

## **Energy Trading and the European Wholesale Electricity Market A one-day course by EFET for CEER**

**29 November 2018**

**CEER Office, Cours Saint-Michel 30a (5th floor), 1040 Brussels**

### **COURSE PROGRAMME**

#### **Level A: Overview Course**

*The Council of European Energy Regulators (CEER) in collaboration with the European Federation of Energy Traders (EFET) is delighted to organise a unique one-day introduction to “**Energy Trading and the European Wholesale Electricity Market**” in CEER’s office on **29 November 2018**. This course is ideally suited for staff of National Regulatory Authorities (NRAs) but representatives from other organisations are welcome to join.*

*The course seeks to enhance the understanding of NRA staff about how energy trading is conducted and their knowledge of how traders handle their risks and opportunities by means of periodic transactions in the electricity market. One of the potential benefits of attending this course is that it may help NRA staff to better carry out their monitoring and surveillance of wholesale energy markets at national and European level. Course lecturers will explain key aspects of trading in the wholesale electricity market based on their own operational, commercial and professional experience (rather than from an academic point of view). After a brief historical recap of the liberalisation of the European energy sector, attendees will be provided with a clear understanding of trading in different timeframes in the wholesale electricity market, price formation and management of a portfolio of power assets and contracts. In addition, the course will focus on explaining the overall management of various types of risk in an energy trading business. The lecturers of this course include senior and high-level experts from EFET and their member companies.*

**Thursday, 29 November 2018**  
**10:00-17:00**

#### **WELCOME AND INTRODUCTION**

**10:00-10:15** Opening remarks and round-table introduction of the participants.

- **Mr Peter Styles, Member of EFET Board, Course Director**

#### **SESSION 1 A BRIEF HISTORY OF THE LIBERALISATION OF THE EUROPEAN ENERGY SECTOR**

**10:15-11:00** A brief history of the liberalisation of the European energy sector.

- a) Third party access to transmission networks
- b) *Ex post* anti-trust controls

- c) Unbundling
- d) *Ex ante* regulation
- e) The evolution of wholesale supply businesses
- f) The evolution of cross border trading

- **Mr Peter Styles, Member of EFET Board, Chair of EFET Electricity Committee, Principal Consultant in Stratos Energy Consulting**

**Q&A**

## **SESSION 2 TRADING IN THE WHOLESALE ELECTRICITY MARKET**

### **11:00-11:45 Trading in shorter timeframes – Part I.**

- a) Trading in shorter timeframes: day-ahead and intra-day
- b) Short term price formation, exchange trading venues and broker platforms
- c) Day-ahead Market Coupling (DAMC) and Pan-European Cross-Border Intra-Day Continuous Trading Platform (XBID)

- **Mr Jerome Le Page, EFET Director for European Electricity Markets**

**Q&A**

*11:45-12:00 Coffee break*

### **12:00-12:45 Trading in shorter timeframes – Part II.**

- a) In-depth insights into bidding in the intra-day timeframe
- b) Balancing services provided by market participants
- c) Treatment of imbalances and short-term congestion management

- **Mr Julien Haure, EDF Trading**

**Q&A**

*12:45-13:30 Lunch Break – CEER Office*

### **13:30-14:15 Managing a portfolio of power assets and contracts.**

- a) Position management
- b) Hedging price, volume, liquidity and basis risks
- c) The integration of renewable generation sources and storage
- d) The trend to distributed resources

- **Ms Hélène Robaye, Head of Regulatory Affairs for Engie Sales and Trading**

**Q&A**

**14:15-15:00 Trading in the forward timeframe.**

- a) Trading in the forward timeframe: month, quarter and year[s] ahead
- b) Longer term price formation and the forward price signal
- c) Physical forwards and options, futures as exchange traded derivatives
- d) Forward transmission capacity allocation

- **Mr Marcus Bokermann, Director Prompt Power Markets Trading in Vattenfall, Member of EFET Board**

**Q&A**

*15:00-15:15 Coffee break*

**SESSION 3 OVERALL RISK MANAGEMENT IN AN ENERGY TRADING BUSINESS**

**15:15-16:00 Overall risk management in an energy trading business – Part I.**

- a) Electricity
- b) Cross-commodity
- c) Carbon
- d) Interest rates, FX, other financial
- e) Counterparties
- f) Credit, collateral and clearing

- **Mr Lukas Gubler, Head of Risk and Mid Office, Axpo**

**Q&A**

**16:00-16:45 Overall risk management in an energy trading business – Part II.**

- a) Electricity
- b) Cross-commodity
- c) Carbon
- d) Interest rates, FX, other financial
- e) Counterparties
- f) Credit, collateral and clearing

- **Dr Stephan Heilig, Head of Risk, EnBW Trading**

**Q&A**

**16:45-17:00 Wrap up of the course.**

- **Mr Peter Styles, Member of EFET Board, Course Director**

**- END OF THE COURSE -**