

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

Tuesday, 28 November 2023 – 09:30-17:00 (CET)
Wednesday, 29 November 2023 – 09:30-16:00 (CET)

HYBRID



HYBRID TRAINING >> Open to the Public <<

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

28-29 NOVEMBER 2023

EFET
European Federation
of Energy Traders

CEER
Council of European
Energy Regulators

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 28-29 November 2023. This year’s edition will again cover both electricity and gas trading and will offer a trading floor visit and practical 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.

On the second day, the course will focus on this year's changes in the legislation of supervision the market, REMIT, from a trader's perspective. The session is followed by a discussion over the EU Emissions Trading System, including on the new legislative changes (e.g., Carbon Border Adjustment Mechanism - CBAM) and how they reflect on trading and markets. The training ends with a visit to the trading floor of a large energy utility (for onsite participants only).

DAY 1 Tuesday, 28 November 2023 09:30-17:00 (CET)

WELCOME AND INTRODUCTION

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

Mark Copley, EFET CEO
Lorraine Claffey, CEER Training and Communications Officer

SESSION 1 TRADING IN THE WHOLESALE ELECTRICITY AND GAS MARKET

09:40-10:30 Trading in shorter timeframes and what the new Electricity Market Design may bring

- a) Trading in spot markets: day-ahead and intra-day
- b) Short-term price formation, exchange trading venues and broker platforms
- c) Recent changes and upcoming developments in the Single Day-ahead Coupling (SDAC) and Single Intraday Coupling (SIDC)

Lorenzo Biglia, Manager of EFET Electricity Committee (onsite)

10:30-11:40 Trading in the forward timeframe and hedging strategies

- a) Hedging, longer-term price formation and the forward price signal
- b) Physical forwards and options, futures as exchange traded derivatives
- c) Forward transmission capacity allocation and transmission rights month(s), quarter(s) and year(s) ahead
- d) Electricity Market Design challenges and opportunities: longer-term transmission rights, regional virtual trading hubs, coexistence of forward markets with two-way Contracts for Difference (CfDs) and Power Purchase Agreements (PPAs)

Hélène Robaye. Head of Regulation and Market Design, Engie (onsite)

11:40-12:00 Coffee break

12:00-13:00 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) Market Correction Mechanism: how it works

Mark Simons, EFET Board Member [TBC]

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
Lorraine Claffey, CEER Training and Communications Officer

DAY 2
Wednesday, 29 November 2023
09:30-16:00 (CET)

SESSION 3 ADVANCED CLASS: REMIT AND EU ETS

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

10:00-11:00 REMIT from market's perspective

- a) Background & objectives of REMIT
- b) Prohibitions and obligations of market participants
- c) How do traders comply with REMIT?
- d) What is normal market behaviour?

Cemil Altin, Head of Regulatory Affairs, EDF Trading (onsite) [TBC]

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: how a purchase is made
- c) The effects of Carbon Border Adjustment Mechanism (CBAM) on trading
- d) A balancing act: security of supply vs. decarbonisation

Sinéad Obeng, Environmental Products Regulatory Affairs Manager, Shell (onsite) [TBC]

12:00-12:15 Course Evaluation

12:15-13:30 Lunch Break

SESSION 4 TRADING FLOOR VISIT – FOR ONSITE PARTICIPANTS ONLY

13:30-14:10 Transport to the trading floor of Engie (Boulevard Simon Bolivar 36, 1000 Bruxelles) and entry formalities

14:10-15:50 Engie trading operations presentation and trading floor

WRAP UP DAY 2

15:50-16:00 Wrap up of the course (at Engie)

Mike Bostan, EFET Coordinator Training and Education Programmes
Lorraine Claffey, CEER Training and Communications Officer