

ALEASOFT ENERGY FORECASTING MEETS 20 YEARS AS A LEADER OF FORECASTS IN THE ENERGY SECTOR

AleaSoft, October 8, 2019. October 8 marks the 20th anniversary of the founding of AleaSoft. In these two decades working for the main companies in the energy sector, the company has established itself as an European leader in the forecasts field. AleaSoft's forecasts cover all time horizons and include electricity and gas demand, wind, solar photovoltaic, solar thermal, hydroelectric energy production and prices of all European electricity markets.

AleaSoft was founded 20 years ago in Barcelona, on October 8, 1999. The company was born in the context of the liberalisation of the European electricity markets and its main goal is to make forecasts in the energy sector.

In 1999, the Innova Program of the Polytechnic University of Catalonia (UPC) emerged with the objective of taking advantage of the knowledge and technology of the university and facilitating the creation of technology companies. **AleaSoft** was one of the first companies created from that program and the first to be shareholding by the UPC. Over the course of these 20 years, the UPC has been a reference technology partner collaborating on Artificial Intelligence and Statistics projects.

AleaSoft is a benchmark company in the European energy sector and its ethical mandate is to collaborate to reverse climate change and prevent the environment destruction. The dissemination of information and promotion of the renewable energies has been a priority objective of the company, which collaborates with the main associations related to the renewable energy sector: UNEF, AEE and APPA. Similarly, it has provided forecasts to companies across the continent related to the development of wind, solar thermal and photovoltaic energies.

The promotion of the use of the hydrogen obtained from electricity from renewable sources is the closing of the cycle to achieve a complete decarbonisation in the next 30 years. Through the massive use of photovoltaic energy combined with the production of hydrogen it is possible to contribute to the economic development of the regions of southern Europe, which are the least developed and in turn those that have a greater solar resource.

For a few years, the concept of Artificial Intelligence has become fashionable. There is no business project that does not contain these magic words. Since its origins, the company's forecasting models have been based on the combination of recurrent neural networks, classical statistics and Box-Jenkins SARIMA models. Optimal forecasting models are achieved through this combination.

AleaSoft is a factory of this new type of models. Based on an own forecasting methodology called Alea, more than 400 forecast models related to the energy sector in Europe remain in operation at this time.

Investing resources in R&D has been fundamental to evolve and for **AleaSoft** to become a leader generating forecasts of electricity and gas demand, of wind, photovoltaic solar, solar thermal and hydroelectric energy production and of prices of all European electricity markets.

Over the course of these 20 years, almost all **AleaSoft's** staff has been linked to scientific research projects and a third part has a PhD degree.

Main types of customers

Making forecasts in all time horizons is a basic task for all types of companies in the energy sector. In these 20 years, on a continuous basis, **AleaSoft** has been making forecasts for electricity generating companies, marketers, large consumers, retailers, traders, national operators of electrical systems, banks, investment funds, consultants and developers of renewable assets.

The main service carried out by **AleaSoft** is the price forecasting for the main European electricity markets: **NZEX** (United Kingdom), **EPEX SPOT** (France, Germany, Austria, Belgium, Holland and Switzerland), **IPEX** (Italy), **Nord Pool** (Countries Nordic) and **MIBEL** (Spain and Portugal). The price forecasts are made in all time horizons from short, medium to long term. The company also makes price forecasting in the intraday markets and in the adjustment markets.

The price forecast reports include the most important variables such as the demand, the renewable energy productions, the new capacities, the fuel and CO₂ prices. As in the case of the prices, the forecasts reach all horizons: short-term (240 hours), mid-term (three years) and long-term (20 years). These forecasts are used in decision-making processes, generation of market offers, optimisation, risk management, assets valuation, due diligences and PPAs.

The PPAs issue has gained much importance in the last two years due to the impulse of investments in renewable energy. It is important to highlight the acceptance that **AleaSoft's** long-term electricity market price forecasting are having thanks to their quality, coherence and scientific basis. A fundamental aspect of **AleaSoft's** price forecasts is the confidence of the European banks and investment funds that accept them as bankable.

AleaSoft also provides the probabilities associated with the different price bands. This information is necessary to manage the risk of lowering or raising prices.

AleaSoft is a technology company with a business model based on knowledge and, from the business point of view, a fundamental objective has been creating value for shareholders, obtaining profit at the end of all the years.

The company is in an expansion process, creating new services, looking for new markets and increasing the number of customers. The business model and the scientific methodology that has been applied is replicable in the rest of the continents.

For the company, the collaboration and the synergies with all types of companies in the energy sector are essential. **AleaSoft** is in search of strategic alliances to make a global expansion.

After 20 years of history, it is remarkable to have reached the objectives set in the foundation. Bringing the scientific knowledge from the university to companies in the energy sector throughout the continent, becoming an international benchmark in the field of forecasts.

Source: **AleaSoft Energy Forecasting**.