



Energy Risk Software Rankings 2021 Winner

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HITACHI **ABB**

On October 13, 2021, Hitachi ABB
Power Grids became Hitachi Energy.

Powering through tough times

Hitachi ABB Power Grids' dominant position in *Energy Risk's* 2021 Software Rankings reflects its deep understanding of current market challenges

In recent months, energy firms have faced some of the most extreme supply and demand shocks ever seen – from national lockdowns caused by the global Covid-19 pandemic, to the Texas freeze in February 2021. Additionally, electricity market participants were already contending with the challenges posed by ever-increasing renewables in the generation mix. These events tested even the most robust commodity/energy trading and risk management (C/ETRM) software systems, as firms grappled to track commodities and understand their full market and credit risk exposures.

Energy Risk's annual Software Rankings survey reveals the commodities software systems that were considered the most proficient across a variety of different areas in the commodities landscape during the tumultuous period of 2020 into 2021. One firm that ranked consistently highly across the survey was Hitachi ABB Power Grids. The firm gained numerous first and second places in the derivatives software, physical trading software, front- and middle-office functionality, and enterprise risk software sections.

Given the high levels of volatility in many markets recently and the shift to short-term and



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Uday Baral, Hitachi ABB Power Grids

intraday trading, market participants need to be able to track positions and risk exposures in real time – not only to monitor risk but also to trade opportunistically.

“Volatility and shorter-term trading give traders increased opportunities for trading but, at the same time, greater risk exposure,” says Uday Baral, global head of energy portfolio management at Hitachi ABB Power Grids. “The good news is that, with an integrated C/ETRM system, they can engage in sophisticated energy contracting and trading transactions to serve their load efficiently, profitably and in a balanced fashion on a near real-time basis.”

In the 2021 Software Rankings, Hitachi ABB Power Grids took first place in many of the categories within front- and middle-office functionalities, including pre-trade analytics, portfolio optimisation, position management, credit risk, the three market risk functionalities and best cloud-based software. It was also strong in the hugely important area of regulatory compliance.

“The increase in trade volumes, combined with regulator reporting requirements in wholesale and derivative markets, has compelled market participants to implement a front-to-back integrated C/ETRM solution in order to

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Uday Baral

create a ‘single version of the truth’ with all data required for regulatory reporting,” says Baral. “Hitachi ABB Power Grids’ TRMTracker system has built-in reporting capabilities for many financial regulations, including Regulation on Wholesale Energy Market Integrity and Transparency (Remit), European Market Infrastructure Regulation (Emir) and the revised Markets in Financial Instruments Directive (Mifid II).

“The firm gained first places for gas and power in both the derivatives software and physical software sections as well as coming first in scheduling, operations software and emissions. Its success across the electricity rankings reflects the firm’s deep understanding of this evolving marketplace,” says Baral.

“Last year, for the first time, renewables generated more electricity than fossil fuels in the European Union, leaving traders facing, more than ever, the challenges posed by intermittency,” he notes.

“Renewable generation is less predictable, which introduces volatility, rapidly changing market positions, and decisions based on multiple information sources,” he says.

Additionally, decarbonisation efforts are driving demand for tradable certificates, such as Guarantees of Origin/Renewable Energy Certificates, to offset CO₂ emissions. A growing market in green certificates provides further complexity that needs to be captured, tracked and integrated in C/ETRM systems.

“Hitachi ABB Power Grids is committed to developing and updating the tools needed by electricity traders to address the many challenges posed by renewables and the energy transition,” says Baral. “Hitachi ABB Power Grids is uniquely positioned to help manage these issues,” he says. “This environment can only be successfully navigated with a live, real-time system with automated market

connections. Relying on traditional end-of-day processes is just not good enough.”

As well as serving its clients through this tumultuous time, Hitachi ABB Power Grids had an eventful year itself with the acquisition of C/ETRM software stalwart Pioneer Solutions.

“The acquisition of Pioneer Solutions in late 2020 makes Hitachi ABB Power Grids’ Energy Portfolio Management offering the most comprehensive in the market,” says Baral. “I’m excited to see Pioneer’s robust industry-leading C/ETRM solutions amplified by Hitachi ABB Power Grids’ extensive global footprint and scale.”

As energy merchants and traders continue to navigate rapidly changing commodity markets worldwide, Baral believes Hitachi ABB Power Grids is well positioned to provide them with the critical tools they need. “We strive to be the partner of choice for customers looking to support a sustainable energy future while managing market risks,” he says. ■

The Software Rankings

Energy Risk’s Software Rankings survey is now in its 17th year. In this poll, participants voted for their preferred software vendors and applications, data providers, data management firms and implementation specialists.

The poll, which was open from February 1 to March 5, 2021, covers commodity trading and risk management (CTRM) systems, enterprise risk systems, derivatives software, logistics technology and trading platforms.

C/ETRM software providers

Derivatives software

Oil

2021	2020	Vendor
1	1	Ion Commodities: Openlink
2	3	Hitachi ABB Power Grids
3	5	Ion Commodities: Allegro
4	2	Lacima
5	–	Ion Commodities: Aspect

Gas

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	1	Lacima
4	4	Ion Commodities: Allegro
5	–	FIS

Power

2021	2020	Vendor
1	1=	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	4	Ion Commodities: Allegro
4	5	FIS
5=	–	Enuit
5=	1=	Lacima

Coal

2021	2020	Vendor
1	4	Ion Commodities: Openlink
2	–	Hitachi ABB Power Grids
3	5	Ion Commodities: Triple Point Technology

Emissions

2021	2020	Vendor
1	2	Ion Commodities: Openlink
2	3=	Hitachi ABB Power Grids
3	–	FIS
4=	–	Enuit
4=	–	Previs

Regulatory compliance

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	–	Ion Commodities: Allegro

Ease of using system

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	–	Ion Commodities Openlink

Best energy derivatives software

2021	2020	Vendor
1	–	Hitachi ABB Power Grids
2	–	Ion Commodities: Openlink
3=	–	Beacon
3=	–	Lacima

Physical trading, operations and logistics software

Oil

2021	2020	Vendor
1	1	Ion Commodities: Openlink
2	3	Ion Commodities: Allegro
3	2	Hitachi ABB Power Grids

Gas

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	2	Ion Commodities: Openlink
3	3	Ion Commodities: Allegro

Power

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	2	Ion Commodities: Allegro

Emissions

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink

Operational risk

2021	2020	Vendor
1	1	Ion Commodities: Openlink
2	2	Hitachi ABB Power Grids

Scheduling

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	1	Ion Commodities: Openlink

C/ETRM software providers

Physical trading, operations and logistics software (continued)

Inventory management

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	1	Ion Commodities: Openlink

Regulatory compliance

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	–	Ion Commodities: Allegro
3	2	Ion Commodities: Openlink

Ease of using system

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	2	Ion Commodities: Allegro

Best energy operations software

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	2	Ion Commodities: Openlink

Front- and middle-office functionality

Pre-trade analytics

2021	2020	Vendor
1	3	Hitachi ABB Power Grids
2	2	Ion Commodities: Openlink
3	–	Ion Commodities: Allegro
4	1	Lacima

Market risk: analytics

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2=	1	Lacima
2=	–	Ion Commodities: Allegro

Market risk: stress-testing

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	1	Lacima

Market risk: management and reporting

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	1	Lacima

Portfolio optimisation

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	1	Lacima
3	–	Ion Commodities: Openlink

Position management

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	2	Ion Commodities: Openlink
3=	3	Lacima
3=	–	FIS

Credit risk

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	2	CubeLogic
4	–	Lacima

Regulatory compliance

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3=	Ion Commodities: Allegro
3	2	Ion Commodities: Openlink

Trade surveillance

2021	2020	Vendor
1	3	Ion Commodities: Openlink
2	1	Hitachi ABB Power Grids

Governance & compliance

2021	2020	Vendor
1	2	Ion Commodities: Openlink
2	1	Hitachi ABB Power Grids

C/ETRM software providers (continued)

Front- and middle-office functionality (continued)

Post-trade services

2021	2020	Vendor
1	2	Ion Commodities: Openlink
2	1	Hitachi ABB Power Grids

Model valuation

2021	2020	Vendor
1	1	Lacima
2	–	Ion Commodities: Openlink
3	2	Hitachi ABB Power Grids

Risk and analytics visualisation

2021	2020	Vendor
1	2	Hitachi ABB Power Grids
2	1	Lacima
3	3	Ion Commodities: Openlink

Best cloud-based system

2021	2020	Vendor
1	–	Hitachi ABB Power Grids
2	–	Ion Commodities: Aspect
3	–	Previs

Ease of using system

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	–	Ion Commodities: Openlink
3=	3	Ion Commodities: Allegro
3=	–	FIS

Best front-office software

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	2	Ion Commodities: Openlink

Best middle-office software

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	3	Ion Commodities: Openlink
3	–	FIS

Methodology

The survey went live on February 1, 2021 and closed on March 5, 2021. It received 227 valid responses. To compile the Software Rankings, respondents were asked to vote for their preferred software vendor, data management firm, data provider and technology adviser in a variety of categories. All votes were carefully checked and invalid votes stripped out. Examples of votes considered invalid are people voting for their own firm or using a free internet-based email address, multiple votes from the same person or IP address, and voters who choose the same firm indiscriminately throughout the survey.

Following closure of the poll, the results are subject to an internal review process, which can result in categories being dropped if they do not have enough votes. The outcome of the review is final.

Enterprise risk software

Enterprise-wide data capture and storage

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	–	Lacima

Integration capability

2021	2020	Vendor
1	1	Hitachi ABB Power Grids
2	–	Lacima
3	–	Beacon
4	–	Enuit

Best metrics

2021	2020	Vendor
1	1	Lacima
2	–	Ion Commodities: Openlink
3	2	Hitachi ABB Power Grids

Credit risk software

2021	2020	Vendor
1	3	Lacima
2	1	CubeLogic
3	2	Hitachi ABB Power Grids

Analytics package

2021	2020	Vendor
1	1	Lacima
2	3	Ion Commodities: Openlink
3	2	Hitachi ABB Power Grids

Market risk reporting and management package

2021	2020	Vendor
1	1	Lacima
2	2	Hitachi ABB Power Grids
3	3	Ion Commodities: Openlink

Integrated risk management development platform

2021	2020	Vendor
1	–	Lacima
2	–	Hitachi ABB Power Grids
3	–	Beacon

Best enterprise risk management software system

2021	2020	Vendor
1	–	Lacima
2	–	CubeLogic
3	–	Hitachi ABB Power Grids
4	–	Beacon