

e-Price Energy Pricing & Offer Management

The PriceHub Suite

We are a specialized software house based in Mannheim, Germany.

Our flagship product, the **PRICEHUB** Suite, is an integrated set of tools that sits alongside your ETRM systems to fill in some of the critical gaps that exist in most mainstream systems.

Each **PRICEHUB** module addresses a specific challenge around:

- ▶ Price Forward Curves
- ▶ Price Data Management
- ▶ Compliance & Regulatory Reporting
- ▶ Intraday Optimization & Trading
- ▶ Scheduling & Nomination
- ▶ Interfacing to Exchanges and Brokers
- ▶ Risk & Valuation

Your Advantages



Risk Based Pricing



Portfolio Effect



Automated Processing



Optimal Hedge Advice

e-Price : Transparent Pricing and Offer Management

Given the nature of the market, non standard Energy contracts are the norm rather than an exception. Any organization with Generation and/or Sales assets needs to price such contracts everyday, either for internal customers or against requests from the market. However users often face the following challenges:

- ▶ *The Organized Market trades mainly in Standard Products only.*
- ▶ *Back-to-Back Hedging is not always possible. Instead hedged using Standard Products.*
- ▶ *Contracts are Individually Priced. Portfolio Effect is missing from the equation.*
- ▶ *Overall impact on Portfolio Risk remains un-quantified.*
- ▶ *Limited connection to the Customers. Offline communication via e-mails or telephone.*
- ▶ *No searchable database of historic Offers and Orders.*
- ▶ *Several manual steps involved in moving the Offer information to the ETRM system, in case of Order.*

Our experience over the years has been that a robust model based Pricing Engine is still not a common sight. Neither a systematic pricing model, nor a mechanism for managing the whole process exists. Most energy companies still use in-house Excel based tools for pricing and Offer management.

Bearing that in mind, we have developed **e-Price** which addresses these two basic issues at the fundamental level. Essentially the key features of **e-Price** that set it apart are:

- ▶ **An Incremental Risk based Pricing Model**
- ▶ **Offer Fixed, Index, Tranche, Limit Prices**
- ▶ **Order in Vertical and Horizontal Tranches**
- ▶ **Re-price and Update Offer on Market Price Changes.**
- ▶ **Flexible Load Forecasting functionality**
- ▶ **An Integrated Pricing Workflow** aligned to mimic operational processes
- ▶ **A transparent Offer Management platform.**
- ▶ **Customer Web Interface** for requesting Offers and **Managing Responses**
- ▶ **Detailed Hedge Advice** based on Market Liquidity and lot size.
- ▶ **Scheduled Automated Pricing**
- ▶ **Define and re-price Standard Profiles** at regular intervals.
- ▶ **Notifications** by e-Mail at every important step
- ▶ **Offers and Orders** are managed in one easily **searchable** database.

PriceHub e-Price : Unlimited Possibilities to Offer

e-Price is a complete Pricing platform that facilitates a seamless workflow between the Customer and you. It links your Portfolio data, Forward Curves and the Customer data to build a comprehensive pricing process around an easily searchable database. **e-Price** also has an integrated platform for managing Offers and Customer communication via a web portal. Here clients can upload their requests directly and also receive and confirm offers.

e-Price uses complex algorithms to evaluate the Risk Premia. The key risk element, **Price Structure Risk** is estimated by calculating the incremental VaR of your overall Portfolio by considering how well the incoming profile fits in, to form liquid standard products that can be hedged in the market. The advantage of the **Portfolio Effect** is reflected in the pricing.

- ▶ Use real time Bid or Ask **Forward Curves**, for Energy Cost calculations.
- ▶ Optimal **Volumetric** or **Financial Hedging** based on Market Liquidity and lot size.
- ▶ **Incremental VaR** used for evaluating the true impact on Overall Risk.
- ▶ **Transparent** and well defined Pricing Rules. Repeatable results.
- ▶ Portfolio Position updated at regular intervals, or ad-hoc by user.
- ▶ Configurable globally defined **Risk Parameters**.
- ▶ All data is stored centrally and available for review and **Audit**.
- ▶ If required, client's Pricing model can be integrated.
- ▶ **Web interface** – allows clients to price contracts directly.
- ▶ Integrated into your corporate website with similar Look & Feel.
- ▶ Data upload possible in multiple **formats**. No transformation required.
- ▶ Portfolio Managers observe and intervene, if required. **Limits** based hand-brake.
- ▶ Medium for offering **Value Added Services** – Advisory and Operational Indicators.



Our References



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“We are using PriceHub since more than 8 years now, and are extremely pleased with the choices we made.”

Jens-Uwe Schlötel, Head of IT
Syneco Trading GmbH, Germany



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