Techniques of Power Price Forecasts

How can power price developments be forecast?

Introduction

Forecasting power prices is a fundamental part of all trading and investment activities in the electricity market. However, there is a multitude of forecasting methods. They vary in complexity and serve different purposes. Being able to interpret and evaluate forecasts correctly is the first step towards the success of your own activities. In this workshop, you will not only gain an insight into the most important forecasting methods, but also practise recognising and evaluating chart formations and technical signals, for example, using case studies.

Target group

‣ Specialists and managers in the energy industry in the areas of trading, analysis as well as balancing group, portfolio, risk, schedule and load management
‣ Employees with interfaces to energy trading, purchasing, procurement, distribution
‣ Employees from industrial companies with significant electricity consumption

Your benefits

After this seminar, you will be able to:
‣ explain methods of power price forecasting on the spot and futures markets,
‣ apply methods of technical analysis,
‣ interpret forecast models correctly, and
‣ develop forecasting strategies for the different trading places.

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Your content

Session 1: Basics of price forecasting

- Recap: functioning of spot and futures markets, merit-order and power pricing
- Recap: different price formation – auction and continuous trading
- Comparison of power price forecasting methods: effort, costs, data basis
- Forecast or simulation – the small difference

Session 2: Principle of spot price forecasting

- Short-term power price forecasting using linear regression
- Evaluation of the relevance of different price influences
- Limitations of these methods

Session 3: Application of chart formations

- Line charts and candlestick charts
- Emergence and recognition of seemingly insurmountable price levels
- Trend lines and trend channels and their implications
- Exercises

Session 4: Evaluation of technical signals

- Indicators: moving average, relative strength index, Bollinger bands and more
- Deriving trading signals
- Combining technical signals
- Exercises

Session 5: Long-term price forecasts with fundamental models

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

Session 6: Analysis of the market

- Analysis of the current market situation and power market trends (interactive)
- Risk assessment with fundamental power price scenario swarms: explanation of Energy Brainpool's approach and sample of a tail risk analysis
- Discussion of price development on the commodity and electricity markets

Exemplary use case

Your team is actively involved in your company's trading business and has already understood the principles of the power markets.

They now want to further develop their skills and knowledge in power trading on the derivatives market. The more skilful they are at trading, the higher their bonus payments could be. The team has heard about the different techniques for analysing price charts or using fundamental models. Now they want to learn more about them in order to better use them in daily business.

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

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	
Exper 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.

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

www.energybrainpool.com/en
in-house-training