

POWER MARKET RISKS FOR BANKS, INVESTORS & INSURERS

SEMINAR, 1 DAY

The success of project financing and investments in renewable energies depends on the development of power prices. In the course of current market developments, power price forecasts and scenarios provide a reliable basis for evaluating projects, investments and business models. This seminar provides expertise on the principles of the power market, the valuation of Power Purchase Agreements (PPAs) and the assessment of market price risks. The content is tailored to the needs of the financial sector. We discuss current trends in the power market with you and explain how power price models work.

Your contents

Session 1: Introduction to the power market

- Structure of the energy industry and the power markets
- Price formation on the day-ahead market
- Products on the derivatives market: forwards, futures and options
- Trading venues and forms of trading: Exchange, OTC, auction and continuous trading

Session 2: Revenue opportunities for RE plants

- Project financing for renewable energies: the SPV model and its contract structures
- Direct marketing with market premium under the EEG
- Other direct marketing
- Significance and development of negative power prices

Session 3: Power Purchase Agreements & profile valuation of renewable energy plants

- Terms of profile value: marketing revenues, values & quantities
- Derivation of fair value for PPAs
- Revenue source Guarantees of Origin
- Current PPA prices according to the PPA Price Monitor, among others

Session 4: Fundamental power price scenarios

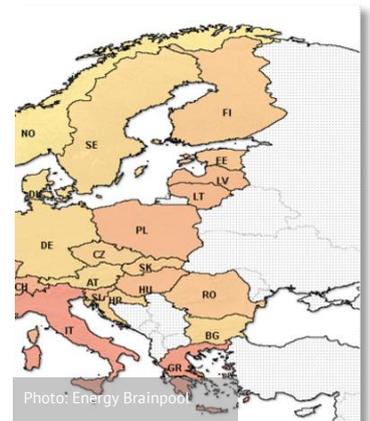
- How the merit order approach works
- Input parameters: power plant fleet, generation, demand, commodity prices
- Output parameters: power prices, marketing revenues for wind and PV, price volatility
- Exemplary fundamental scenario

Session 5: Risk assessment with fundamental scenario swarms

- Understanding market price risks: commodity prices, economy, weather, climate change
- Energy Brainpool approach: fundamental Monte Carlo simulation
- Sample tail risk analysis: how low can the power price go and how likely is that?

Session 6: Outlook – power price risk today and tomorrow

- Case studies: power market trends and their impact on PPA prices (including CO₂ pricing, storage, sector coupling, short-term trading)
- Long-term development of the price risk structure on the power market



TARGET GROUP

- Professionals and executives from the financial sector, i.e. banks, investors, insurers and others
- Employees from the analysis, risk management, financing and acquisition departments of energy suppliers, project developers and financial service providers for the energy sector

YOUR BENEFITS

After this seminar you will be able to:

- explain the interdependencies in the electricity market,
- read and understand fundamental scenarios,
- evaluate power price developments for the future and
- discuss the benefits of black scenarios.

Supplement your market knowledge with the seminars **Starter kit electricity industry** or **EEG, PPAs and Co.: sales options for renewables**.