



Power Market Risks for Banks, Investors and Insurers

What revenues can electricity producers achieve in the future?

Introduction

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 training 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. You discuss current trends in the power market and learn how power price models work.

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 benefit

After this training, you will be able to:

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





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Your content

Session 1: Introduction to the power market

- › Structure of the energy industry and the power markets: spot market, forward market
- › Products on the derivatives market: forwards, futures & options
- › Price formation on the day-ahead market: functioning of the merit-order approach

Session 2: Profile value of power generated by renewable energy

- › Terms of profile value: capture price and base parity ratio
- › Levelised cost of electricity

Session 3: Introduction to fundamental power price scenarios

- › Modelling approach for power price scenarios
- › Input parameters: power plant fleet, generation, demand, commodity prices
- › Output parameters: power prices, sales revenues for wind and PV, price volatility

Session 4: Deep-dive into fundamental power price scenarios

- › Assumptions and parameters of the three main scenarios: Central, Tensions, Relief
- › Expansion with the upcoming hydrogen economy in the scenario GoHydrogen
- › Discussion of dependencies and framework conditions

Session 5: Risk assessment with power price 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: Renewable energy systems & modelling of their revenues

- › Risk management and hedging
- › Valuation of the fair value for PPAs
- › Connection of power price scenarios and revenues from PPAs

Exemplary use case

Your company, a financial institution, wants to expand its activities in the energy industry, e.g. through financing projects for the expansion of renewable energies. For this purpose, a newly established team has to deal with the state of knowledge on the market. Most of the team members have had little contact with the electricity market and the financing of renewables so far.

They want to learn about the functions and interrelationships of the various electricity markets and what significance this has for a financing concept. They want to be able to assess the future risks in order to be able to develop project financing properly. They also want to know how the "crystal ball" of electricity price forecasts actually works.





Training for the energy sector

We quantify the energy transition

Training formats

Energy BrainSessions

- live online trainings
- suitable for beginners to experts
- 2 to 3 mornings depending on the course

In-house training











































- comprehensive basic and advanced seminars for the energy sector
- customised according to your needs
- online or in-person

Simulation games

- realistic trading simulations for electricity trading on spot or futures markets
- online or board game version

Training formats legend

- Knowledge level: basic knowledge, special knowledge or expert knowledge
- Format: lecture or workshop
- online or in-person

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|-------------------|----------|--------|---|-----------|---|
| Basic knowledge | workshop | online |     | In-person |    |
| Basic knowledge | lecture | online |     | In-person |    |
| Special knowledge | workshop | online |     | In-person |    |
| Special knowledge | lecture | online |     | In-person |    |
| Expert knowledge | workshop | online |     | In-person |    |
| Expert knowledge | lecture | online |     | In-person |    |

About us

As independent energy market experts, we focus on the databased, practice-oriented transfer of knowledge on power and energy trading in Europe. From analysis, forecasting and modelling of energy markets and prices, as well as studies and individual consulting services, to training courses, we are here to support you.

How can we support you? Feel free to contact us.

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