3rd Annual

**Intelligent Hedging and Portfolio Optimisation for the Energy Markets**

Assessing risk exposure and benchmarking hedging strategies for best portfolio management

London

24th – 26th March 2014

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**Interactive Pre-Conference Workshop**
on 24th March 2014

Integration of the Physical and Financial Markets in PLEXOS

Led by:
Christos Papodopulos
Regional Manager of Europe
Energy Exemplar

**Interactive Roundtable Sessions**
Effective market and credit risk management tools

**Panel Discussions**
Energy physical players taking on financial market exposure: Impact on hedging volume, implementation and liquidity constraints
Power market abuse and the influence of renewable: Predictions for the future of the European market

Attending This Premier marcus evans Conference Will Enable You to

- Identify your risk exposure on the market and enhance portfolio management
- Benchmark your hedging strategies and increase your competitiveness in the market
- Capitalise from best practice for portfolio optimisation and reduce the costs of your investments
- Gain practical insights into the application of new regulations in place
- Assess the role of renewable production and its impact on the portfolio

Learn from Key Practical Case Studies

- Vattenfall GmbH on how to optimise the corporate hedging process
- E. ON UK’s approach on managing a customer portfolio
- CEZ’s experience on hedging renewable and quantify weather risk
- Tauron’s update on the Polish power market and electricity price structure
- Enovos Energie Deutschland GmbH’s strategies on portfolio management for large industrials
- Eneco Energy Trade on operating complex models under a robust IT framework to maximise benefits from a complex portfolio while minimising operational risk

**Expert Speaker Panel**

- **Paul Edge**
  Senior Specialist-Financial Modelling (Risk)
  EDP

- **Alexis Huet**
  Head of Financial Risk Management
  OMV

- **Stuart Lloyds-Evans**
  Head of Hedging
  E.ON UK

- **Fabrizio Barderi**
  Head of Wholesale and Origination
  Enel

- **Henrik Specht**
  Head of Risk Analytics
  Vattenfall GmbH

- **Peter Biltoft-Jensen**
  Head of Regulatory Affairs-Gas and Trading
  Dong Energy

- **Filip Strohwasser**
  Project Manager – Long-Term Origination
  CEZ

- **Ilker Kurt**
  Head of Group Financial Risk
  Centrica PLC

- **Anupam Tripathy**
  Head of Architecture and Compliance
  Eneco Energy Trade

**Masterclass Sponsor**

- **Roy Muller**
  Head of Asset Backed Trading
  Eneco Energy Trade

- **Gabril Galonis**
  Quantitative Analyst
  Petronas Energy Trading Ltd.

- **Matti Koivuaho**
  Head of Portfolio Management
  Sähkölaitos

- **Bartosz Krysta**
  Head of Evaluation and Risk Management
  Tauron

- **Bart de Brouwer**
  Lead Asset Trader-Asset Portfolio
  Delta Energy N.V.

- **Holger Graetz**
  Head of Client Portfolio Management
  Enovos Energie Deutschland GmbH

- **Riccardo Rossi**
  Regulatory Affairs Manager
  Gazprom Marketing and Trading

- **Turan Dinc**
  Team Head of Trading and Origination
  PINA Enerji Holding

**Panel Discussions**

Energy physical players taking on financial market exposure: Impact on hedging volume, implementation and liquidity constraints
Power market abuse and the influence of renewable: Predictions for the future of the European market
Interactive Pre-Conference Workshop

Integration of the physical and financial markets in PLEXOS

24th March 2014

Who Should Attend
- Heads of Portfolio Management
- Heads of Hedging
- Heads of Asset Optimisation
- Heads of Investment Strategy
- Heads of Risk
- Heads of Trading
- Heads of Quantitative Analysis

08.30 Registration and Coffee

09.00 Workshop Leader’s Introduction and Opening Remarks
Led by:
Dr. Christos Papadopoulos
Regional Manager Europe
Energy Exemplar

09.15 Managing generation assets more effectively
- Medium to long term optimisation phases of PLEXOS
- Integration of power and gas markets: Power generation optimisation and spark spreads
- Determine the optimum mix of physical assets and financial contracts

10.30 Coffee and Networking Break

11.00 Use of PLEXOS software for hedging and portfolio optimisation
- Introduction to the market class of PLEXOS: A powerful tool for portfolio optimisation
- Management of physical generation and load contracts
- Stochastic optimisation around volume and price uncertainty

12.30 Closing Remarks from the Workshop Leader
12.45 Lunch

About the Masterclass Sponsor:

Energy Exemplar is the developer of class-leading power market simulation and analysis software called PLEXOS for Power Systems® (PLEXOS). With Energy Exemplar’s development and customer support focused on making power market analytics efficient and accurate, PLEXOS has become the most comprehensive and user-friendly power market simulation software in its class. The global PLEXOS client-base includes power generation companies, transmission system operators, market operators, regulators, traders, consultants and analysts who use PLEXOS for power market modelling, price forecasting, investment planning, portfolio optimisation, grid congestion and ancillary services management, renewable integration, and risk management. Energy Exemplar continues to ‘push the envelope’ in being the first-to-market with the latest advances in mathematical programming and power market simulation theory to ensure that PLEXOS remains the most comprehensive, easy-to-use simulation software. For more information please visit www.energyexemplar.com
Day One

25th March 2014

08.30 Registration and Coffee
09.00 Opening Address from the Chair

ASSESS YOUR RISK EXPOSURE AND ACTIVE PORTFOLIO MANAGEMENT

09.10 Optimise risk exposure of a multi-commodity portfolio
- Analyse risk exposure across multi-commodity portfolios of financial contracts and physical assets
- Building a holistic hedging strategy: Balancing the portfolio
- Combining real world projections with risk neutral pricing
- Optimising risk and return over both short and long term
- Tailoring the portfolio and hedging strategies to meet balance sheet targets and other financial metrics

Paul Edge
Senior Specialist-Financial Modelling (Risk)
EDP

09.50 Case Study:
A group perspective on effective risk management within the energy industry
- Risk portfolio at the group level
- Challenges around measurement and consolidation of multiple risks
- Group vs business unit team interactions

Ilker Kurt
Head of Group Financial Risk
Centrica PLC

10.30 Coffee and Networking Break

11.00 Case Study:
Linking hedging activities to the corporate financial steering
- Identification of objectives for hedging
- Deriving financial targets to be supported by hedging
- Integrating risk appetite of top-management
- How to organize the corporate hedging process

Henrik Specht
Head of Risk Analytics
Vattenfall GmbH

2014 REGULATORY CHANGES TO THE MARKET LANDSCAPE

11.40 Global changes for hedging: Impact of new rules in the market
- Remit, EMIR and MiFID: Impact on hedging costs
- Dodd Frank transformation of the US market: An uneven global landscape?
- When is not hedging best?
- Will clearing obligations impact energy trading: What does this mean for volumes and liquidity?

Peter Bilstoft-Jensen
Head of Regulatory Affairs-Gas and Trading
Dong Energy

12.20 What will change with MiFID II on energy trading markets
- What type of contracts MiFID II will regulate?
- How will MiFID II impact hedging strategies?
- Position limits and hedging: how will they interact?
- What are the strategic challenges for energy market players?

Riccardo Rossi
Regulatory Affairs Manager
Gazprom Marketing and Trading

13.00 Lunch
14.00 Coffee and Networking Break

14.30 This session will be dedicated to a number of roundtable discussions and an opportunity to network in a more intimate level. Delegates will be able to join in discussions and speak to experts in this area about their individual concerns

Table 1:
Credit risk and concentration risk
- Key methodologies: Quantifying and managing the level of credit risk that your portfolio can absorb
- Current exposure and potential exposure: Measure your credit within different horizons
- Hedging credit risk in 2014: Product analysis

Table 2:
Market risk and liquidity risk
- How to calculate price volatility for risk measurement needs considering downward market trend?
- What hedging mechanism is the most effective and suits the best market situation?
- Calculate your hedge ratio within adverse market risk scenarios
- Forward curve imperfection: A misleading effect of the economy (contango, backwardation)

Bartosz Krysta
Head of Evaluation and Risk Management
Enovos Energie Deutschland GmbH

Table 3:
Holistic risk: Incorporating all risks group
- Managing the risk of portfolio diversification
- Step up your risk management framework: Define a new portfolio strategy
- Determine the ideal mix of hedging strategies for different assets

Henrik Specht
Head of Risk Analytics
Vattenfall GmbH

16.00 Coffee and Networking Break

MONITORING THE MARKET: VOLATILITY AND LIQUIDITY ISSUES

16.20 Case Study:
Hedging and reporting industrial energy budgets in Germany
- Purchasing models for power and gas in Germany
- Hedging methods of different procurement models
- Demand for pragmatic budgeting process
- Examples of portfolio scout products

Holger Graetz
Head of Client Portfolio Management
Enovos Energie Deutschland GmbH

17.00 Case Study:
An overview of the Turkish electricity market
- Analysing market drivers and fundamentals
- Market SWOT analysis
- Cross-border trading

Turan Dinç
Team Head of Trading and Origination
FINA Enerj

17.40 Energy physical players taking on financial market exposure: Impact on hedging volume, implementation and liquidity constraints
- What it means for energy to extend their investments on the financial market: Competitive advantages vs liquidity issues
- Drivers behind hedging today: Discussing commercial vs speculative hedging
- Switching from OTC to futures and swaps exchange: What changes in terms of risk exposure?
- Combining long-term hedging position and intraday-markets: Dealing with price spreads and renewable intermittency
Day Two

26th March 2014

08.30 Registration and Coffee

09.00 Opening Address from the Chair

PRACTICALITIES OF HEDGING: TOOLS AND TECHNIQUES

09.10 Case Study
Managing a customer portfolio: How to give customers what they need and hedge it effectively?
- Customer products and their risks: What do customers want and how can it be provided?
- Managing the full product mix: Energy, transport and renewable
- Forecasting the unforecastable: How can both volume and price risks be managed?
Stuart Lloyd-Evans
Head of Hedging
EON UK

09.50 Mini Case Study series:
Hedging and portfolio optimisation within different financial asset classes
Each speaker will have 20 minutes to discuss the alternative hedging products available and the impact on the portfolio in 2013/2014. The session will conclude with an interactive panel discussion on the different hedging market positions and financial products:
- OTC and futures contracts traded on exchanges: What changes in terms of control under EMIR
- Forward swaps: Dealing with liquidity constraints
- Options: Applying intelligent options prices against volatility swings
Bart de Brouwer
Lead Asset Trader - Asset Portfolio
Delta Energy N.V.

11.10 Coffee and Networking Break

MITIGATE THE COSTS OF YOUR HEDGING ACTIVITIES

11.40 Advanced optimisation models operated under robust IT Framework and governance: Myth or possibility:
- EMIR thresholds will drive more market players to buy/sell non OTC structured contracts
- Contracts with embedded optionality promise upside that needs to be optimised and hedged
- Complex models will be built by quantitative analysts but also need robust with strong audit trail
- How to balance business flexibility with control
- Learn how clear agreements within a governance framework create a win-win situation
Anupam Tripathy
Head of Architecture and Compliance
Eneco Energy Trade

Roy Muller
Head of Asset Backed Trading
Eneco Energy Trade

12.20 Case Study:
An overview of the Polish electricity market
- What has happened in the power market in Poland in comparison to other European countries?
- Economy and renewable impact on electricity price structure: How long will it last?
- How existing RES regulations influence on certificates market
- Power capacity shortage: Can it really be a problem in the nearest future?
- Short and long term solutions towards support for power generation and investment signal creation
Bartosz Krysta
Head of Evaluation and Risk Management
Tauron

13.00 Lunch

14.00 Coffee and Networking Break

RENEWABLE GENERATION: A NEW COMMERCIAL PUSH IN THE MARKET

14.30 Power market abuse and the influence of renewable: Predictions for the future of the European market
- What has happened in the power market: Understanding the drivers behind the growing hedging ratio of the wholesale power market
- What’s the impact of renewable on the grid: Planning new strategies to answer the growing volume of renewable
- Moving from longer-term products to short-dated trading activities: Looking for new investments opportunities on the spot market
- New solutions for tackling negative power pricing with renewable generation
- Can renewable hedging represent an alternative to oil and gas price volatility?
Panelists:
Matti Koivuaho
Head of Portfolio Management
Sähkölaitos
Enel

Fabrizio Barderi
Head of Wholesale and Origination

15.10 Case Study:
Hedging renewable production: New challenges ahead
- Introducing a new risk: Weather risk
- What are the tools available for weather-related volume risk?
- Quantifying weather risk: Hedging ratio and applying financial risk mechanisms
- Pricing and structuring weather derivatives: Developing sophisticated hedging models
- Is a long-term horizon applicable for hedging renewable production?
Filip Strohwasser
Project Manager – Long-Term Origination
CEZ

15.50 Coffee and Networking Break

PRICING, PORTFOLIO OPTIMISATION AND BEYOND

16.20 Gas storage optimisation
- The impact of quantitative methods for final decision to invest in:
- Key factors for storage valuations
- Hedging efficiency
Gabriel Galonis
Quantitative Analyst
Petronas Energy Trading Ltd.

17.00 Mini Case Study series:
Estimation of volatility and forward prices in different energy markets
Each speaker will have 20 minutes to discuss their energy stream whilst looking at the impacts on pricing, volatility and how to optimize the portfolio in the current market they operate. The session will conclude with an interactive panel discussion debating the need for a macroeconomic approach towards the energy market:
- Electricity market
Fabrizio Barderi
Head of Wholesale and Origination
Enel

Alexis Huet
Head of Financial Risk Management

OMV

- Gas market

18.30 Closing Comments from the Chair and End of Conference

Business Development Opportunities
Does your company have services, solutions or technologies that the conference delegates would benefit from knowing about? If so, you can find out more about the exhibiting, networking and branding opportunities available by contacting:
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