



## Internship Proposal: Development of a new product offer indexed to electricity market future prices

### Background

irex Consulting is a straightforward business engineering consultancy specialized in the energy & utility sectors. We are experts in tackling operational business challenges across the entire value chain – production, sourcing & trading, grids, and supply.

### Assignment

Nowadays, energy suppliers tend to offer their customers a wide range of product offers to suit their particular needs and risk aversion. It goes from the safety of the fixed price offer, to more opportunistic product like the hourly variable price. In between, suppliers can define any price formula they want to mitigate risks either for the customer or for themselves.

The aim of this internship will be to define, analyse and implement a new product using a price formula based on future market prices evolutions. First, the product specifics and formula will be defined after a short market analysis phase. Then, during the analysis phase we will describe the several financial risks related to the new product and how these are split between consumer and supplier, but also the best hedging strategy to cover this kind of product. Finally, the new product will be implemented in our internal pricing software which is currently used by several of our customers.

This project is challenging and therefore requires a highly motivated student, eager to learn about the energy market and risk management, and willing to work on a real life project which will eventually be implemented.

### Objectives

- Market analysis of the product portfolio of several energy suppliers
- Definition of a new product formula
- Risk analysis of the new product & hedging strategy
- Support implementation of the new product in an internal software

### Preparation Material

- Example of product portfolio (FR/NL): <https://b2b.eoly.be/fr/page/offres-pour-les-entreprises>
- Information about Endex market prices (long term): <http://data.theice.com/>
- General information about energy markets in Belgium: <https://www.vreg.be/en/energy-market>

**Schedule** Beginning of July -- End of August

### Supervisor

Arthur Leveau (Master in Energy Engineering from the UCLouvain promo 2016)

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