

SIMULATION GAME FUTURES TRADING

POWER PLANT SALES ON THE FUTURES MARKET

In the board version of the simulation game futures trading, players assume the task of procuring electricity for a given distribution load profile. They have to recourse generation capacities in the form of a coal power plant or electricity supplies (forwards).

Additionally to electricity trading, players learn how to manage a coal inventory and have to react to price developments in various commodity markets.

YOUR CONTENT

Sales of a power plant

- Introduction to OTC trading
- Sale of electricity for one quarter
- Purchase of fuel for one quarter
- Calculation of complete costs of a power plant

Dealing with price risks

- Sale of electricity with simultaneous purchase of fuel for one year
- Adherence to risk parameters
- Dealing with counterparty risks

Extension of the trading period and unscheduled events

- Simultaneous trading of several futures market products with different maturities
- Trading of four quarterly contracts
- Hedging of risks
- Arbitrage and speculation



Photo: Energy Brainpool

TARGET GROUP

- Experts and executives from the departments grid management, corporate planning and development, procurement, distribution and trading
- Direct marketers and operators of renewable energy plants
- Investors and project developers
- Representatives of politics and associations

YOUR BENEFIT

After this simulation game you will be able to:

- better apply your theoretical knowledge in practice,
- show the price formation on the futures market,
- better manage counterparty and market price risk,
- to develop hedging strategies for fuel purchases and electricity sales.

The **simulation game** is the ideal supplement to the seminars **introduction to futures markets**, **introduction to electricity trading** and the **workshop risk management in energy trading**.