Structured PPA instead of Feed in Tariff

Sten Lillienau

NEAS ENERGY

Part of centrica

Neas Energy in brief

Neas Energy is an independent energy asset management company that provides physical and financial management of energy for customers with assets operating on liberal energy markets in Europe.

Neas Energy was established in 1998 in Aalborg, Denmark. Since 2016 it is a part of the British energy company Centrica

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Physical management

Balancing Responsible Party (BRP)

NEAS ENERGY

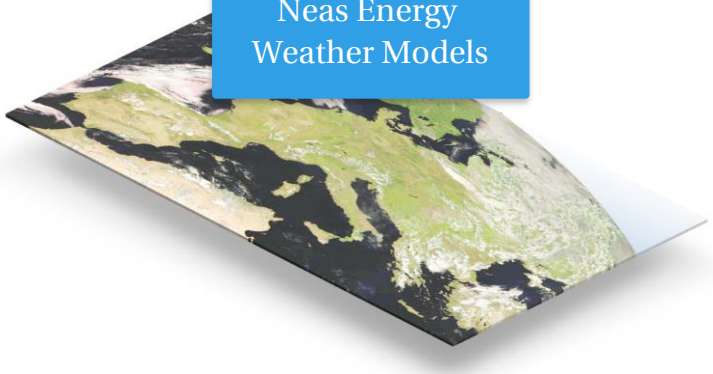
Neas Weather Desk

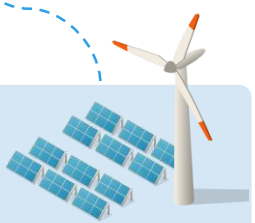
6 Energy Meteorologists
24/7 environment

3rd party Suppliers
WEPROG
(Ensemble)
ConWx (Physical)

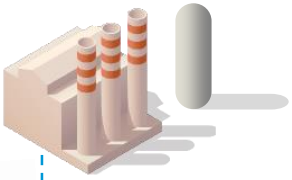
Wind/PV Power Forecast

Neas Energy Weather Models





Online Data
& Production Data



Neas Trading

Short Term

- Day ahead Market
- Intraday Market
- Regulating Power Market

NORD POOL

Neas Tech Team

4 engineers –
Communication
Exchange of signals

Financial Management

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Different systems in the Nordics

FI Limited feed in tariff
(Fully signed – new system coming)

SE
NO Marked based electricity certificate
(Norway stops approving 2021)

DK Guaranteed price for given amount full-load hours
(Auction FIT for Off-shore)

Currently in Finland

83,50

EUR/

MWh

Price areas

EUR/MWh			
	SYS	HEL	FI TOT
2017	29,41	3,78	33,19
2016	26,91	5,54	32,45
2015	20,98	8,68	29,66
2014	29,61	6,41	36,02
2013	38,1	3,06	41,16
2012	31,2	5,44	36,64
2011	47,05	2,25	49,3
2010	53,06	3,58	56,64
2009	35,02	1,96	36,98
2008	44,73	6,29	51,02

Structured hedge instead of Feed In Tariff

PRODUCT SERIES	BID	ASK	L
ENOYR-19	26.71	26.89	
ENOYR-20	24.90	25.09	
ENOYR-21	25.06	25.49	
ENOYR-22	26.30	27.05	
ENOYR-23	26.80	27.30	
ENOYR-24	26.95	27.90	
ENOYR-25	27.15	28.25	
ENOYR-26	27.75	30.85	

+

PRODUCT SERIES	BID	ASK	
SYHELFUTBLYR-19	5.15	5.40	
SYHELFUTBLYR-20	4.00	4.50	
SYHELFUTBLYR-21	3.90	4.50	
SYHELFUTBLYR-22	3.90	4.90	

Structured hedge instead of Feed In Tariff

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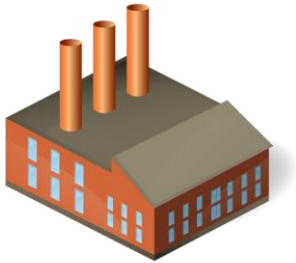
Nasdaq

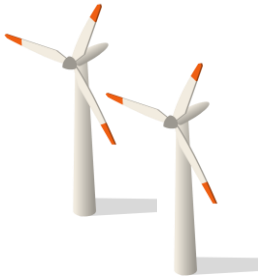
Exchange

or

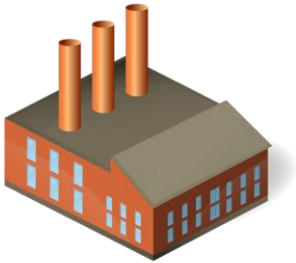


Offtaker

Structured hedge instead of Feed In Tariff

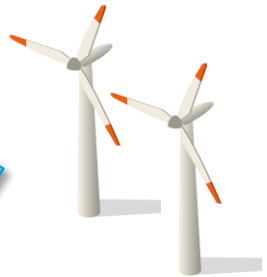


”Commercial PPA”



Offtaker

Structured hedge instead of Feed In Tariff



Agreement power handling

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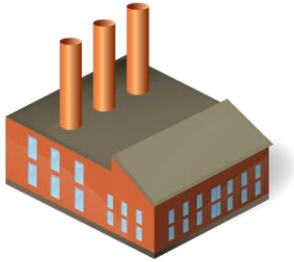
Deficit power sourced

BRP/Supply services – Aggregation of Power
Match expected load with expected production

Surplus power sold

Agreement power handling



Nasdaq

NORD POOL

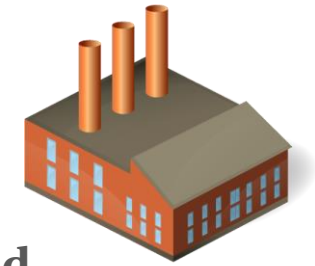
Structured hedge instead of Feed In Tariff

NEAS ENERGY

Nasdaq

Exchange

or



Offtaker

Given price, for a given volume, for a given time period

A new reality

83,50

EUR/
MWh

A new reality

83,50

EUR/

MWh

29,50

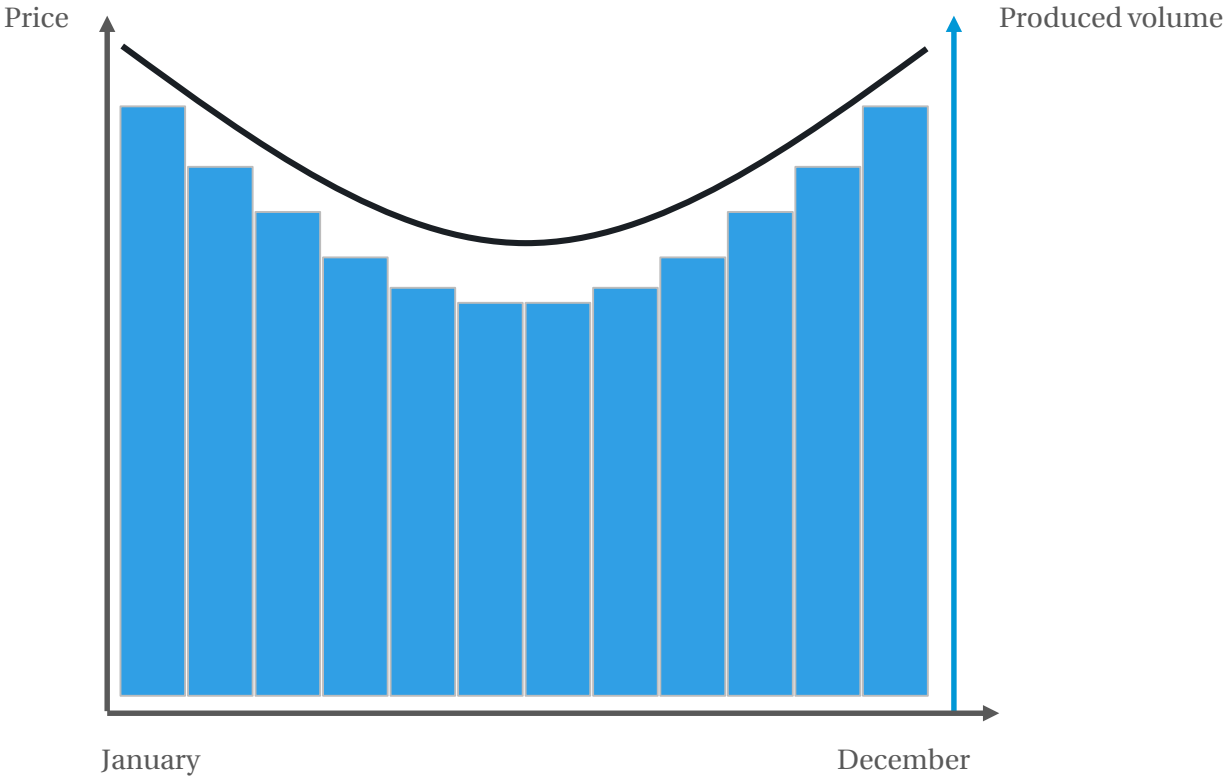
EUR/

MWh

Three components connected to hedged prices

- Seasonal profile compensation
- Volume risk
- Hourly profile risk

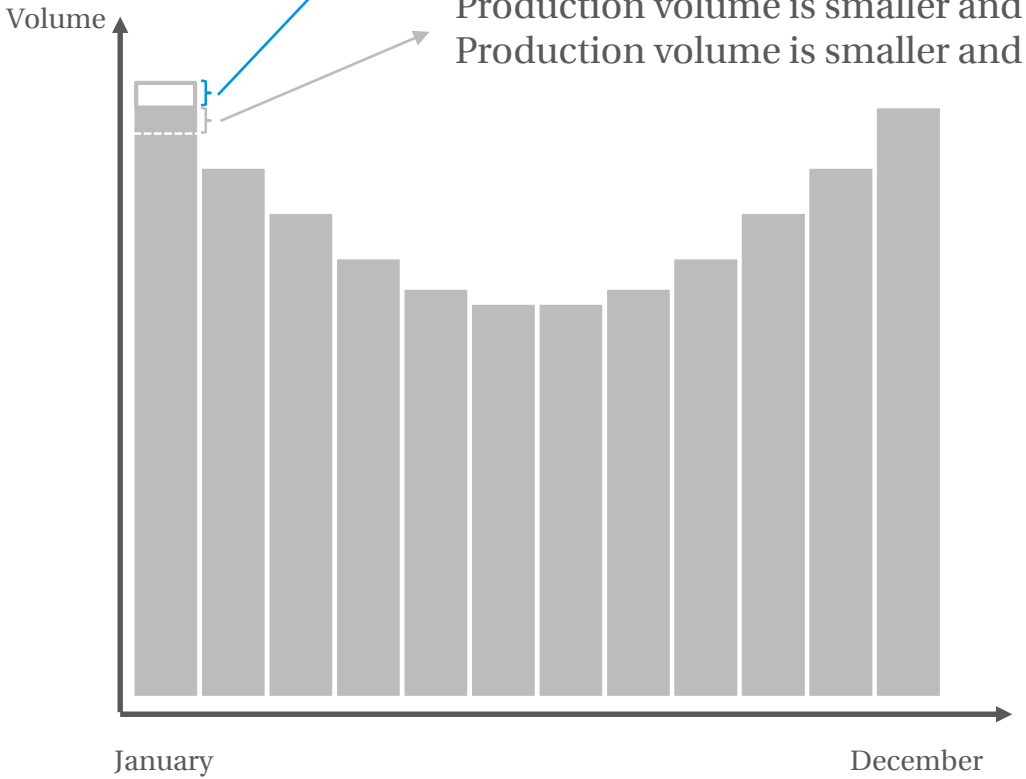
Seasonal profile compensation



Volume risk

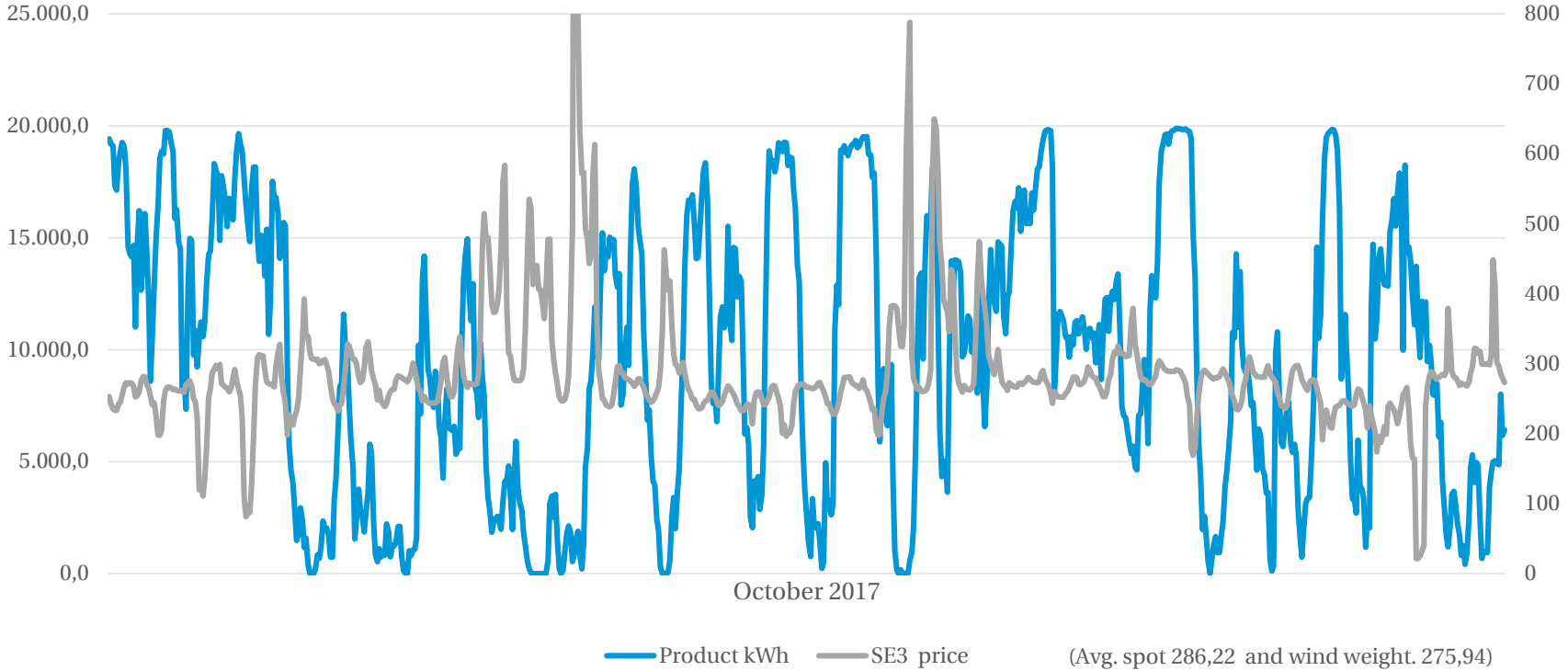
Production volume is larger and spot price is high – gives advantage
Production volume is larger and spot price is low – gives disadvantage

Production volume is smaller and spot price is high – gives disadvantage
Production volume is smaller and spot price is low – gives advantage



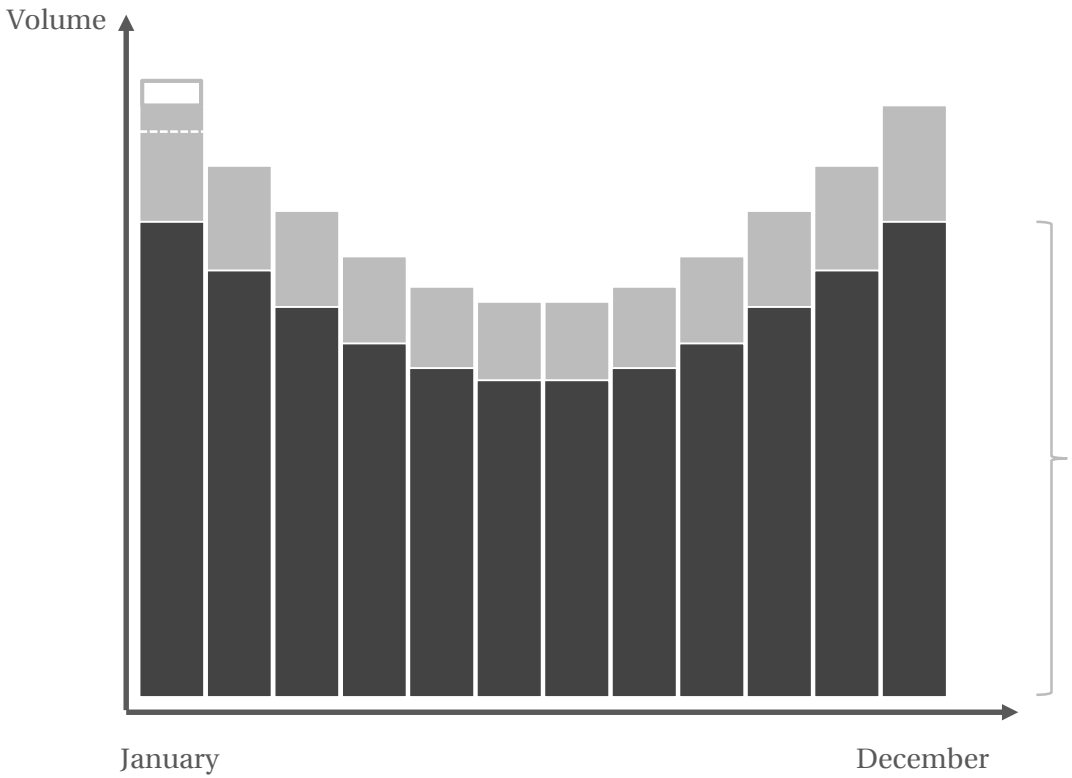
Hourly profile risk - Spot price contra wind production

High wind production gives low spot price and vice versa



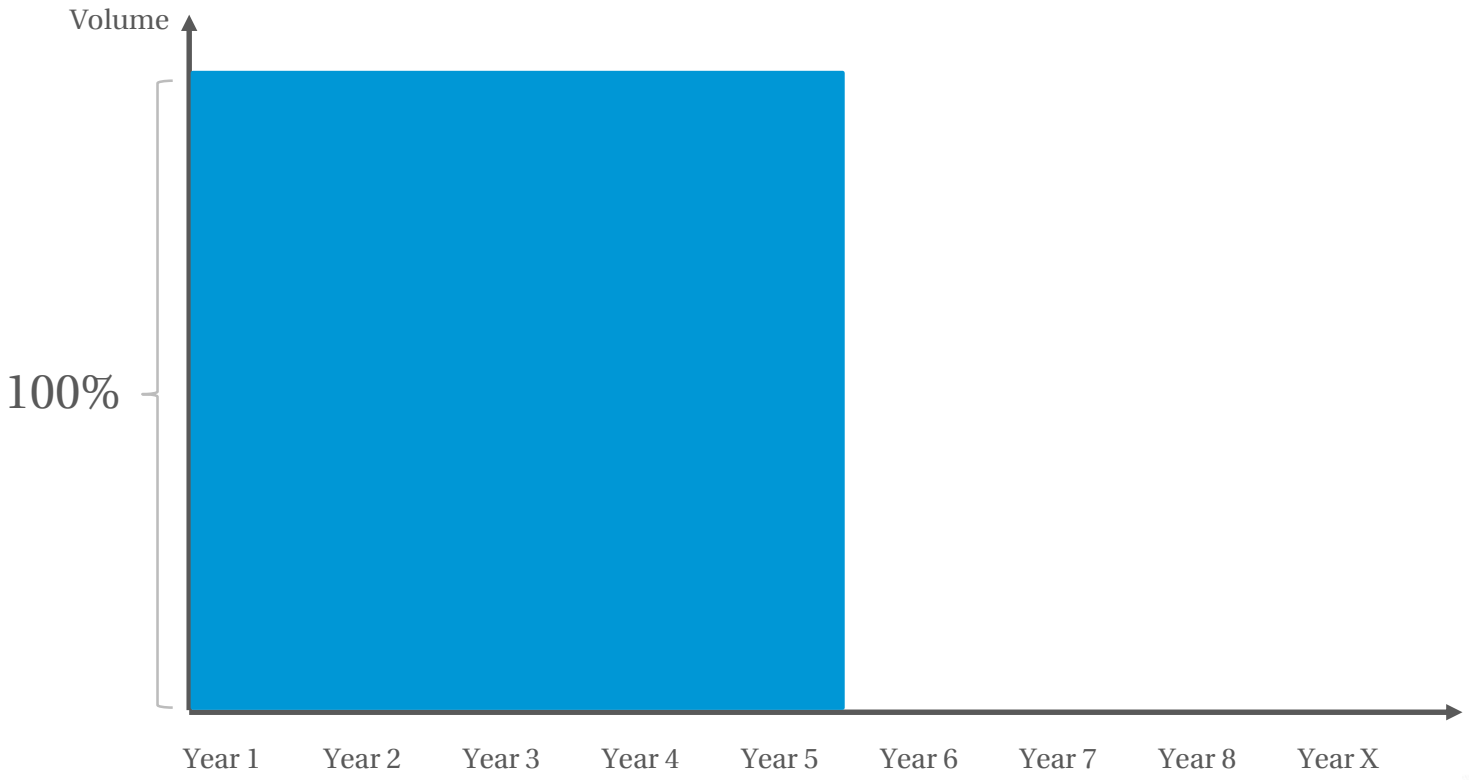
(Avg. spot 286,22 and wind weight. 275,94)

Without volume and hourly profile risk

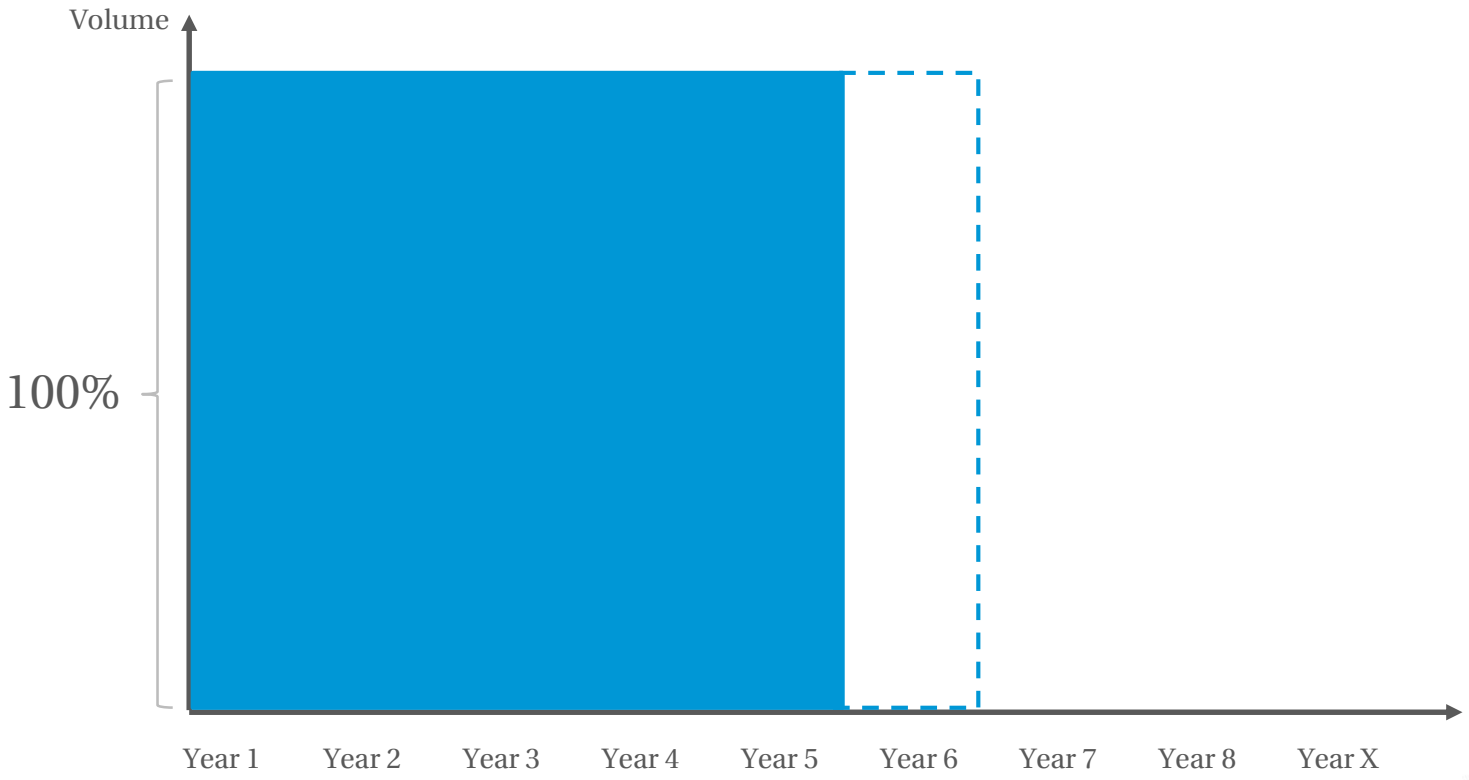


Given price
Given volume
Given time period

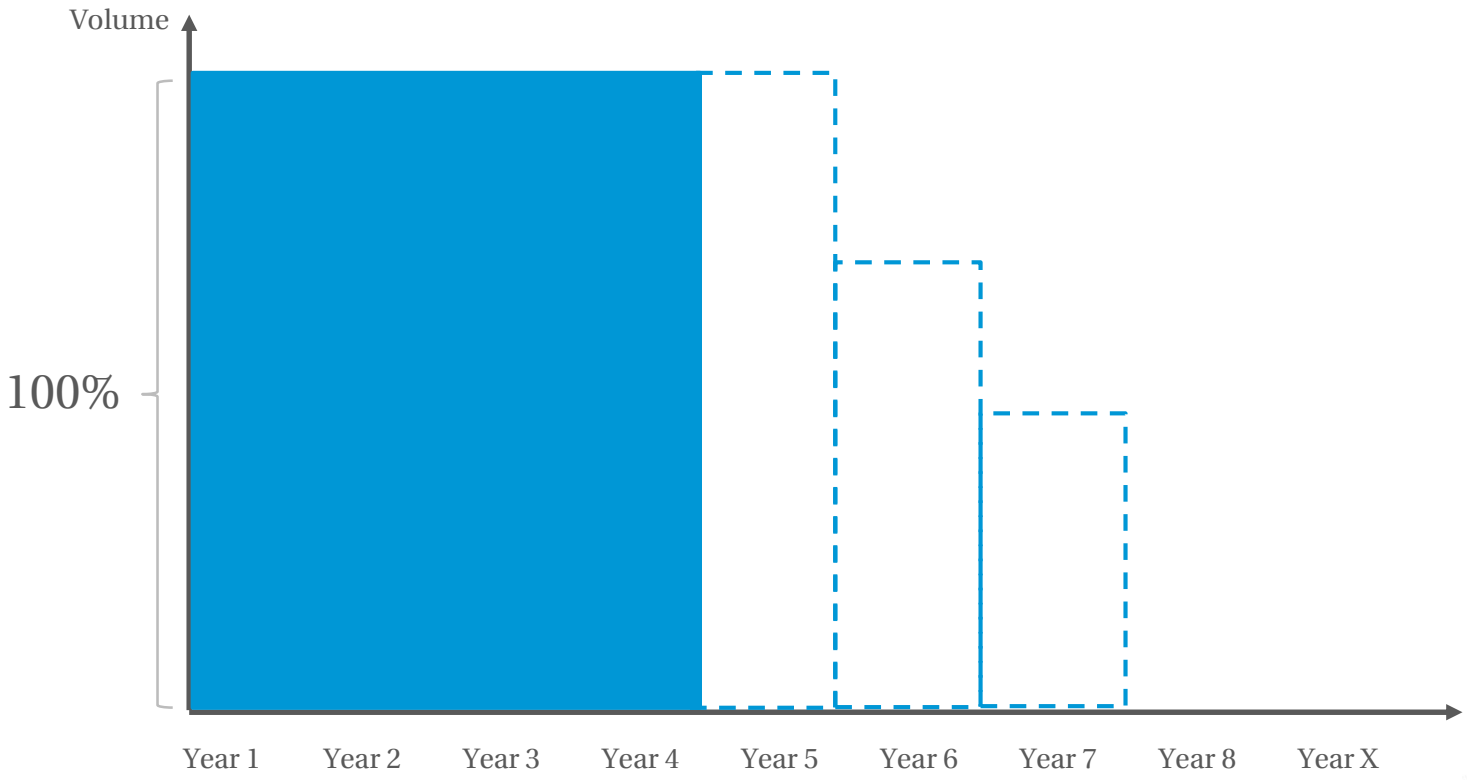
Different structures and strategies



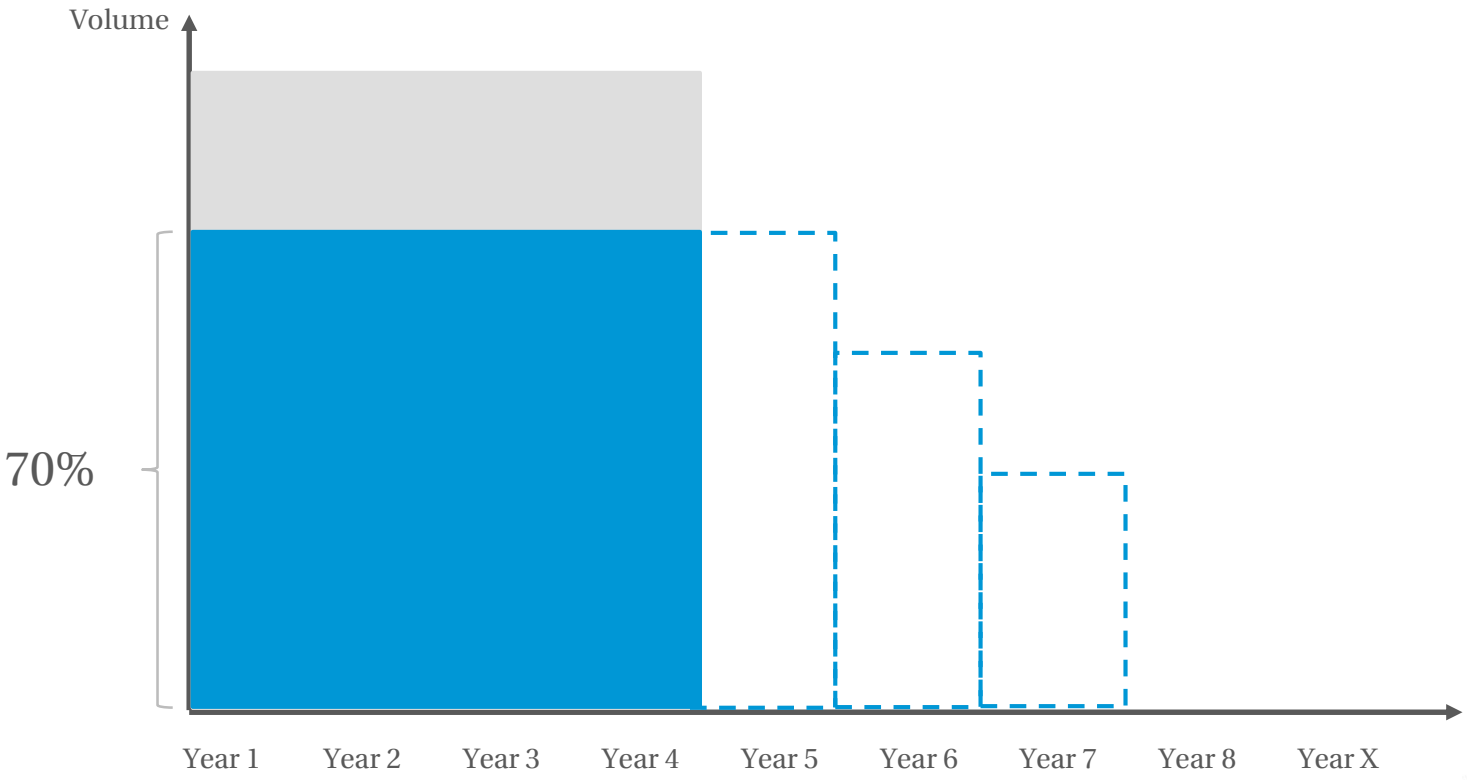
Different structures and strategies



Different structures and strategies



Different structures and strategies



Different structures and strategies

It all depends!!

Risk willingness
Need of secured cash flow
Type of investor
Bank financing
Etc.

Thank you for your attention!

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