
Energy Supply Deal Negotiation Training Course: Pricing Terms, Concessions and Walk-Away Limits

19 – 23 September 2027
Kuala Lumpur





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Programme Summary

Energy supply deal negotiation is the subject of this one-week training course for commercial directors, contract managers and heads of procurement, ending in a negotiation plan for one supply deal. Energy contracts tie pricing, volume and risk together, yet teams often settle price first and discover the cost of the other terms later. The programme moves from preparation to pricing terms, concessions, walk-away limits, risk allocation and closing, using cases from gas, power and fuel supply. Mars Training Centre UK delivers this programme on energy supply deal negotiation to mixed-organisation cohorts.

The Business Case

In an energy supply deal the headline price is only one of several terms that decide value. A weak position on indexation or volume commitments can outweigh a good price. A shared preparation method gives leaders a basis to set mandates, judge offers and approve closing terms with the full cost of each term in view.

- Contract Value: Improves as pricing and indexation terms are tested against sensitivity cases.
- Negotiation Discipline: Improves as walk-away limits and concession orders are set before talks begin.
- Commercial Risk: Falls as risk allocation is recorded and agreed term by term.

Principles and Evidence Base

- Interest-Based Negotiation Principles: Separate positions from underlying interests, applied in Sessions 1 and 3.
- Price Indexation and Review Principles: Frame how a formula tracks cost and market movement, applied in Session 2.
- Concession Planning Principles: Order what can be traded and what cannot, applied in Session 3.
- Risk Allocation Principles: Place each risk with the party best able to manage it, applied in Sessions 4 and 5.

Intended Participants

- Commercial directors who set negotiating mandates for energy supply and offtake contracts.
- Contract managers who prepare term sheets, draft positions and track agreed terms.
- Heads of procurement who buy fuel, gas or power and must defend the price they secure.
- Finance and risk leads who assess the exposure that pricing and volume terms create.

Typical functions include gas and power suppliers, fuel buyers and industrial energy consumers.



Learning Outcomes

1. Participants will be able to construct a negotiation preparation brief that maps interests, alternatives and counterparty positions.
2. Participants will be able to evaluate pricing formulas, indexation links and price review triggers for their effect on deal value.
3. Participants will be able to prioritise concessions into trade-off packages with a stated order of release.
4. Participants will be able to justify a walk-away limit with the alternatives that support it.
5. Participants will be able to compare risk allocation options for default, force majeure and payment security terms.
6. Participants will be able to diagnose weaknesses in a negotiating position before it is put to the counterparty.

Programme Structure

Day 1: Energy Supply Deal Negotiation Foundations

What must be settled before a supply or offtake negotiation opens?

- Deal Objective and Interest Map
- Counterparty Position Profile
- Supply Contract Term Inventory
- Alternative Source Assessment
- Negotiation Preparation Brief

Day 2: Pricing Terms and Indexation

How do pricing formulas, indexation and price review move the value of a deal?

- Price Formula Structure Sheet
- Index Linkage Comparison
- Price Review Trigger Table
- Volume Flexibility and Take-or-Pay Model
- Deal Value Sensitivity Chart

Day 3: Concessions and Walk-Away Limits

Which concessions can be traded, and where must a negotiator stop?

- Concession Ranking Matrix
- Trade-Off Package Design
- Walk-Away Limit Statement
- Opening Position and Target Range
- Negotiation Mandate Note



Day 4: Risk Allocation and Closing the Deal

How are risks shared fairly, and how is agreement closed and recorded?

- Risk Allocation Register
- Force Majeure and Default Term Review
- Payment Security and Credit Term Check
- Deadlock Breaking Options
- Heads of Terms Closing Sheet

Day 5: Negotiation Plan for One Supply Deal

Do the pricing, concession and risk records support one negotiating position?

- Applying the Session 1 Negotiation Preparation Brief
- Testing the Session 2 Deal Value Sensitivity Chart
- Reviewing the Session 3 Walk-Away Limit Statement
- Checking the Session 4 Risk Allocation Register
- Completing the Deal Negotiation Plan

Methodology

The programme uses a structured exercise method built on a shared case of a multi-year supply contract with a pricing formula, volume commitments and a price review. Participants build each artefact on prepared deal data, then adapt it to a contract of their own.

- Suggested activity: Building a price sensitivity chart for an indexed supply formula.
- Suggested activity: Ranking a set of concessions and designing two trade-off packages.
- Suggested activity: Presenting a walk-away limit and negotiating mandate to a mock approval panel.

Capstone Output

Each participant completes a deal negotiation plan for one supply contract. It holds a preparation brief, a price sensitivity chart, a concession ranking, a walk-away limit statement and a risk allocation register. The plan is used at work to brief the negotiating team and obtain a mandate from senior management.

Frequently Asked Questions

Is energy supply deal negotiation training suitable for leaders without a legal background?

Yes. Energy supply deal negotiation is taught through cases and templates, assuming commercial, procurement or contract experience but no legal qualification.



Which principles does energy supply deal negotiation training rest on?

Energy supply deal negotiation training rests on interest-based negotiation, price indexation and review, concession planning and risk allocation principles, with no single standard governing the subject.

How is the plan from energy supply deal negotiation training used at work?

You use the deal negotiation plan to brief the negotiating team, obtain a mandate from senior management and record agreed positions during talks.

How does energy supply deal negotiation differ from energy trading training?

Energy supply deal negotiation centres on preparing and closing a bilateral contract, while energy trading training covers market positions, hedging and price risk on traded volumes.