

PPAS EXPLAINED - FOR SALES STAFF OF ENERGY SUPPLIERS

SEMINAR, 1 DAY

The era of Power Purchase Agreements (PPAs) for wind and solar has begun. Such long-term electricity supply contracts of emission-free energy sources are changing electricity trading. The evaluation and management of these purchase agreements is becoming the new ABC for energy suppliers. In this seminar, we will show you how to evaluate a PPA, how PPAs differ from conventional electricity procurement and what the relevant parameters are in sales talks with industrial customers.

Your contents

Session 1: Electricity markets and industry on the way to Net Zero

- The "1 x 1" in the recap: structure of the different electricity markets, schedule management and balancing, price formation and price influences on spot and forward markets
- GHG targets and reduction rates in the sectors, science-based targets and CDP

Session 2: Specifics of green power procurement via PPAs

- Market overview: corporate PPAs in Germany and Europe
- Types of PPAs: physical, virtual, cross-border, baseload, pay-as-produced, pay-as-nominated
- The value of Guarantees of Origin (GoO)
- Group exercise "Understanding Corporates": which PPA is right for me?

Session 3: Electricity procurement for industry yesterday and today (I) – Quantities

- Recap: structured procurement vs. full supply
- Traditional hedging strategies in the PPA context: over- and underhedge, volume- and value-neutral
- Tranche procurement, back-to-back and co.
- Case studies: portfolio management with different PPA structures
- Overview of potential (residual) risks and opportunities per management strategy

Session 4: Electricity procurement for industry yesterday and today (II) – Pricing

- Load profile assessment with hPFC vs. PPA assessment
- Principle & pricing formulas of fair value determination: valuation of wind and solar power
- Valuation of (residual) risks with risk discounts

Session 5: Industrial self-supply and on-site PPAs

- Case studies on electricity cost structures
- Load management and self-supply
- How can PV, storage technologies and flexible loads (e. g. electrolysis, e-mobility) be combined in a meaningful way?

Session 6: Synthesis of Sessions 1-5 – group exercise & discussion

- Group exercise "Understanding Corporates": example calculation on-site solutions vs. grid power PPA
- Discussion hydrogen PPA: how to make my hydrogen green?



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TARGET GROUP

- Specialists and managers in the energy industry from the areas of sales, trading, procurement, portfolio and risk management
- Employees in electricity procurement of industrial companies
- Professionals and managers of project developers or operators of renewable energy plants with an interest in corporate PPAs and prior knowledge of electricity markets and electricity pricing

YOUR BENEFITS

After this seminar you will be able to:

- place PPAs in the "big picture",
- evaluate and negotiate PPA prices,
- define the key points of a management strategy for a PPA,
- explain the advantages and disadvantages of different types of PPAs to corporate clients, and
- evaluate a PPA in comparison to on-site solutions.

Supplement your market knowledge with the seminars **The European CO₂ market: insights and outlooks** or **Battery storage at the power market**.