

Understanding Energy Contracts

INTRODUCTION

- This Understanding Energy Contracts training seminar will provide participants with a comprehensive understanding of energy contracts essential to manage the volatile energy market. In this training seminar, participants will receive a thorough in-depth exposition of the several energy contracts and understand the rationale behind them and acquire essential skills to negotiate sound well thought out energy contracts.
- Energy needs must be met in a world that cannot survive without it. How effectively we meet this need will determine the development of the modern world. Energy Contracts need to be strategic and looked at through the lens of your company's current risk profile. Companies need to formulate a targeted approach. Your energy contract management should provide customized solutions and also determine the best pricing strategy to meet your efficiency goals. Parties to the contracts want to mitigate dramatic price increases, and the contracts need to address this and provide workable solutions. There is a need for customized contracts to avoid undue penalties which can cripple the commercial viability of a project. Energy contracts must allow for flexibility, and the contracts must reflect this and have a robust basis for meeting stakeholders' requirements.

OBJECTIVES

By the end of this training course, participants will be able to:

- Understand the global energy market and the structure of energy contracts
- Assess risks in the energy industry and know how to minimize those risks
- Examine and analyse the different energy contracts both upstream and downstream
- Assess critical issues faced during contract lifecycle and know how to negotiate appropriate contractual clauses
- Avoiding pitfalls in contract negotiations and ambiguous contractual terms

TRAINING METHODOLOGY

- This Contracts Management training seminar will utilise a variety of proven interactive learning techniques to ensure maximum understanding, comprehension and retention of the information presented. This includes exercises designed to improve the understanding of the core energy contracts, improve their skill sets to negotiate better energy contracts through an interactive session with case studies, discussion groups and scenario building.

ORGANISATIONAL IMPACT

The organisation will benefit by:

- Having a workforce who will be fully conversant with the different types of energy contracts that are used
- Being able to anticipate and deal with issues and ramifications pertinent to energy contracts
- Preventing expensive mistake from arising due to lack of familiarity with these types of contracts
- Senior management knowing the contractual options available and how to structure the contracts accordingly
- Analysing and strategizing on the best approach to negotiating and managing energy contracts

PERSONAL IMPACT

This training course teaches the competencies that enable the attendees to:

- Strategize and appreciate the company's current risk profile relating to their energy contracts
- Have the ability to formulate a targeted approach to contracting
- Learn what are the customize solutions and also determine the best pricing strategy to meet the company's goals
- Mitigate dramatic price increases in energy contracts and to come up with workable solutions
- Customise contracts to avoid undue penalties which can cripple the commercial viability of a project

WHO SHOULD ATTEND?

This training programme is suitable for a wide range of energy industry professionals but will greatly benefit:

- Contracts Professionals
- Commercial Managers & Professionals
- Project Managers
- Procurement Supply Chain Professionals
- Risk Manager / Contract Risk Professionals

Course Outline

Introduction to Energy Contracts

- Energy Laws, Policy, Business Ethics
- Renewable Energy Issues
- Petroleum Policy & Economics
- Environmental Issues
- Human, Socio-economic and Cultural Impacts

Specific Energy Contracts Examined

- Gas Sale Agreement (GSA)
- LNG Sale and Purchase Agreement (SPA)
- Time Charter Party Agreement
- Terminal Use Agreement
- Decommissioning

Specific Upstream Energy Agreements

- Oil and Gas Concessions
- Production Sharing Contracts
- Service Contracts
- Joint Operating Agreements (Joint ventures)

Risk-Based Contracting – EPC, EPCM, and Alliance Contracts

- Essential Features of an EPC, EPCM, Alliance Contracts
- Key Oil and Gas Specific Clauses
- Key Performance Clauses
- Liquidated Damages
- Risk Allocation & Risk Assessment

Structure of Transportation & Power Purchase Agreements

- Gas Sales Agreements
- Power Purchase Agreements
- Transportation Agreements
- Take or Pay Agreements