

The complicated life of traders in contemporary energy markets

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MYTILINEOS
Energy & Metals



The current "Target Model" era...

...human traders still prevail but big data driven decisions is the key



What did the TM bring into the lives of energy traders?

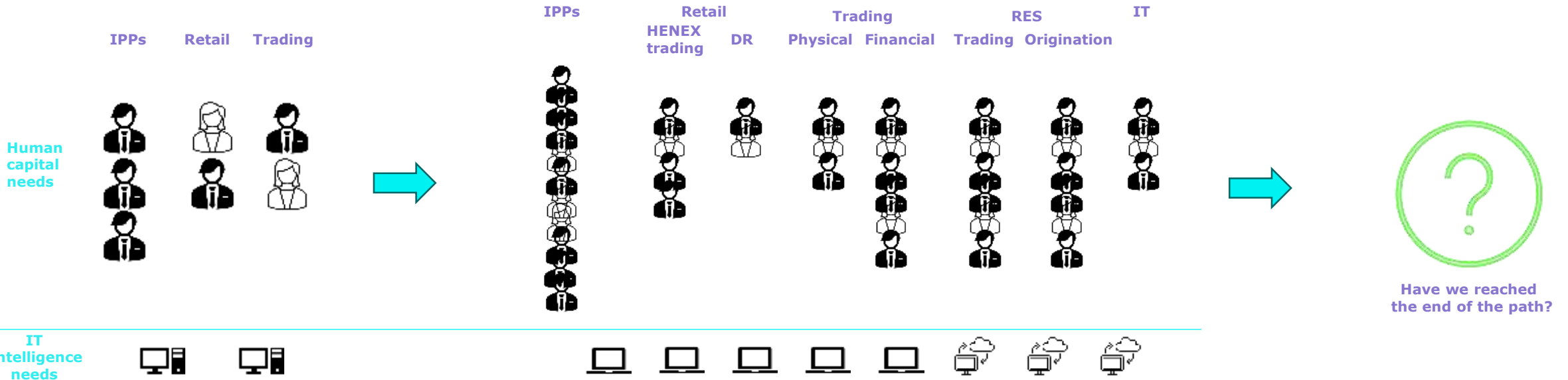
- **New markets and products** → **new opportunities and risks**
- Need for horizontal and vertical expansion of trading desks:
 - Horizontal → New activities
 - Vertical → New markets
- A data and analytics revolution → needs for investments in the development of new algorithms and personnel who develop them

Pre Target model	Target Model
1 market for energy and reserves	1 DA market, 3 intraday auctions, XBID ex-ante (ISP) & real-time BM
1 key deadline	5 key deadlines per day + continuous trading
Explicit auctions in I/C	Implicit coupling with IBEX and IT/SUD and indirectly with the whole continent
Trading ended at 12:30	24/7 trading never stops!

Pre target model

"Target model"

Trading desk of the Future

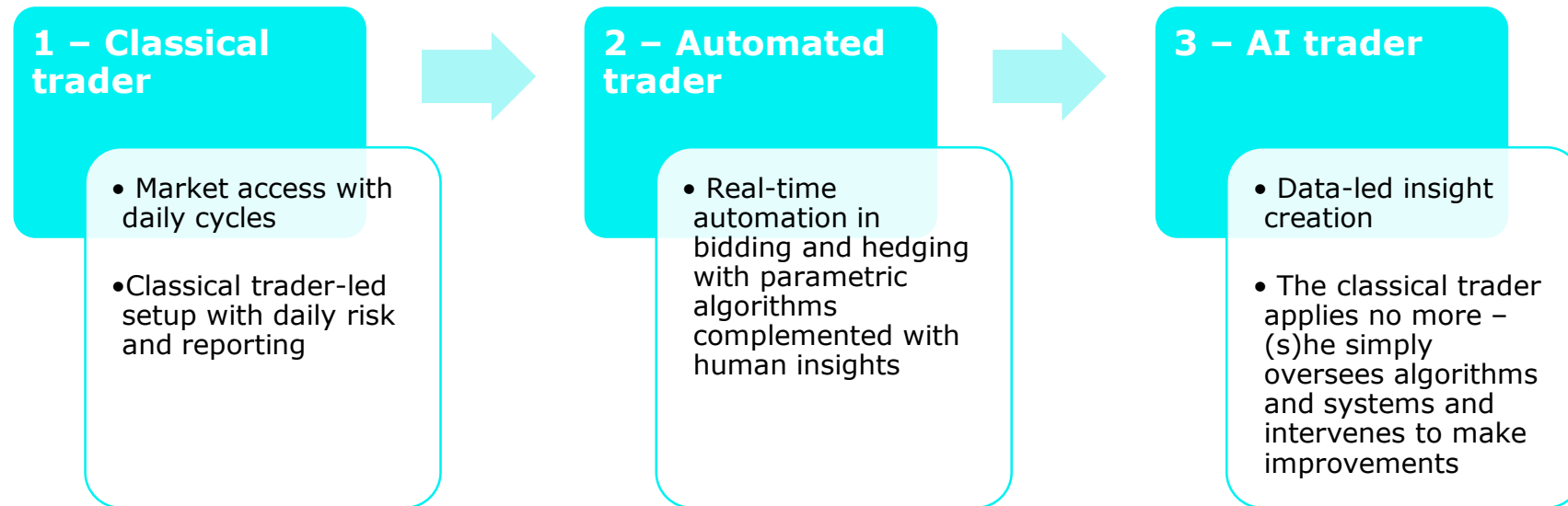


The era of high RES, digitalization and AI...

...machines take the lead in trading... humans develop algorithms and observe their performance



Machines leave behind the role of “supporter” and become the “leader” in trading
Humans do not execute, they provide insights



Key enablers for being competitive in the future

Technology and digitalization

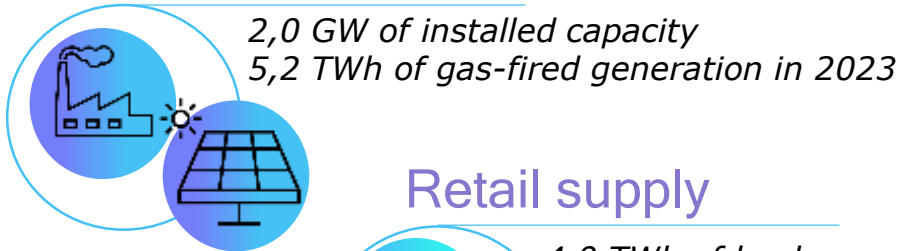
- Tech enabled to handle vast loads of data
- Invest in data analytics to capture variability of markets (e.g. very short-term weather forecasting)

Human capital

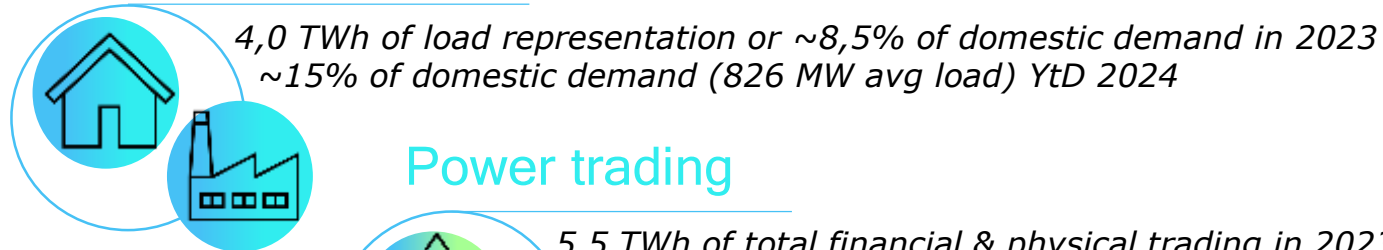
- Augment teams with experts in various markets and geographies
- Empower team with new capabilities (advanced analytics, ML & AI, compliance)

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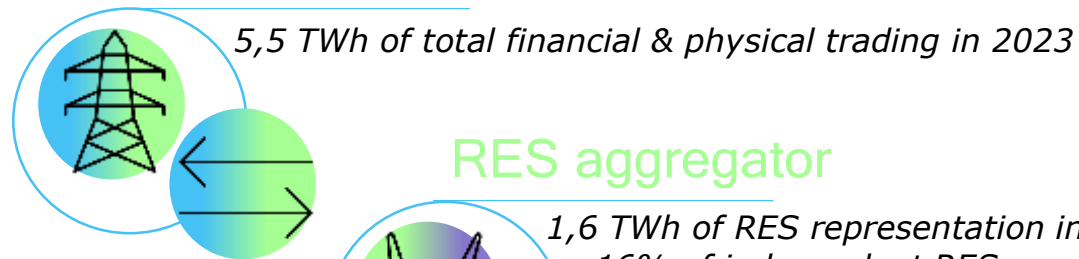
Thermal assets



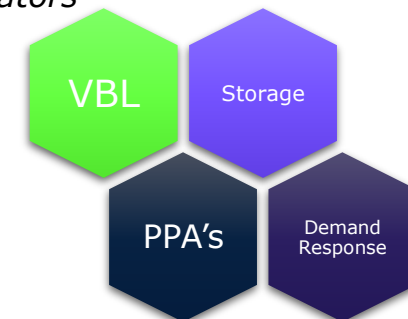
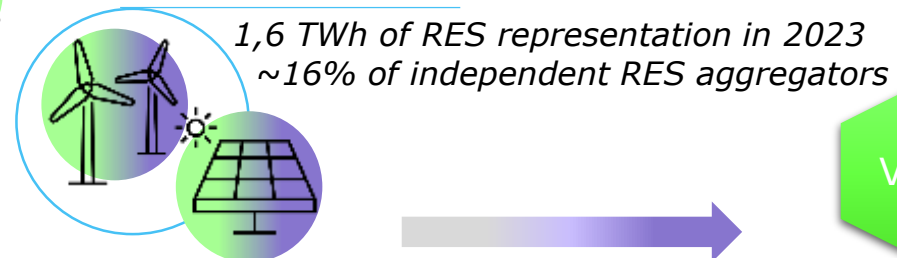
Retail supply



Power trading



RES aggregator



What do we need from NEMOs, TSOs, regulators and governments

...in order to improve our efficiency



More products and opportunities to trade closer to real-time

More liquid markets, that are interconnected with key European hubs

Long-term auctions for PTRs to allow long-term hedging solutions via interconnected markets

Support to provide viability of flexible assets, necessary for system adequacy

Transparency and effective monitoring of the markets – clarity on REMIT regulation

Last but not least!
Less interventions to provide a stable environment for new investments!