

## ECM News

ECM

### How profit and losses in energy sector are created - EnergyNext in ECM

20.01.2013



Energy Conversion and Management (ECM) students experienced on 18<sup>th</sup> and 19<sup>th</sup> of January the web-based simulation game Energynext, where student acted in many roles in the energy market.

They run as utilities a fleet of power plants, did trading. Permanently they had to take decisions: how to develop the company's power plant fleet, how to act in the energy exchange, how to negotiate with government and also with banks. Further companies had to persuade the bank why a loan should be given by calculating on the spot generation cost, parts of business strategies and delivering such convincing arguments to the bank.

Power generators, especially the ones with capacities in Renewable faced the impact of changing weather conditions. Unfortunately, there happened also disasters causing outages of power plant capacities. Those affected had to compensate the fallout by trading. Some balance sheet became deep-red and companies struggled to find a strategy for entering again into profit zone. Some companies even faced the risk of bankruptcy. So, students enjoyed that they did not risk their own money.

Frequently during the game, the experience during the simulation game has been reflected within so-called transfer sessions and compared with actual development.

During the closing section students expressed the outstanding experience in getting known how the energy market works by means of a realistic simulation game. In summary, students, the team of ProAccom, Prof. Weidlich and Prof. Treffinger, who acted as bank respectively government had much fun over two days and are looking forward for coming EnergyNext (<http://visit.energynext.de/>) games.

*RedPower Company:*

*What happened on my balance sheet?*

*BluePower Company:*

*Negotiating an OTC contract*



