Perfecting price modelling and forecasting techniques to capture the trading value of price spikes, cross-commodity effects, and cross-border flows.

3rd Annual
European Electricity Price Modelling & Forecasting Forum
Analysing Market and Future Price Behaviours to Forecast and Calculate Fair Values, Risk Metrics and Hedge Parameters

Westin Grand Hotel, Berlin, Germany
26th-28th November, 2012

Attending This Premier marcus evans Conference Will Enable You to:
- Capitalise on modelling and forecasting experiences from Europe's leading power companies
- Gain insight from the newest models traders use
- Solidify your knowledge of short-term price modelling
- Interpret weather data in the most innovative and accurate ways
- Explore the scenarios for the long-term European energy picture
- Mitigate the risk stemming from the intermittency of renewables

Learn from Key Practical Experience:
- Edison Trading's analysis of cross-commodity effects on electricity prices
- Vattenfall's methods of estimating short-term electricity prices
- Successful price prediction for the intraday market, demonstrated by Danske Commodities
- Statkraft's estimation of weather effects within a day
- The specifics of Trianel Energy's in-house model
- CEZ's experience with balancing RES energy
- Verbunds's development of a unified model
- DONG Energy's plans to determine long-term electricity prices
- Deutsche Bank's expectations on power dynamics in Germany

marcus evans Expert Speaker Panel:
- Marcus Bokermann
Head of Market Analysis
Vattenfall
- Elisa Scarpa
Head of Market Analysis & Forecasting
Head of Pricing & Structuring
Edison Trading

- Derek Bunn
Professor of Decision Sciences
London Business School
- Rafael González Hombrados
Head of Short-Term Programming and Market Coordinator
ENDESA
- Jeppe Hoejgaard
Head of Short-Term Trading
Danske Commodities
- Ben Winhall
Senior Analyst
Trianel Energy
- Kasper Lou
Head of Power Price & Market Analysis
DONG Energy
- Evelin Lückerath
Head of Market Analysis
Statkraft Markets

Stefan Konstantinov
Power Modelling Analyst
Gazprom Marketing & Trading

Pavel Rezabek
Head of Market Analysis
CEZ

Alastair Davies
Head of Modelling
EDF Energy

Valery Kholodnyi
Principal Quantitative Analyst
Verbund

Christos Papadopoulos
Regional Manager Europe
Energy Exemplar

Mark Lewis
Managing Director, Commodities
Deutsche Bank

Andrea Roncoroni
Professor of Finance
ESSEC Business School in Paris and Singapore

Henrik Madsen
Professor of Financial Mathematics
Technological University of Denmark

Christoph Pellinger
Research Director
Research Centre for Energy Economics

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marcus evans conferences
Day One

26th November, 2012

08:30 Registration and Coffee
09:00 Opening Address from the Chair

PRICE FORMATION IN THE SHORTEST TERMS

09:10 Case Study
Forecasting Intraday Patterns in Electricity Trade
- Developing multiple models
- Which models to use: picking the right models for every different day
- Approximation or accuracy? What models do we need for dynamic intraday trade
- Models that dispatch electricity prices every 15 minutes and how to make them more accurate

Jeppe Hoejgaard
Head of Short-Term Trading
Danske Commodities

09:50 Case Study
Beyond the liquid horizon
- The Crash of the FX approach in power markets
- Use experience from past price settelements
- Utilizing of one’s fundamental knowledge about future
- Modeling risks: model architecture, assumptions, calibration

Markus Bokermann
Head of Market Analysis
Vattenfall

10:30 Interactive Business Card Exchange
10:40 Coffee and Networking Break

WEATHER VOLATILITY WITHIN A DAY: INVERTED PRICE SPIKES

11:00 Case Study
Weather Volatility Within a Day: Inverted Price Spikes
- The advent of inverted price spikes: as soon as the wind blows, price drops occur
- Analysing the dozens of price drops across Europe within a day
- Spike frequency in wind and solar parks
- Wind power: statistically pickable spikes in intraday trading
- Solar power: forming a 2-humped camel intraday price function shape

Evelin Lückerath
Head of Market Analysis
Statkraft Markets

11:40 New Findings on Short-Term Models and Forecasting
- The evolving drivers in the short and longer term
- Non-linear functions of consumption
- Incorporating solar and wind power, game-changers in European short-term trading
- Why is methodology changing slowly?

Derek Bunn
Professor of Decision Sciences
London Business School

12:20 Case Study
Consistent Modeling of Power Spots, Forwards and Swaps in the Unified Framework of the Non-Markovian Approach
- Benefits of a unified modeling framework
- The non-Markovian approach as a unified framework for the consistent modeling of power spots, forwards and swaps
- Statistical, hybrid and fundamental interpretations
- Taking into account: 1. daily, weekly and annual cyclical patterns, 2. linear and nonlinear trends, 3. upwards and downwards spikes, 4. positive and negative prices
- Extracting market-implied forward-looking risk-neutral probability distributions for power spots, forwards and swaps
- Monte Carlo simulations of power spots, forwards and swaps
- Static and dynamic modeling of power forward curves as well as the interpolation and extrapolation of power market forward curves

Valery Kholodny
Principal Quantitative Analyst
Verbund

13:00 Luncheon
14:00 Coffee and Networking Break

14:30 Case Study
New Complex Forecasting Algorithms for the Spanish Market
- Presenting forecasting models: EXCOM (day-ahead market) and SIROCO (secondary regulation band market)
- The EXCOM model: is the evolution of an advanced hydrothermal optimisation model
- The unique SIROCO model: obtaining very high accuracies

Rafael González Hombrados
Head of Short-Term Programming and Market Coordinator
ENDESA

15:10 On the Fine Structure of Electricity Forward Price Curve with Hourly Granularity
- Hourly price statistical analysis for electricity markets
- Building predictable time-varying components
- Case-study: European power market curve construction
- Case-study: Valuing interconnector capacity contract

Andrea Roncoroni
Professor of Finance
ESSEC Business School in Paris and Singapore

15:50 Afternoon Coffee and Networking Break

16:20 Plexos: Game Theoretic Models and 10-Minute Dispatch in Price Forecasting
- Using PLEXOS for price forecasting
- Renewables analysis: detailed 5-minute renewable production analyses
- Smart load modelling
- Price dispatch every 10 minutes
- Transmission investment analysis

Christos Papadopoulos
Regional Manager Europe
Energy Exemplar

PANEL DISCUSSION

17:00 How to Cope with Extra Volatility?
- Risk and hedging techniques for price spikes
- What are people doing when the trend reverses?
- Discussing non-linearity in price modelling and forecasting
- Sources of energy outside of Europe and how to bring them here

Panelists:
Kasper Lou
Head of Power Price & Market Analysis
DONG Energy

Jeppe Hoejgaard
Head of Short-Term Trading
Danske Commodities

Valery Kholodny
Principal Quantitative Analyst
Verbund

17:40 Closing Remarks from the Chair and End of Day One

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:

Izabela Gral, Tel: +44 (0)20 3002 3244
or Email: IzabelaG@marcevansuk.com
Day Two
27th November 2012

08:30 Registration and Coffee
09:00 Opening Address from the Chair

CROSS-COMMODITY INFLUENCES ON ELECTRICITY PRICES

09:10 Case Study
Cross-Commodity Analysis and Its Influence on Power Prices
- The changing nature of supply in Europe
- What do the spreads in the past year show?
- Using fundamental models to form power prices
- What to expect in the next year?
Elisa Scarpa
Head of Market Analysis & Forecasting
Head of Pricing & Structuring
Edison Trading

09:50 Case Study
Long-term Evolution of Electricity Market Structure in Europe – Modelling Challenges
- Pathways for the increasing need for flexible generation in Europe
- The role of natural gas as flexible backup generation source
- The ‘Missing Money’ problem – are capacity markets the solution?
Stefan Konstantinov
Power Modelling Analyst
Gazprom Marketing & Trading

10:30 Coffee and Networking Break
11:00 Case Study
Models Based on Coal-Fired Plants: How Are Dark Spreads Affecting Prices
- Experiences in cross-commodity influences from Italy
- Interpreting data from dark spreads and clean dark spreads
- Keeping coal in the fuel mix
- Supply curves in coal-dominating scenarios
Alastair Davies
Head of Modelling
EDF Energy

11:40 The Impact of Technological Megatrends on Future Electricity Prices
- Technological megatrends: demand side management, electromobility, power to heat, power to gas
- Functional energy storage
- Limitations in price fluctuations
Christoph Pellinger
Research Director
Research Centre for Energy Economics

12:20 Renewable Power in Germany: What Can We Expect for This Winter
- Depending on renewables: the real test in the winter
- Will the lack of sufficient supply bring a price increase?
- Can demand be actually met?
- Are blackouts in south Germany possible this winter?
- How can we manage risk against a combination of no sun and weak winds
Mark Lewis
Managing Director, Commodities
Deutsche Bank

14:00 Coffee and Networking Break

14:30 Case Study
Predicting the Future: Building Long-Term Models
- Increased volatile capacity
- Reduced carbon emissions
- Risk quality assessment
- Key underlying factors in long-term forecasting
Kasper Lou
Head of Power Price & Market Analysis
DONG Energy

15:10 Extension of the Forward Curve Beyond the Liquidity Horizon
- Interpolation and extrapolation from current energy prices to form future ones
- 100%-150% increase in the time frame
- Forecasting prices for 6-7 years for risk interpretation purposes
- Where will price spikes come in the future and what their nature will be
Henrik Madsen
Professor of Financial Mathematics
Technological University of Denmark

15:50 Afternoon Coffee and Networking Break

RENEWABLE VOLATILITY: GAME-CHANGER IN PRICE FORECASTING

16:20 Case Study
Flexibility: Balancing Intermittent RES
- Managing risk for the supply in the grid
- Managing financial risk
- Forecasting solutions for intermittency
- Unique experiences from Central and Eastern Europe
Pavel Rezabek
Head of Market Analysis
CEZ

17:00 Case Study
A Fundamental-based Model of Day-ahead Power Prices
- Description of Trianel’s approach to day-ahead price modelling
- Dealing with uncertainty in fundamental variables
- Relationship between prices and fundamental changes
- Future challenges
Ben Winhall
Senior Analyst
Trianel Energy

17:40 PANEL DISCUSSION
Long-Term Factors For Price Forecasting
- Long-term dynamics in market structure
- The big debate: will there be a nuclear power revival in Europe, or how will nuclear capacity be replaced?
- Developing interconnectors for improved capacity
- How will the European electricity structure look in 2030?
Panellists:
Stefan Konstantinov
Power Modelling Analyst
Gazprom Marketing & Trading

18:20 Closing Remarks from the Chair and End of Day Two

Who Should Attend:
VPs, Directors, Heads, Managers, Coordinators of
- Market Analysis
- Forecasting
- Modeling
- Pricing/Price Analysis
- Trading
- Quantitative Analysis
- Risk Analysis
From:
- Energy Utilities
- Energy Trading Companies
- Consultancies and Software Providers
Half-Day Workshop

28th November 2012

08:30  Registration and Coffee
09:00  Opening Address from the Workshop Leader
       Christos Papadopoulos
       Regional Manager Europe
       Energy Exemplar

09:10  Forecasting of Electricity Power Prices
       • Use of stochastic modelling for electricity price prediction
       • Estimating correct cross-border flows with expert transmission analysis
       • Adjusting PLEXOS to the right time frame
       • Case Study

10:30  Coffee and Networking Break

11:00  Balancing Renewables Volatility with PLEXOS
       • Incorporating volatility in day-ahead and intraday markets
       • Photovoltaic and wind intermittency causes and response
       • 10-minute price dispatch rates
       • Game theoretic models with PLEXOS: an in-depth presentation

12:30  Closing Remarks from the Workshop Leader

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