

PPA INTENSIVE SEMINAR: VALUATION & CONTRACT DESIGN

SEMINAR, 1-2 DAYS

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 valuation of these contracts is becoming the new basics for utilities, investors, project developers, large consumers and banks. In this seminar, we will show you how to value a PPA, which price components are taken into account when forming the "fair value" and which contract options influence the valuation.

Your contents

Session 1: Overview PPA value chain

- Overview of PPAs: types, volumes and market data
- Motivations and roles along the PPA value chain: from plant operator to end consumer

Session 2: Basics of pricing and profile value in the electricity market

- Recap: pricing mechanisms on spot and forward markets, balancing group management
- How do I value a wind and solar profile?

Session 3: Profile value and green property in practice

- Case studies of profile value: marketing revenues, values & quantities
- Revenue source Guarantees of Origin

Session 4: Methodology of assessing PPA structures and their risks

- Evaluation of price and volume risks: example of weather impact
- Evaluation of marketing costs: intraday balancing, balancing energy, negative prices
- Case studies theory vs. practice: pay-as-produced vs. pay-as-nominated vs. baseload PPA
- Current PPA prices according to PPA Price Monitor, among others

Session 5: PPA hedging for energy supply companies and plant operators

- Value-neutral hedge with base-parity ratio: converting wind and solar into baseload
- Liquidity of the forward market and rolling hedging
- Residual risks: implications for PPA structures and negotiations

Session 6: Synthesis of sessions 1 to 5 - understanding negotiators

- Group exercise 1 ("Plant operators"): fixed price, price floor or index?
- Group exercise 2 ("Corporate"): which PPA is right for me?
- Discussion Hydrogen PPA: how to make my hydrogen green?

Optional - Session 7: From the practice of contract drafting (with external expert speaker)

- What regulatory requirements must a PPA cover? To what extent are there possibilities for drafting?
- How should the bank's needs be taken into account in the contract?
- From the offer to the conclusion of the contract: practical tips for contract negotiations

Session 8: PPA market outlook to 2030

- Looking into the future: German and European energy policy
- Group exercise 3 ("Market/Regulatory"): can PPAs become a mass business?

Session 9: Long-term electricity price development until 2050

- Group exercise 4: electricity market trends and their impact on PPA prices (including CO2 pricing, storage, sector coupling, short-term trading)
- Drivers of PPA price development until 2040 and 2050



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TARGET GROUP

- Specialists and managers from project developers, operators of renewable energy plants, energy suppliers, direct marketers, 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 the media

YOUR BENEFITS

After this seminar you will be able to:

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

Build up your market knowledge in preparation with the basic seminar on RE marketing **EEG, PPAs and Co.: sales options for renewables** or supplement it with the seminar **Hydrogen in the electricity industry**.