

Gas and Electricity prices : Fundamentals, risks and hedging strategies

Objective

The objective of this seminar is to understand the dynamics of gas and electricity prices, and to identify the risk factors that impact prices and to define hedging strategies.

Upon completion of the seminar, participants will be able to:

- Understand the structure of the European and international gas and electricity markets
- Identify the drivers that impact prices
- Discern the risks and uncertainties in the market
- Understand hedging mechanisms
- Define the steps in a hedging strategy

Who will benefit

This seminar is dedicated to professionals in the energy market concerned with the supply of electricity and gas, particularly: buyers, brokers, Investors, fund managers, strategist & planners, finance & accounting managers, and leaders of gas, electricity, and industrial firms. Also, local authorities and IPPs stand to benefit.

Teaching Method

All seminars are animated by international experts with more than 15 years of experience in the energy sector. Case studies will be explored to put into practice the concepts learnt during the seminar. Quality teaching materials will be provided during the seminar.

Program (details on p. 2 & 3)

Session 1 The purchase price of gas in the international market

Session 2 The European gas market

Session 3 Risks and uncertainties in the European gas market

Session 4 Gas risk hedging strategy

Session 5 The cost of electricity production

Session 6 The European electricity market

Session 7 Risks and uncertainties in the European electricity market

Session 8 Electricity risk hedging strategy

Duration: 2 days

Options: Choose either one day of gas training, or one day of electricity training

Dates

27-28 October, 2009 - Paris, France

18-19 March 2010-Rome, Italy

26-27 October 2010 - Paris, France

Tuition: from 700 €

Lunch and refreshments included

Sign-up form on page 4 or at
[www.enerdata.fr / Training](http://www.enerdata.fr/Training)

Contact Information & Registration

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Other options available:

- Corporate workshops
- Customized classes

Session 1

The purchase price of gas in the international market

How does the international gas market work?

Infrastructure: pipelines and LNG terminals
Producers, transporters, buyers
Gas supply in Europe

How gas prices are established in international transactions

The principal types of gas supply contracts
Indexing mechanisms and their impact on gas prices

Outlook on the evolution of gas prices in the international market:

Outlook on the evolution of oil prices
Gas-to-gas competition
Impact of environmental restrictions

Session 2

The European gas market

How far have we gone in the liberation of the European gas market?

Market share in principal countries
Interconnections between countries
Access to gas distribution networks

Gas buying terms for industries

The principal types of buying contracts
Spot market
Futures buying

Liberalisation and evolution of prices in the wholesale gas market: historical overview

United Kingdom
France
Germany

Session 3

Risks and uncertainties in the European gas market

What are the major causes of uncertainty?

Oil market
Supplier position
Political climate and energy efficiency policy

What are the risks?

Price risks in indexing markers
Physical risk in procurement limitations
Physical risk in demand inflation

Risks and price fluctuations in the wholesale gas market: historical overview

The surge in oil prices 2006-2008
The crisis in Ukraine
The impact of ETS

Session 4

Gas risk hedging strategy

Long term Contracts

General conditions
Indexing mechanisms, price flexibility
advantages and disadvantages

Short term Contracts

General conditions
Indexing mechanisms, price flexibility
advantages and disadvantages

Spot market purchases, future purchases

General terms
Financial hedging mechanisms

Session 5 The cost of electricity production

Production price structure

- Thermal energy
- Nuclear
- Renewable energy

Production costs and wholesale prices

- Transport-distribution costs
- Renewable energy supports and their impact on prices
- Base, point, semi-base

Perspective on the evolution of production costs

- Perspective on the evolution of combustible fossil fuel prices
- Perspective on the evolution of investment costs
- Impact of climate constraints

Session 6 The European electricity market

Where are we in the liberalisation of the European electricity market?

- Market share in principal countries
- Interconnections between countries
- Reserve access

Electricity buying terms for industries

- The principal types of buying contracts
- The spot market
- Futures purchasing

Liberalisation and evolution of prices in the wholesale energy market: historical overview

- United Kingdom
- France
- Germany

Session 7 Risks and uncertainties in the European electricity market

What are the major causes of uncertainty?

- Price of gas and carbon
- Defaulting
- Political climate and energy efficiency policy

Identifying risks

- Combustible fossil fuel price risk
- Physical default risk
- CO2 price risk

Risks and price fluctuations in the wholesale electricity market: historical overview

- Cold spell
- Black-out
- The impact of ETS

Session 8 Electricity risk hedging strategy

Long term contracts

- General terms
- Indexing mechanisms, price flexibility advantages and disadvantages

Short term contracts

- General terms
- Indexing mechanisms, price flexibility advantages and disadvantages

Spot market purchases, future purchases

- General terms
- Financial hedging mechanisms

Seminar on Gas and Electricity prices 18 & 19 March 2010, Rome, Italy

I will participate in both the Gas and Electricity Seminars

- 1 400 €, Gas and Electricity
 1 200 €, Gas and Electricity, information service client

I will only participate in the Gas Seminar (18/03/10)

- 900 €, Gas and Electricity
 700 €, Gas and Electricity, information service client

I will only participate in the Electricity Seminar (19/03/10)

- 900 €, Gas and Electricity
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I will not participate in either seminar but I want the learning guides:

- 550 €, Gas and Electricity
 400 €, Gas
 400 €, Electricity

Participant Information

Name (Ms/Miss/Mr) _____
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The training cost will be paid
by: _____
Billing Address if different
Address: _____
Zip Code _____ City _____
Country _____

I understand and accept the terms and conditions.

Date: / / 2009

Participant Signature

Signature and Stamp of Representative

Terms and Conditions

The seminar will take place in the center of Rome. You will be informed of the exact location two months in advance.

The prices indicated do not include taxes.

The price includes all learning guides (CD's, guidebooks) also the price of all meals and refreshments. Hotel costs are not included.

The sessions meet the criteria for continuing professional education.

Billing

A bill will automatically be sent by Enerdata upon receipt of the registration form to the address indicated.

Cancellation

Registration is available up to one month before the date of the seminar.

If the participant withdraws from the seminar over 45 days before the date of the seminar, all payment obligations will be void.

50% of the seminar fee will be paid by the participant in the case of seminar withdrawal less than 45 days before the date of the seminar. If a participant withdraws within 7 days of the seminar date, no payment will be refunded.

Enerdata reserves the right to cancel any training session one month in advance if the number of participants is too low to assure the seminar.

Discounts

Enerdata Information service clients (<http://services.enerdata.eu/>) can benefit from a discount.

Payment Options

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