

PPAS ACROSS EUROPE: MARKET DATA, PRICING AND RISK MANAGEMENT

What exactly is happening in the PPA market? Where are the opportunities and pitfalls?

The era of power purchase agreements (PPAs) for wind and solar has begun. Such long-term power supply contracts of emission-free energy sources are changing electricity trading. The evaluation of these contracts is becoming the new 101 for utilities, investors, project developers, large consumers and banks. In this seminar, we will show you how to evaluate a PPA, which price components are taken into account when forming the "fair value" and how energy policy and market development will progress.

Your contents

Session 1: Introduction to the power market framework

- Recap: Trading venues (forward and spot market) and forms of trading (OTC and stock exchange)
- Recap: Pricing mechanisms on spot and forward market

Session 2: Principles for the evaluation of unsubsidised RE assets

- Sales revenues, sales values & sales volumes
- Case studies on value of RE generation profiles in Europe
- Revenue source Guarantees of Origin

Session 3: Contract types, partners and structures in PPAs

- PPAs at a glance: types, volumes and market data
- Principle & price formulas of fair value determination
- Quantifying risks: price, volume, structuring and counterparty risk;
Short-term sales costs: Intraday balancing, balancing energy, weather impact

Session 4: Case studies of PPA pricing

- Case study 1: Influence of contract design on the fair value
- Case study 2: Cross-border PPAs - different price drivers and risk exposures in different European markets

Session 5: Risk management & hedging

- Value-neutral hedge with base-parity ratio: how to hedge baseload supply with wind and PV profiles.
- Structural risks of a baseload PPA
- Liquidity of the futures market and rolling hedging
- Portfolio management with PPAs: back-to-back, portfolio or average sales

Session 6: Long-term PPA market outlook

- Looking into the future: power market development and European energy policy
- Can PPAs become a bulk business? Will they mainly drive RE expansion? In which markets?
- Current electricity market trends and their impact on the PPA market
- Cannibalisation effect of renewable energies as the key issue of the energy system



TARGET GROUP

- Specialists and executives of project developers, operators of renewable energy plants, energy suppliers, aggregators, traders, industry
- Employees of the energy industry from the areas of energy trading, sales, purchasing, procurement, portfolio and risk management
- Employees from politics, associations and media

BEISPIELHAFTER USE CASE

You are a professional in the energy industry and have already had sporadic contact with PPAs, and now the topic is becoming more concrete for you.

As a plant operator, financier, energy supplier or industrial electricity consumer, you particularly want to understand which steps are fundamentally necessary before a PPA can be concluded and which approach is right for you.

You still lack practical experience with PPAs, but strategic aspects also play a role for you. You ask yourself how the PPA market will develop in the next few years and on which influencing factors this will depend.

YOUR BENEFITS

After this seminar you will be able to:

- classify and negotiate PPA prices,
- link the elements of the electricity market to a sales strategy for wind or solar power,
- compare the level of opportunities and risks of a PPA contract,
- classify long-term electricity price influences.