### Energy Trading & Risk Management: optimisation through a 'Component Framework'

The challenge of implementing ETRM IT systems for energy companies trading and hedging multiple physical commodities in numerous locations has become increasingly daunting with the developments of the market.

On the one hand, an organisation needs integration to maximise the value both along its value chain(s) as well as integrating exposure cross-commodity. Given the dynamically changing nature of the energy business, flexibility here is vital. Essentially, the organisation needs to know its integrated risk position in order to hedge efficiently, optimise its asset optionality as well as identify arbitrage opportunities, while avoiding costly errors.
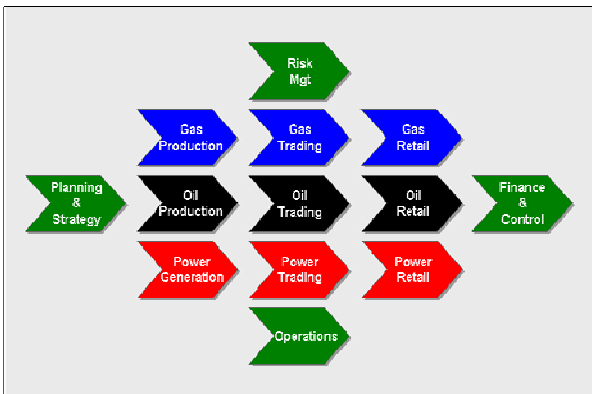

Energy Trading Value Chain

On the other hand, attempts at integrating activities such as planning, trading and risk together with several diverse operations in a single database tend to create complex models. This results in poorly performing software that is both difficult and expensive to implement, change and upgrade. The gaps are filled with spreadsheets providing further operational risks.

What is required is a more pragmatic approach, delivering simpler and more robust systems that are quicker and cheaper to implement and maintain.

The Component Framework is one solution that Seminel, and more importantly its customers, have found successful.
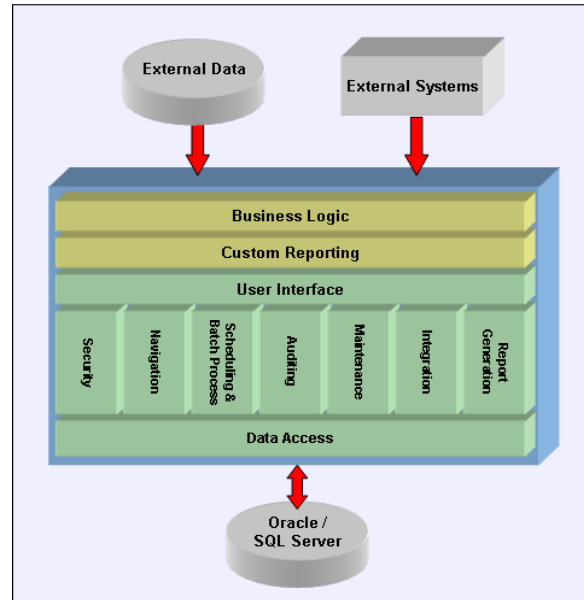
Seminel Component Framework

A Component Framework enables the data to be transformed into secure and accessible decision support information. This provides an organisation with competitive advantage through being able to exploit its unique position in the marketplace.

Seminel has developed such a Component Framework, using industry-standard technologies, enabling rapid deployment.

The basis of the Seminel Component Framework (SCF) is a tested, generic foundation for Security, Navigation, Scheduling, Auditing, Data Maintenance, Integration and Reporting. Seminel leverages its business knowledge and the 'know-how' that the customer brings of their market to develop quickly proprietary business logic that delivers competitive advantage.

According to Ruud Peek of E.ON, it '*provides us with vital information to help us determine the most profitable areas of our business and analyse the outcome of decisions taken'.*

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