

# PORTFOLIO AND RISK MANAGEMENT SOLUTIONS FOR THE ENERGY & UTILITIES MARKET

The increasing competitiveness in the energy and gas market means for operators a more complex operation management.

## EFFECTIVE PORTFOLIO MANAGEMENT TO MAXIMIZE PROFITS

In a deregulated market a more and more significant part of the profits of a Utility comes from Source/usage portfolio management, which has to maximize the economic return in the short and long term, keeping the related risk under control.

Thus, similarly to what happened in those countries where competitiveness in the energy industry started before, the operators of the energy industry must implement processes, information systems and operating models which allow them to benefit from the new market scenario.

The key needs and requirements of a Utility become thus:

### **Demand Forecasting**

- By customer/market area /time frame (short/medium/long term).

### **Portfolio Optimization**

- How much and where has to be produced;
- How much has to be bought/sold and on what channels;
- At what prices and with which indexations.

### **Risk monitoring and management**

- Define organization, policies and procedures aimed at managing decisions and transactions;
- Define which products are to be bought /sold;
- Define which contract terms are to be applied /accepted;
- Define how to quantify the risk and value the portfolio.

Power Reply supports the Energy & Utilities operators in Portfolio Management with a team of resources which has acquired a multiyear expertise on this issue collaborating with the main operators of this industry.

## FIELDS

The collaboration scopes aim at meeting the main needs and requirements of the Trading and Risk Management units of a company:

- Demand forecasting;
- Price forecasting ;
- Definition of quantities (buy/sell) to be offered on spot markets;
- Definition of structure and amount of procurement/sale contracts;
- Optimal employment of the available generation capacity;
- Assessment of the net (long/short) position for each of the significant time intervals; with the aim to close or hedge the risk.



Power Reply is the Reply Group company [REY.MI] specialized in the Energy & Utilities industry. Power Reply's mission is to support customer businesses in the process of optimizing IT investments by offering innovative solutions and services oriented toward introducing greater efficiency into processes.

Power Reply is the ideal partner in terms of:

- Value Chain Management
- Process Consulting
- System Integration.

Power Reply professionals:

- have worked successfully for more than ten years in the Energy & Utilities industry where they have led large and complex transformations in the major core areas of this industry (Marketing/CRM, Trading & Risk Management, AMM/AMR, Network Control, etc.);
- combine technology and business skills and expertise to address strategic, organizational, and implementation initiatives throughout the entire industry value chain.