



Energy & Commodities – Intraday Power Trading Case Study
EUROPEAN ENERGY COMPANY

European Energy Group Replaced Its ETRM and Ramped Up Its Intraday Power Trading Capabilities with FIS

The company

One of the largest publicly listed energy companies in Europe supplies electricity, heating energy and gas, generates energy from waste and offers energy-related services. Its value chain includes power generation, trading and portfolio management, and private and industrial sales. The trading and portfolio management segment pools the energy emission, energy procurement and energy product trading activities, and manages the associated portfolios. With the company's increased investments in renewable energies – such as onshore wind power, biomass and biomethane – the trading and portfolio management team plays a vital role in balancing the company's power generation asset portfolio efficiently and benefiting from market opportunities.

The challenge

The company reached a crossroads with its portfolio management system, which relied heavily on manual spreadsheets and no longer kept pace in Europe's expanding, real-time trading environment. Additional influences were also at work. Their ETRM system was due for replacement while the EPEX market was emphasizing continuous intraday and day-ahead trading. So the time was ripe to move from manual spreadsheet analysis to automated, real-time trading, with position and asset management all on a single, up-to-date ETRM platform.

THE OBJECTIVES

- Replace the existing ETRM system with a forward-looking, integrated risk management solution capable of real-time continuous short-term trading and position and asset management.
- Customize risk management features to company requirements, as well as European market and compliance standards, with direct interfaces to European energy exchanges.

THE SOLUTION

- Install a state-of-the-art ETRM for front-, middle- and back-office processing, with scheduling capabilities for asset management.
- Support algorithmic, real-time trading on power EPEX, while integrating power plants and order management into a single framework.
- Deliver a real-time, 24/7 continuous trading environment, with in-memory data processing and maximum uptime.

The solution

The company chose FIS' combined Aligne ETRM and Intraday Power Trading tools, featuring a lightweight, high performance HTML5 client, supported by real-time messaging between client and server. The solution included in-memory data constructs to support market demands, and featured direct integration to the European power market and real-time exchange messaging-based API. FIS' dedicated account team partnered with company business and IT leaders to assess needs, build a business case and map deployment around the company's unique and evolving business.

The installed solution featured FIS Aligne ETRM software as the core system, providing the transaction backbone, with reporting and decision-support tools for effective trade processing, risk management and physical asset management across the value chain. Within this same system, the FIS Aligne Intraday Power Trading tools were incorporated, enabling 24/7, continuous trading for real-time position management. The intraday trading capability was specifically configured to provide flexible market order management and algo-trading support, allowing the company to create their own algorithms alongside FIS's standard algorithms as market needs dictate.

The results

Having gone live on the system in late Q1 2017, the company has reported faster time-to-insights realized by the seamless integration of intraday, real-time trading with position and asset management accommodated on the same platform. All middle-office valuations may now be performed within the system, improving data integrity and enhancing market responsiveness. The company's ability to customize its intraday trading application and create new algorithms around evolving needs has resulted in keener insights with significant productivity gains. And, given today's day-ahead and intraday power trading environment, the company is now positioned to embrace the future of European power markets with confidence. It has in place a flexible, high-performance, comprehensive ETRM solution to reduce risk and optimize portfolio value.

FIS Solutions for Energy & Commodities

FIS solutions for energy and commodities help utilities and retailers, pipeline and storage operators, marketers and traders as well as integrated energy companies compete efficiently in global markets by streamlining and integrating the trading, risk management and operations of physical commodities and their associated financial instruments. Through real-time data, connectivity and analysis, FIS solutions help you achieve transparency and regulatory compliance, optimize end-to-end transaction and operational lifecycles, and meet time-to-market needs with flexible deployment options. As your technology partner, we can help take advantage of the latest innovation and explore new opportunities. For more information, email us at getinfo@fisglobal.com.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit www.fisglobal.com.

