



PPAs Explained – for Sales Staff of Energy Suppliers

What does sales need to know about PPAs? What is important for industrial customers?

Introduction

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 training, 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.

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 benefit

- After this training, 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.



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Your content

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

- › 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 previously and today (I) – quantities

- › Recap: structured procurement vs. full supply
- › Traditional hedging strategies in the PPA context: over- and under-hedge, volume- and value-neutral
- › Tranche procurement, back-to-back and more
- › 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? Group exercise "Understanding Corporates": example calculation on-site solutions vs. grid power PPA
- › Discussion hydrogen PPA: How to make my hydrogen green?

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

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

Exemplary Use Case

Your company or team is part of the energy industry and they have already had a few encounters with PPAs. Now the topic is becoming more and more concrete for your company.

As an energy supplier or industrial electricity consumer, your team members particularly want to understand which steps are basically necessary to conclude a PPA and which approach is right for them. They still lack practical experience with PPAs, so they want to learn what is most relevant on the topic in a seminar. In addition to a classification in the logic of electricity procurement and sales, your team is interested in detail where exactly the added value of a PPA for end consumers lies – also in comparison to self-supply.



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

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

Training for the energy sector

We quantify the energy transition

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	

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

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.

Contact

Energy Brainpool GmbH & Co. KG
 Brandenburgische Str. 86/87
 10713 Berlin
 Germany

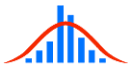
Phone
 +49 (0)30-76 76 54-10

E-mail
kontakt@energybrainpool.com

Website
www.energybrainpool.com/en

Blog





blog.energybrainpool.com/en

LinkedIn

[www.linkedin.com/company/
energy-brainpool-gmbh-&-co.-kg](http://www.linkedin.com/company/energy-brainpool-gmbh-&-co.-kg)

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