

INTENSIVE SEMINAR PPA EVALUATION AND CONTRACT DESIGN

SEMINAR, 1-2 DAYS

The era of Power Purchase Agreements (PPAs) for wind and solar has begun. Long-term electricity supply contracts of emission-free energy sources are changing electricity trading. The evaluation of these contracts is becoming the new 1 x 1 for energy supply companies, investors, project developers, large consumers and banks. In this seminar, we will show you how to evaluate a PPA in terms of energy economics, which price components are taken into account in the formation of the fair value and, using the EFET PPA contract as an example, identify which contract options influence the valuation. Are you a newcomer or a career changer? Prepare yourself for this intensive seminar with a basic seminar.

Your contents

Fundamentals of the valuation of non-supported assets

- Recap: price formation mechanisms on the spot and futures market
- Sales revenues, sales values & sales volumes
- Revenue source Guarantees of Origin

The methodology of valuing PPAs and their risks

- PPAs at a glance: types, quantities and market data
- Principle & pricing formulas of fair value determination
- Valuation of potential costs/risks: price, volume, structuring and counterparty risk; marketing costs: intraday balancing, balancing energy, weather impact

Case studies of PPA pricing

- Case study 1: valuation of a Ü21 wind PPA
- Case study 2: influence of contract design on fair value
- Case study 3: understanding price influences using the example of selected markets in Europe

From the practice of contract design

- What regulatory requirements must a PPA cover? To what extent are there structuring options?
- How should the bank's needs be taken into account in the contract?
- From the offer to the conclusion of the contract - Practical advice for contract negotiations

Risk management & hedging

- Value-neutral hedge with base-parity ratio: how to hedge base-load supply with wind and PV profiles
- Liquidity of the forward market and rolling hedging
- Portfolio management with PPAs: back-to-back, portfolio or average sale

Long-term PPA market outlook

- A look into the future: power market developments and European energy policy
- Can PPAs become a mass business?
- Current electricity market trends and their impact on the PPA market



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TARGET GROUP

- Investors and project developers
- Large consumers
- Energy supply companies with a connection to electricity trading
- Direct marketers and operators of renewable energy plants
- Representatives of politics and associations

YOUR BENEFITS

After this seminar you will be able to:

- classify and negotiate PPA prices on the basis of market data and power price scenarios,
- link the elements of the electricity market to a marketing strategy for wind or solar power,
- compare the risks and opportunities of a PPA contract.

Build up your market knowledge in preparation with the basic seminar on **EEG 2021: are PPAs taking off now?** or supplement it with the seminar on **Batteries in the Electricity Market.**