

## CEER-EFET Hybrid Training on European Wholesale Electricity and Gas Market Trading

Wednesday, 30 November 2022 – 09:30-17:00 (CET)  
Thursday, 01 December 2022 – 09:30-15:30 (CET)

HYBRID



### COURSE PROGRAMME

#### **Level A: Overview Course**

The Council of European Energy Regulators (CEER), in collaboration with the European Federation of Energy Traders (EFET), is organising a unique hybrid course on “European Wholesale Electricity and Gas Market Trading” on 30 November – 01 December 2022. This year's edition will again cover both electricity and gas trading, and will offer a trading floor visit and special trading simulation sessions.

This course is ideally suited for staff of National Regulatory Authorities (NRAs), but representatives from other organisations are also welcomed to join. Experts from National Regulatory Authorities who register for this course will be granted free access to the [EFET online Energy Markets Training Programme](#).

The course seeks to enhance the understanding of NRA staff about how energy trading is conducted and their knowledge of how traders handle their risks and opportunities by means of periodic transactions in the electricity and gas markets. One of the potential benefits of attending this course is that it may help NRA staff to better carry out their monitoring and surveillance of wholesale energy markets at national, regional and European level. Trainers will explain key aspects of trading in the wholesale electricity and gas markets based on their own operational, commercial and professional experience (rather than from an academic point of view). The trainers of this course include senior and high-level experts from EFET and their member companies, as well as an experienced former trader for the trading simulations.

Attendees will be provided with a clear understanding of trading in short and forward timeframes in the wholesale electricity market and price formation. It will be followed by a session discussing trading in the wholesale gas market. Finally, participants will have the

opportunity to participate in hands-on trading simulations which provide the ideal learning effect by means of practical application of the theoretical knowledge in energy trading.

In the second day, the course will focus on this year market developments following the war in Ukraine, including the effects of sanctions and governmental interventions to stem the energy prices. The session is followed by a discussion over the EU Emissions Trading System, including on price development over the year and causes, and the role of the green attributes of renewable electricity. The training ends with a visit to the trading floor of one of the biggest gas traders in Europe.

## DAY 1

Wednesday, 30 November 2022

09:30-17:00 (CET)

### WELCOME AND INTRODUCTION

#### 09:30-09:40 Opening remarks, introduction of the course and programme

*Mark Copley, EFET CEO (online)*

*Mike Bostan, EFET Coordinator Training and Education Programme (onsite)*

*Giulia Carpentieri, CEER Training and Programmes Coordinator (onsite)*

### SESSION 1 TRADING IN THE WHOLESALE ELECTRICITY AND GAS MARKET

#### 09:40-10:40 Trading in shorter timeframes

- a) Trading in shorter timeframes: day-ahead and intra-day
- b) Short-term price formation, exchange trading venues and broker platforms
- c) Day-ahead Market Coupling (DAMC) and Pan-European Cross-Border Intra-Day Continuous Trading Platform (XBID)
- d) Balancing services provided by market participants
- e) Treatment of imbalances and short-term congestion management

*Jérôme Le Page, Member of EFET Board, Chair of EFET Electricity Committee (onsite)*

#### 10:40-11:40 Trading in the forward timeframe

- a) Trading in the forward timeframe: month, quarter and year[s] ahead
- b) Hedging, longer-term price formation and the forward price signal
- c) Physical forwards and options, futures as exchange traded derivatives
- d) Forward transmission capacity allocation and transmission rights

*Cathrin Stadler, Regulatory Affairs Manager, Centrica Regulatory Affairs & Policy (onsite)*

#### 11:40-12:00 Coffee break

#### 12:00-13:00 Overall market interventions and sanctions in Europe following war in Ukraine

- a) War in Ukraine
- b) Effects on the wholesale energy market (including margin calls)

- c) EU legal sanctions
- d) Dealing with disruptions
- e) Policy measures on EU and national level
- f) *Quo vadis?*

*Jan Haizmann, Chair Legal Committee, EFET (onsite)*

**13:00-14:00 Lunch Break**

## **SESSION 2 TRADING SIMULATIONS**

**14:00-15:20 Trading simulations – Part I: Auction processes**

- a) Simulation A: The daily power auction
  - o Attention given to: the process, strategies of market participants and the possibility of market manipulation
- b) Simulation B: The opening rotation at the start of a continuously traded market
- c) Simulation C: Periodic transport capacity auction

*Moderator: Jerry de Leeuw, Entrima (onsite)*

**15:20-15:30 Coffee break**

**15:30-16:50 Trading simulations – Part II: The importance of connectivity and data management**

- a) Simulation D: Proprietary trading – Outright speculation
  - o Attention given to: Price volatility, market liquidity
- b) Simulation E: Forwards and futures
  - o Attention given to: Trayport

*Moderator: Jerry de Leeuw, Entrima (onsite)*

## **WRAP UP DAY 1**

**16:50-17:00 Wrap up of Day 1**

*Mike Bostan, EFET Coordinator Training and Education Programmes (onsite)*  
*Giulia Carpentieri, CEER Training and Programmes Coordinator (onsite)*

**17:00 Belgian Beers Tasting – for onsite participants only**

**DAY 2**  
**Thursday, 01 December 2022**  
**09:30-15:30 (CET)**

**SESSION 3 ADVANCED CLASS: RISK MANAGEMENT AND EU ETS**

**09:30-10:00 Networking/ Open discussions between the participants**

**10:00-11:00 Trading in the wholesale gas market**

- a) Types of markets: OTC vs Exchange
- b) Types of traders and trading strategies
- c) Trade control and compliance practices
- d) What lies behind the trader: role of middle and back office
- e) Information availability and use
- f) Liquid vs illiquid markets
- g) Main issues of the gas market in 2022: Liquidity, Margining and Credit

*Cristiano Campi, Trading & Portfolio (North) Manager, Eni Global Energy Markets (online)*

**11:00-12:00 Trading on the EU ETS**

- a) Trading on the EU Emissions Trading System: how and why
- b) The EU Emissions Trading System: changes in discussion
- c) Why the price of EU allowances increased this year
- d) A balancing act: security of supply vs. decarbonisation

*Sinéad Obeng, Environmental Products Regulatory Affairs Manager, Shell (online)*

**12:00-12:15 Course Evaluation**

**12:15 - 13:30 Lunch Break**

**SESSION 4 TRADING FLOOR VISIT**

**13:30-14:10 Transport to the trading floor of one of the largest gas trading European utilities + entry formalities**

**14:10-15:20 Energy utility trading operations presentation and trading floor at Eni Global Energy Markets – for onsite participants only**

**WRAP UP DAY 2**

**15:20-15:30 Wrap-up of the course**

*Mike Bostan, EFET Coordinator Training and Education Programme  
Giulia Carpentieri, CEER Training and Programmes Coordinator*