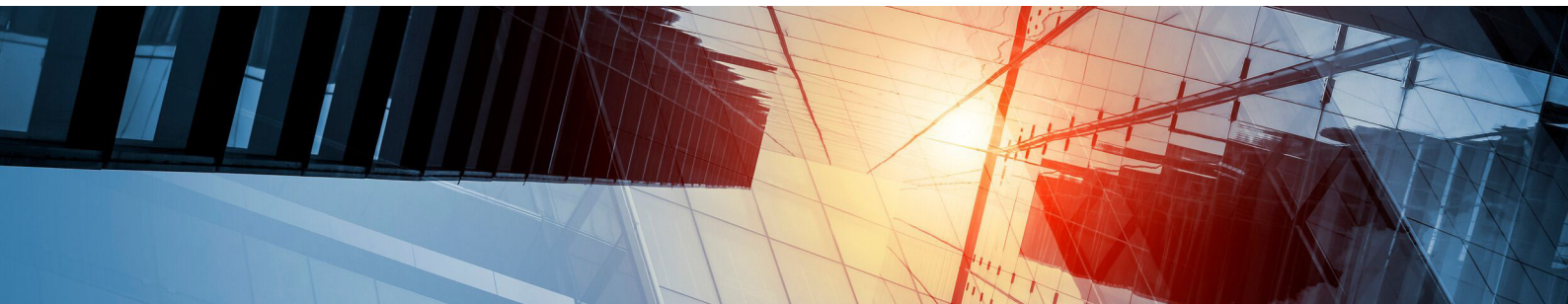


RISK MANAGEMENT OF POWER MARKETS



Overview

These Risk Management in Power Market coaching classes aim to demonstrate that at the heart of any deregulated energy market: risk to cash flow is widespread. This far reaching set of presentations and case studies therefore explore the special nature of power risk, focusing on price and credit risk mitigation and regulatory and operational risk management. These coaching presentations converge on the lessons from the past and also summarise the key success factors for energy trading excellence.

Industries these courses will be useful for?

- Energy Users
- Investors
- Insurance Companies
- Gas, Power and Oil Companies
- Bank Personnel in Credit and Origination
- Government & Regulators
- Suppliers
- Consultants

Who should attend?

- Investment Managers
- Business Development Managers
- Energy Traders
- Risk Managers
- Analysts
- In-house Legal Counsel
- Chief Financial Officers
- Energy Purchasing Personnel

Take this course?

- Get an overview of energy assets, how markets really work and the inextricable link between finance and power
- Understand credit risk and the possible tools of mitigation
- Understand how to anticipate and mitigate risks in deregulated markets
- Master regulatory essentials of the main energy and financial market regulation
- Appreciate market and operational risks and their impact
- Review technology enhancing options
- Understand the key competencies for trading excellence in a future of punishing price volatility



**November 20th
& 21st , 2019**



09:00 - 17:00



October 18th , 2019



€800 (+ VAT = €992)



**Athens Exchange,
110 Athinon Ave.
GR104 42 Athens**

NOTES

Fees should be cleared in full by **October 18th, 2019**. If the course does not take place, the full amount will be refunded.

The Athens Stock Exchange may cancel the program or change the dates and times for the suggestions without any obligation.

Participants will receive the course material as well as a certificate of attendance.

What you will receive with this course

- See the types of risk and rewards contained within deregulated power markets
- Know that the exchange based trading with risk adjusted portfolio optimised trading is the optimal firm positioning
- Be presented with a possible structured solution to generate margin risk capital
- Understand the nature of risk and how culture and governance are the first line of defence from power firm failure
- See the key success capabilities of the trading firm of the future

Practical examples and case Studies?

Credit risk is an endemic feature of deregulated power markets: therefore there are case studies of the financial power crisis of 2002, Enron and how Williams, like other trading firms, can go out of business in only 10 days. There are also examples of how hedging can be performed on EEX, as an example of the importance of exchange trading.

Meet the course director

Aily Armour, CEO, Global Energy Advisory

Aily is a respected international energy figure with trusted relationships at the highest levels of industry and the city.

With deep energy & financial market experience she uses her strong strategic vision to change in fast developing energy environments. Her strong relationship/partnering skills and keen strategic focus also produce new risk mitigation products or business solutions.



Aily started her energy and banking career at the start of UK privatization and was promoted 7 times making key contributions to the commercial businesses of Scottish Hydro-Electric, Scottish Nuclear and South Western Electricity.

As General Manager Commodities & Financial Markets for Energy Australia, she was nominated for Business Woman of the Year.

Other roles include Executive Director, International Corporate Finance for UBS based in Zurich and Chairman of the Electricity Forwards Agreement Association in the UK.

For the past 18 years she has led Global Energy Advisory, a respected and trusted advisor to the energy providing valuations and strategic advice on energy trading and credit risk management.

Course Outline

The Power Business Explained

- How Markets Work
 - *Transmission and Trading*
- Deregulation, the Process and Lessons Learned
 - *Market Types*
 - *Finance and Power*
- Case Study: Bank Lending to The Global Power Market 2002
- Evolving Business Models
- Types of Portfolio Risk
- Traded Instruments
- Merchant or PPA sales

Local Power Market

- The Power Market of Greece
- The Importance of Exchange Trading
- Case Study: 5 Winners and Why

Risky Business

- The Nature of Risk
- Types of Energy Risk
- Risk Identification
- Risk Mitigation
- Enterprise Wide Risk Management
- Culture and Governance
- Case Study: Summary of Questions to Gain Insight to Culture, Risk Management and Value Creation

Putting Risk Management into Practice

- Risks Tolerance Statement
- The Process of Defining the Risk Management Framework
- Risk Capital for The Trading and Asset Businesses
- Summary of Key Stakeholder Roles
- 4 Crucial Aspects to Get Right

Market Risk

- Unique Power Risk Characteristics
- Comparison of "traded options" and "asset options"
- Identifying Market Risk
- Price Uncertainty and Drivers
- Exchange Rate Risk in Power Markets ? Coal Plant
- Case Study: Current German Power Prices

Measuring Market Risk

- Value at Risk,
 - *Methods of Calculation*
 - *Appropriateness for Energy Companies*
- Earnings at Risk
- Portfolio Optimization

Risk Capital

- Risk Capital for Assets
- Risk Capital for Traders
- Incentive Traders with Risk Adjusted Return on Capital

Credit Risk Is an Endemic Feature of Power Markets

- Credit Risk Management in The Industry
- Case Study: ENRON
- Credit Risk Mitigation Tools
- The Credit Quality of the European Power Market
- Importance of Margin Capital
- New Credit Product
 - *Introducing CENTRE* (Credit Enhancement of Traded Energy)
- Case Study: Williams "Out of Business in 10 Days"

Key Things to Get Right if Setting up a Trading Business

- 5 key elements and examples of success
- Examination of margin requirements of trading
- Case study Captains of Collateral

Regulatory Risk

- Overview of European Financial Market Regulation
 - *EMIR*
 - *REMIT MIFID 2*
- Overview Single Energy Market Codes, specifically Capacity Allocation and Congestion Management

Risk Management Policies

- Managing Market Risk Financial Control Policy
- Managing Credit Risk Credit Control Policy

Operational Risks

- Types of Operational Risk
- ETRM Market Leading Innovation for Compliance and Control and Bitcoin
- Artificial Intelligence in Energy Trading
 - *Methods and Uses*
- Comment Cyber Security
- Exercise Checklist from RMA 10 Things to Get Right

Summary Key Success Factors of Energy Trading Excellence

- System Data and Reporting
- Market Position
- Operations and Asset
- Liquidity
- Working Smarter
- Culture and Communications
- Decision Making and Vision