incisivetraining

EnergyRisk

Course highlights:

Effective use of credit value at risk (CVaR) and potential future exposure (PFE)

Examination into key market risk metrics including price at risk (PaR), earnings at risk (EaR) and cash flow at risk (C-faR)

The impact of central clearing on energy trading firms

Best practice scenario analysis and stress testing

How to cope with changes in market liquidity

Integrations between market and credit risk

incisive-training.com/energytrading

Managing market and credit risk in energy trading

London
23 & 24 September 2010

New York
29 & 30 September 2010

EnergyRisk

Managing market and credit risk in energy trading

London
23 & 24 September, 2010

New York
29 & 30 September, 2010

Course Overview

In light of the financial crisis and failures of risk management it is vitally important that energy trading companies look to establish and maintain best practice risk management at both portfolio and enterprise level. With increasing levels of volatility in commodities markets there can be no margin for error.

This highly topical two day seminar will provide practitioners with the necessary tools to measure and manage market and credit risk. Expert tutors will also examine the emerging regulatory environment in Europe and the US and identify how this will impact energy trading companies. Sessions on the key integrations between market and credit risk at portfolio level, as well as assessing the argument for a more holistic approach to risk management within energy trading firms will also be discussed

Venues & accommodation

London

To be confirmed – check website for details

New York

To be confirmed – check website for details

Learning outcomes

By the end of the course you will gain a deeper understanding of how to measure and manage market and credit risk through various metrics and risk management tools. You will also gain an insight into how the changing regulatory landscape will impact the day to day work of practitioners, as well as methods to cope with changes in market liquidity.

Specifically you will receive knowledge about:

— **How to conduct PFE and cVaR calculations**
— **The process of constructing a liquidity VaR model**
— **How market movements can impact a counterparty's credit quality**
— **The role of scenario analysis in market risk management**
— **How stress testing supplements other risk metrics**
— **Impact of OTC derivative regulatory reforms on hedging**

Who should attend?

This course has been designed for energy trading firms as well as investment banks with commodities trading desks. It's particularly relevant for the following areas:

— **Market risk**
— **Credit risk**
— **Liquidity risk**
— **Operational risk**
— **Compliance**
— **Quantitative analysis**
— **Risk modelling**
— **Risk controlling**
— **Portfolio risk**

Book now

call— +44 0870 240 8859/ +1 (212) 457 7789
email— traininginfo@incisivemedia.com
web— incisive-training.com/energytrading

incisivetraining

Managing market and credit risk in energy trading

London
23 & 24 September, 2010
New York
29 & 30 September, 2010

Course tutors:

London

Jay Lindgren
Managing Consultant, PA CONSULTING

Charles Breeden
Managing Consultant, PA CONSULTING

Christophe Idareci
Credit Risk Manager, RWE TRADING

Nick Perry
Former board member at Enron Europe Ltd, PERRY ENERGY SERVICES LTD

Karl-Peter Horstmann
Market Design and Regulatory Affairs, RWE TRADING

Tony West
Director of Business Consulting, SAPIENT

Robert Dykstra
Principle Consultant, LACIMA GROUP

Sunilkumar Ramakrishnan
Senior Manager, Trading and Risk Management, SAPIENT

New York

Charles Breeden
Managing Consultant, PA CONSULTING

Jay Lindgren
Consultant, PA CONSULTING

Annoop Kapoor
Director, Commodity Risk Management, FIRST ENERGY CORPORATION

Michael Carter
Director, Credit Risk, EDF ENERGY

Howard Friedman
Senior Manager, DELOITTE & TOUCHE LLP

Bill Hederman
Energy Analyst, DELOITTE & TOUCHE LLP

Ehud Ronn
Lead Modeller, Commodities, MORGAN STANLEY

Brian O'Neil
Risk Management and Hedge Strategy, ECO RISK MARKETS LLC

Randy Wilson
Renewables and Sustainability Strategy, ECO RISK MARKETS LLC

Book now

call— +44 0870 240 8859/ +1 (212) 457 7789
email— traininginfo@incisivemedia.com
web— incisive-training.com/energytrading

Can't find what you're looking for?

Incisive Training values our delegate feedback and is always looking for new ideas and suggestions for interesting topics you would like to see produced as a training course. If you would like to submit a subject area or have a topic you would like to see covered at one of our training events please contact Agnes Mkpet on agnes.mkpeti@incisivemedia.com

incisivetraining

Coming up in September 2010

energy risk

Generation asset analytics and risk management
New York 16 & 17 September 2010
London 21 & 22 September 2010
www.incisive-training.com/generationasset

Managing longevity risk
London 6 & 7 September 2010
www.incisive-training.com/longevity

Impact of regulatory reform on clearing and settling OTC derivatives
London 8 & 9 September 2010
New York 15 & 16 September 2010
www.incisive-training.com/otcderivatives

Managing liquidity risk
London 9 & 10 September 2010
www.incisive-training.com/liquidity

EnergyRisk

Managing market and credit risk in energy trading

London
23 & 24 September, 2010

New York
29 & 30 September, 2010

London — Thursday 23 September, 2010

Day 1

0830 — Registration and coffee

0900 — **Alternative metrics to VaR in energy market risk measurement**
- Why measure risk? What is risk used for in managing value and growth potential in a company
- What measures are available and what do they provide?
  - What are the differences between value based and cash flow based metrics
  - Value based risk types and their pros and cons
  - Cash flow based risk types and their uses
- Different risk measures for different situations – it all depends what is being measured.
- Extending the use of risk measurement to add value
- So is it a question of company type or of what is being measured?

Tutor **Robert Dykstra, Principle Consultant, LACIMA GROUP**

1030 — Morning break

1100 — **Scenario analysis and stress testing as tools to manage market risk**
- Formal role of stress testing as required in best practices
- Recent developments from the financial crisis 2007-2010
- How stress testing supplements other risk metrics
- Managing paradigm-shifts: recent examples in energy
- Stress testing and extreme value theory
- Principles for devising stress tests
- Examples of vital stress tests for current market conditions
- Role of scenario analysis in risk management
- Structured approach to scenario development

Tutor **Nick Perry, Former board member at Enron Europe Ltd, PERRY ENERGY SERVICES LTD**

1230 — Lunch

1330 — **Coping with changes in market liquidity**
- Examining key factors which affect market liquidity in energy markets
- Assessing what risks are present and their cost to energy trading firms
- Identifying how to estimate market liquidity
- Step by step process to constructing a liquidity VaR model

Tutor **To be confirmed, please check website for update**

1500 — Afternoon break

1530 — **Valuable tools to assess credit exposure**
- Business need for PFE and CVaR
- Contract basics for collateral and margining
- Stochastic treatment of prices
- Netting groups
- Credit VaR and Potential Future Exposure (PFE)
- Collateral at Risk
- Case studies

Tutors **Jay Lindgren, Managing Consultant, PA CONSULTING**
Charles Breeden, Managing Consultant, PA CONSULTING

1700 — End of day one

London — Friday 24 September, 2010

Day 2

0830 — Registration and breakfast

0900 — **Analysing credit worthiness: a best practice model**
- Relevant information by type of trading entities
- Analysing internal and external ratings
- Approval structures
- Contractual mitigation
- Monitoring the risks over the life of a contract

Tutor **Christophe Idareci, Credit Risk Manager, RWE TRADING**

1030 — Morning break

1100 — **The changing regulatory landscape and the impact on risk management practitioners**
- Analysing the proposed CFTC position limits
- The practicalities of mandatory exchange trading and central clearing
- Assessing the impact of increased capital and collateral requirements
- Advantages and disadvantages
  - Trade repositories
  - Central clearing
- Impact on "end users" and examining exemptions from clearing
- Painting a picture of the overall impact on market and credit risk management practitioners

Tutor **Karl-Peter Horstmann, Market Design and Regulatory Affairs, RWE TRADING**

1230 — Lunch

1330 — **Analysing significant integrations between market and credit risk**
- The key elements of integrated market and credit risk analysis
- The integration of credit (CVaR) and market (VaR)
- Stress testing collateral on instruments exposed to market risk
- Impact of market risk movements on a counterparty's credit quality
- The role of liquidity in market and credit analysis
- Consolidating market and credit risk management on a day to day basis

Tutor **To be confirmed, please check website for update**

1500 — Afternoon break

1530 — **Moving towards a consolidated approach to managing risk**
- Why is there need for a consolidated approach?
- Learning lessons from the financial crisis and risk management failures
- Incorporating new market ,credit and liquidity risk management measures
- Why operational risk must be addressed
- Constructing an enterprise wide risk management framework

Tutors **Tony West, Director of Business Consulting, SAPIENT**
Sunilkumar Ramakrishnan, Senior Manager, Trading and Risk Management, SAPIENT

1700 — Close of seminar

New York Wednesday 29 September, 2010

Day 1

0830 Registration and coffee

0900 **Scenario analysis and stress testing as tools to manage market risk**
- Formal role of stress testing as a best practice:
  - Supplements to other risk metrics
  - Enterprise risk concerns
  - Integration of credit and market risks
- Post-crisis updates to stress-testing practices:
  - On- and off-balance sheet risks,
  - Market impacts on firm liquidity
  - Extreme value theory
- Stress-testing principles:
  - Construction
  - Frequency and distribution
  - Back-testing
  - Managing paradigm shifts
- Structured approach to scenario development:
  - Defining risks
  - Integration with financial statement metrics
  - Case study

Tutor **Brian O'Neil, Risk Management and Hedge Strategy, ECO RISK MARKETS LLC**

1030 Morning break

1100 **Coping with changes in market liquidity**
- Factors contributing to market liquidity
- Anticipated Dodd-Frank effects
- Liquidity risk and related costs
- SFAS-157 implications
- Counterparty credit implications
- Estimating liquidity and managing liquidity risks

Tutor **Randy Wilson, Renewables and Sustainability Strategy, ECO RISK MARKETS LLC**

1230 Lunch

1330 **Developing a risk management strategy at the corporate level**
- Hedging a short physical position with futures or options
- Definition of earnings for corporations short or long energy-price exposure
- Applying the market price of risk to futures contracts
- Implementing a corporate-level price risk management policy using futures or options
- Extensions: multi-period analysis; using average options as hedging vehicles; mark-to-market of futures contracts; implementing dynamic (in addition to static) trading opportunities

Tutor **Ehud Ronn, Lead Modeller, Commodities, MORGAN STANLEY**

1500 Afternoon break

1530 **Alternative metrics to VaR in energy market risk measurement**
- Price at Risk (PaR)
  - The difference between VaR and PaR
  - The role of PaR in managing liquidity and volume risk
  - Best practice method of calculating PaR
  - Case study: PaR in practice
- Earnings at Risk (EaR)
  - Why energy trading firms are using the EaR approach
  - Best practice method of calculating EaR
  - Case study: EaR in practice
- Cash flow at Risk (C-far)
  - Who should use C-far?
  - Comparing C-far and VaR
  - Step by step process calculating C-far
  - Case study: C-far in practice
- Assessing the limitations of VaR in energy trading

Tutor **To be confirmed, please check website for update**

1700 End of day one

New York Thursday 30 September, 2010

Day 2

0830 Registration and breakfast

0900 **Valuable tools to assess credit exposure**
- Business need for PFE and CVaR
- Contract basics for collateral and margining
- Stochastic treatment of prices
- Netting groups
- Credit VaR and Potential Future Exposure (PFE)
- Collateral at Risk
- Case studies

Tutors **Jay Lindgren, Managing Consultant, PA CONSULTING**
Charles Breeden, Managing Consultant, PA CONSULTING

1030 Morning break

1100 **Analysing credit worthiness: a best practice model**
- Risk transition and emergence of counterparty risk
- Price volatility driving the risk
- Assessment of counterparties and rankings
- Managing the risk using various documents
- Monitoring
- Use of credit grids
- Material adverse clause: the double-edged Sword
- Quantifying the risk of a default
- Cost/benefit analysis of good credit

Tutor **Annoop Kapoor, Director, Commodity Risk Management, FIRST ENERGY CORPORATION**

1230 Lunch

1330 **The changing regulatory landscape and its impact on risk managers**
- Analysing the proposed CFTC position limits
- The practicalities of mandatory exchange trading and central clearing
- Assessing the impact of increased capital and collateral requirements
- Advantages and disadvantages
  - Trade repositories
  - Central clearing
- Impact on "end users" and examining exemptions from clearing
- Painting a picture of the overall impact on market and credit risk management practitioners

Tutors **Howard Friedman, Senior Manager, DELOITTE & TOUCHE LLP**
Bill Hederman, Energy Analyst, DELOITTE & TOUCHE LLP

1500 Afternoon break

1530 **Towards a holistic approach to energy risk management: a practitioners view**
- Preventing leakage of profits in your growing pool of transactions
- Managing the dangers of an efficient market
- Profitably trading against contract terms
- Trader's nightmare: deal level risk attribution

Tutor **Michael Carter, Director, Credit Risk, EDF ENERGY**

1700 Close of seminar

EnergyRisk

Managing market and credit risk in energy trading

Registration & payment details

I would like to book:

Price (2010)	Early Bird (before 20 August)	Standard (after 20 August)
New York	**$3654.15** ☐	**$4299** ☐
London	**£2124.15*** ☐	**£2499*** ☐

Energy Risk Subscribers save 20%. **Please add your subscriber number here:**

*Price excludes VAT @17.5%

(Discounts cannot be combined)

London – 4356/10
New York – 4357/10

Please complete the form below in BLOCK CAPITALS.

Email

Title First name

Family name

Job title / Position

Department

Company

Address

City

Post/zipcode Country

Telephone (direct)

Telephone (main)

Fax

Approving manager

Training manager

Please note that payment must be received prior to the start of the event. **A pro-forma invoice will be forwarded to you automatically should you not provide details with your booking.**

☐ I have enclosed a cheque made payable to Incisive Financial Publishing Ltd.

Please debit my:

☐ Amex ☐ Visa ☐ Mastercard ☐ Maestro – Issue number

Card no:

Expiry date CVS

Account address if different from above

Signature

Date

Incisive Financial Publishing Ltd. VAT No: GB 7569 78165 For companies in EU member states only.

Please write your VAT/TVA/BTW/IVA/ MCMS/MWST/FPA number here:

Payment is required prior to the event. If you require an invoice please inform us stating whether you need an original or a fax copy. We accept company cheques, credit cards and bank transfers. Please allow a minimum of seven working days for a bank transfer to reach us and phone or fax us when it has been sent. Please state the event name and delegate name to which it relates.

Book now

call— +44 0870 240 8859/ +1 (212) 457 7789
email— traininginfo@incisivemedia.com
fax— +44 (0)20 7504 3730/ +1 646 417 7705
web— incisive-training.com/energytrading

Managing market and credit risk in energy trading

Your fee

Your registration fee includes breakfast, lunch and refreshments and your documentation pack. Book online or fax the completed form with your credit card details, or follow up the provisional reservation with a cheque made payable to Incisive Financial Publishing Ltd. In order that we process your registration with maximum efficiency, we request that a copy of this booking form accompanies your payment.

Subscriptions

If you currently don't subscribe to Energy Risk Magazine please contact **mary-anne.edmonds@incisivemedia.com** for more information

Accommodation

Please see website for more information

Customer Services

London Office

mail — Conference Administration, Incisive Media, Haymarket House, 28-29 Haymarket, London, SW1Y 4RX, UK

call— +44 (0)870 240 8859
fax— +44 (0)20 7504 3730
email— conf@incisivemedia.com

US & Canada Office

mail — Conference Administration, Incisive RWG, 120 Broadway, 5th Floor, New York, NY 10271, USA

call— +1 (212) 457 9400
fax— +1 (646) 417 7705
email— conf@incisivemedia.com

Cancellation: A refund (less 10% administration fee) will be made if notice of cancellation is received in writing three weeks before the event. We regret that no refunds can be given after this period. A substitute delegate is always welcome at no extra charge.

Disclaimer: The programme may change due to unforeseen circumstances, and Incisive Media reserves the right to alter the venue and/or speakers. Incisive Media accepts no responsibility for any loss or damage to property belonging to, nor for any personal injury incurred by, attendees at our conferences, whether within the conference venue or otherwise. *All discounts must be redeemed when booking, discounts will not be valid or applied after this time. Incisive Financial Publishing Ltd reserve the right to decline any discount offers and this offer cannot be used in conjunction with any other offer.

Incorrect mailing, data protection: If any of the details on the mailing label are incorrect, please return the brochure to our database administrator at Incisive Media so that we can update our records and ensure that future mailings are correct. Please find our mailing address and fax details above.

By registering for this training course, Incisive Media* will send you further information relating to this event. In addition we will send you information about our other relevant products and services which we believe will be of interest to you. If you do not wish to receive other relevant information from Incisive Media via a particular medium please tick the following relevant boxes: Mail ☐ Phone ☐ Fax ☐ Email ☐. Incisive Media will also allow carefully selected third parties to contact you about their products and services. If you do not wish to receive information from third parties via any of the following media please tick the relevant boxes: Mail ☐ Phone ☐ Please tick if you are happy to receive relevant information from carefully selected third parties by Email ☐ and Fax ☐. Please remember that if you choose not to receive other literature you may miss out on some exclusive offers.
*For a list of companies included in Incisive Media please see our website – www.incisivemedia.com/dataprotection