

# GB wholesale energy markets and risk management

## Learning and development objectives:

- Wholesale energy market design – delivering for consumers
- Market drivers and participants
- Wholesale energy market risks
- Approach to risk management
- Suppliers and generators in the wholesale market
- Measuring/ quantifying market price risk
- Overview of risk metrics and their uses, including Value at Risk (VaR)
- Future challenges and opportunities

## Session 1 – Scene setting

|          |  |
|----------|--|
|          | <b>Introduction &amp; welcome</b>  |
| 10 am    | <ul style="list-style-type: none"> <li>• Tech check</li> <li>• Course aims and objectives</li> </ul>                                     |
|          | <b>GB wholesale energy market overview</b>   |
| Module 1 | <ul style="list-style-type: none"> <li>• Market structure/ design and drivers</li> <li>• Market participants</li> </ul>                  |
|          | <b>Break</b>   |
|          | <b>Energy market risks and approach to risk management</b>   |
| Module 2 | <ul style="list-style-type: none"> <li>• Wholesale market risks</li> <li>• Approach to risk management/ risk management cycle</li> </ul> |
| 11.45    | <b>Q&amp;A</b>   |
| 12.00    | <b>Session 2 topics/ close</b>   |

## Session 2 – Operating in the wholesale market 1

|          |   |
|----------|---|
|          | <b>Introduction &amp; welcome</b>   |
| 10 am    | <ul style="list-style-type: none"> <li>• Tech check</li> <li>• Q&amp;A from session 1</li> </ul>                  |
|          | <b>Key wholesale market risks – price and credit</b>  |
| Module 3 | <ul style="list-style-type: none"> <li>• Sources of market price risk</li> <li>• Credit risk explained</li> </ul> |
|          | <b>Break</b>  |
|          | <b>Key wholesale market risks – price and credit</b>  |
| Module 4 | <ul style="list-style-type: none"> <li>• Sources of market price risk</li> </ul>                                  |

- Credit risk explained
- Suppliers and generators – hedging and risks**
- Hedging concepts
  - How suppliers/ generators operate to manage risk

11.45 Q&A

12.00 Session 3 topics/ close

### Session 3 – Operating in the wholesale market 2

**Introduction & welcome**

- 10 am
- Tech check
  - Q&A from session 2

**Module 5 Routes to market and trading strategies**

- Realising value from generation
- Trading strategies (case studies)

**Break**

**More on risk – political, regulatory, and systemic**

- Module 6
- Overview of political and regulatory risk
  - Systemic risk explained

11.45 Q&A

12.00 Session 4 topics/ close

### Session 4 – Practical risk management

**Introduction & welcome**

- 10 am
- Tech check
  - Q&A from session 2

**Module 7 Measuring market price risk**

- Quantifying market price risk – metrics
- Overview of Value at Risk (VaR)

**Break**

**Module 8 Case study/ exercise**

- Interactive session

**Module 9 The future – emerging trends, opportunities, and challenges**

- Future market structures/ consumer behaviour/ generation mix changes
- High-impact, short-lived events

11.45 Q&A

12.00 Close and next steps (plenary session)