

Realising the benefits of energy trading for UK renewable generators

Impact of Electricity Market Reform

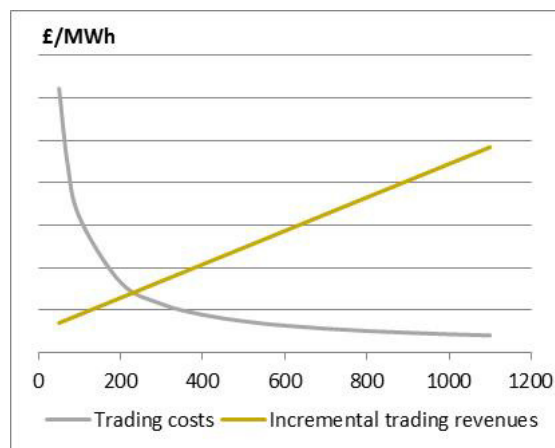
A detailed draft of the Contracts for Difference (CFDs) that the UK Government will offer to renewable generators was published on August 7, 2013. The contracts require generators to achieve a Market Reference Price (MRP). However, barriers to market entry remain high. Directly trading generator output is an alternative route to market and could boost investor returns.

The benefits of energy trading

- Experience from other markets suggests energy trading becomes economic for wind farm portfolios over 100-200MW
- Allows investors to retain control of own assets.
- Incentivises investment in long-term forecast capability.
- Outperformance can increase equity IRR by up to 10%.

How we can help

- Extensive knowledge of Energy Trading and Risk Management (ETRM) business process design, cost benchmarking and system implementation.
- Recent experience of the latest European market trends including UK and Germany.
- Understanding of power prices.
- Expertise in leveraging potential value enhancers, such as system constraints and forward trading strategies.
- Proven track record



Why our clients choose The Advisory House

- Deep market knowledge
- Strong analytical capability
- Commercially-focused execution skills

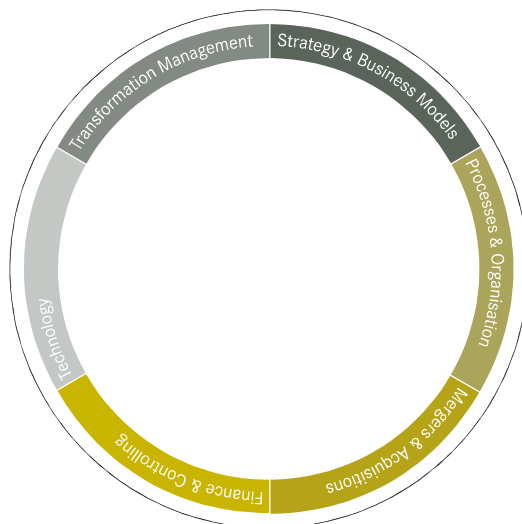
The Advisory House is a leading management consultancy to the European energy sector

Our expertise

The Advisory House supports major European energy companies in mastering their management challenges and demanding transformation processes. Our consultants possess outstanding know-how at all stages of the value chain in the energy industry. Our 80 consultants operate out of five locations across Europe. We focus 100% on the energy industry. Our unique offering to our clients combines business and technical consulting.

Our services

We stand for comprehensive solutions and provide the full set of consulting capabilities needed to implement them. Our services range from Strategy & Business Models, Processes & Organisation, M&A, Finance & Controlling to Technology and Transformation Management. The reason being that the real challenges are never one-dimensional, and business models are ineffective without financial controlling. And successful transformations also require expertise in processes and organisation.



Transformation management

We support clients in defining change processes, stakeholder analysis, change management planning and supervision, change agent network, communication strategy and plan and measuring success

Technology

We develop tailored IT strategies, conceive design and implement integrated management, energy data management systems, energy trading and risk management systems, data warehousing & reporting databases and implement measures to meet legal IT unbundling requirements.

Finance and controlling

We support clients in develop controlling models for strategic and operations management of companies and divisions, develop risk management structures, align value flows with your strategy and business models, financial assessment of investment targets and financing strategies.

Strategy and business models

We support clients in developing innovative and sustainable strategies, functional and cross-sectional strategies, support in their implementation and define control variable.

Process and organisation

We support clients in benchmarking, identify improvement potential (efficiency and effectiveness), calculate process costs and identify savings potential, identifying outsourcing potential and assessing shared service companies.

Mergers & acquisitions

We support clients in executing buy side and sell side M&A processes (pre deal, deal and post deal), financial assessment of target companies, in cooperation with partners, supervise the post merger integration and ensure the smooth transition to a new structure and culture.

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