poised to become important elements of the energy complex over the next few years."

Managing risk and hedging the relationship between feedstocks and biofuel output is crucial, said Michael Ravo, a Triple Point vice president.

"Commodity XL for Biofuels has energy yield equivalent curves that provide precise hedge quantities for spot and forward markets, allowing traders, for example, to manage the relationships between agriculture, crude oil and refined products," he said.



Triple Point Technology, Inc. chief marketing officer, Michael Schwartz

Commodity XL also is able to provide a company's executives with the business intelligence they need, giving clients new insight into their businesses and providing a tool for decision-making, said Peter Armstrong, president and chief executive officer.

"Commodity trading, risk management and supply chain software has traditionally centered on mastering the intricacies of transaction management," he said, while the Triple Point's software also focuses on helping clients make better decisions.

Launched 14 years ago, Triple Point's commodities trading and management applications have evolved regularly, helping the company land on the Connecticut Technology Council's Fast 50 list in each of the past 10 years.

The compilation is based on comparable revenue improvement in the previous five years. Companies must be based in Connecticut and have a patented product or service.

"It's one thing to make the Fast 50 once or twice, but maintaining that level of growth over 10 years is very unusual. That means that every year they are increasing their revenue by 20 (percent), 30 (percent) or 40 percent," said Paige Rasid, marketing and operations manager at the Connecticut Technology Council.

Combined with concerns about climate change, management of renewable energy supplies can be lucrative, Schwartz said, commenting that companies around the globe, including the United States, China and Indonesia, are investing in "green energy."

"We're in a commodity bull market with high prices and volatility driven by emerging economies, and that's not going to change in the next 20 years," he said.

As commodity trading companies deal with the ups and downs of the alternative energy markets, they must depend on technology to assess risk, said Chris Ruppel, an alternative energy analyst with John S. Herold Inc., a Norwalk-based research firm specializing in the analysis of companies, transactions and trends in the global energy industry.

"Biofuel prices have experienced a very high level of volatility in the last 12 months," he said. "The market for energy trading software is very good."