



Mastering energy and carbon markets

Managing energy price exposure and mitigating carbon risk is becoming increasingly important with the uncertainties created as we move towards a carbon constrained economy.

energetics[®]

In the
business of
climate change

Mastering energy and carbon markets

With rapidly escalating and volatile energy prices and the impending carbon market, specialist knowledge is now essential to handle the complexities of utility and carbon procurement and on-going contract management. Energetics provides specialist advice to manage financial and operational risks as we move to a low carbon economy.



Strategic procurement

Market opportunities and risks

In an environment where energy and carbon markets are extremely volatile, new market opportunities and risks can appear rapidly. Proactive management of identified exposures through forward contract negotiation and other derivative markets can provide the certainty required to invest in the future.

Energetics holds an Australian Financial Services License and provides independent market intelligence to clients on an ongoing basis. Our team of staff includes experienced procurement managers, traders and market analysts who offer practical solutions to help businesses reduce costs and manage risks. Energetics can assist in all aspects of energy and carbon procurement, derivative markets, contract management and reporting.

Energy procurement

Energetics provides a strategic energy procurement service throughout Australia and New Zealand to analyse market risks, price exposure and cost saving opportunities.

We take a methodical approach to navigate regulations, market conditions, pricing models, analysis of market trends and access to the latest industry information.

Since deregulation of energy markets began, we have negotiated more than \$5 billion worth of energy contracts on behalf of our clients, providing fast and accurate analysis and reporting and delivering significant cost savings.

Derivative markets

As energy and carbon markets develop further, derivative products will be an economic and effective way to manage future uncertainty. Used properly, derivative products can be used to minimise volatility in future revenue and cost, and enable long term investment decisions to be made today.

Contract management

Participating in forward contracts can be difficult, particularly where unknown political and technical developments may change the trading environment, for example, dealing with carbon pass-through costs. Understanding and building allowances into contracts is important in order to ensure they do not become invalid. Energetics has in-depth understanding of potential pitfalls in contract negotiation and can ensure that contract risk is minimised.

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Managing energy and carbon risk is a real business issue.

Carbon markets

Carbon market advice

Energetics is able to provide our clients with a variety of support in the developing carbon markets arena. Many organisations underestimate the impacts of a price on carbon on their business: typically only focusing on energy costs. They are unaware of the potentially significant pass-through costs in the supply chain including raw materials, transport and finished products. Energetics is able to assist companies in working through the supply chain implications for their business.

Carbon Pollution Reduction Scheme (CPRS)

The introduction of the CPRS will usher in a new era for business. For the first time, there will be a price on emissions from fossil fuels. Companies with direct liability will be required to purchase and surrender emission permits.

Energetics has developed a systematic approach to assist companies plan for the CPRS which includes:

- Conducting a company-specific Business Impact Assessment of the CPRS based on the current proposed legislation
- Preparing companies for supply chain changes and pass-through costs with our interactive simulation: the Carbon Trading Game

- Analysing the remaining uncertainties in the Scheme design that may impact on business and providing recommendations on a company-specific CPRS action strategy
- Developing company specific operational abatement strategies tailored at individual enterprise level to mitigate exposure to carbon liability

Carbon management and reporting

Critical to developing your response to climate change is quality data.

Energetics offers a comprehensive information management and reporting solution for carbon, energy, water, waste and other environmental sustainability metrics that is used by many of Australia's leading organisations.

CarbonScope™ encompasses a proven and robust global data capture, management and reporting platform, supported by a dedicated team of industry specialists.

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