



£900k
Annual power production revenue

18.8%
Traded price benefit against competitor

Case study: Renewable Energy Generator

Background

With a multidiscipline agricultural background, a decision was made by this family business to diversify and invest in an on-site biogas CHP facility, coming online in 2014. Following previous working relations, the generator turned to Optimised Energy to optimise revenues from their exported power from Q2-16. Additionally, Optimised Energy manage the generation subsidy element, ensuring compliance and prompt payment to avoid impacting cash flows.

Challenge

Taking responsibility for selling the exported power coincided with a record low market, as power and gas followed a plummeting oil price downwards. Our remit was to achieve the highest price possible, without being over exposed to index and spot markets which were deemed too risky by the generator based on our assessment of market volatility at the time.

Quick Facts

- Biogas CHP technology
- Traded PPA export contract established
- Traded performance above market average at £50/MWh
- Additional benefit from peak trading strategy and embedded benefits
- RHI and FIT subsidy schemes to coordinate

[See the solution overleaf](#)

Solution

Given the low markets, our advice was to avoid any long-term price commitment. With a suitable consistent export profile, a short-term traded contract was recommended. Considering the client's risk appetite, a semi-aggressive trading strategy was adapted, resulting in a combination of price certainty and proactive trading to achieve as high a price as possible without taking on too much exposure. Index and spot markets would be continuously monitored with nominated volumes being strategically proportioned.

Results

As the market entered a bullish run throughout the summer of 2016, opting for the short-term traded contract proved to be the correct decision.

After a tricky initial trading period, our trading team took advantage of market volatility where possible.

Following the extension of the contract, we caught the market at record highs, executing Summer-17 baseload trades in excess of £50/MWh.

Our on-going approach will continue to seek the best available market prices while protecting against sustained market falls.

Summary

Technology	Anaerobic Digestion (CHP)
Subsidy Scheme (power)	Feed-in Tarriffs
Contract Term	01/04/16 - 30/09/19
Annual Generation	4.3 GWh

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