

ELECTRIC UTILITY FINANCIAL DECISION MAKING WORKSHOP

Biz, Bucks and Blastoff



Description

This two day course focuses on electric utility decision making and will cover the following topics:

- Business Building Blocks
- Generation and Energy Market Fundamentals
- Cash-Based Financial Decision Making
- Valuation of Cash Flows (Net Present Value)
- Handling Uncertainty
- Capstone Case Study: Blastoff

Who Should Attend

Entry level engineers, supervisors and managers with little or no financial training or background who want to learn an integrated framework for utility financial decision-making are encouraged to attend.

DATE, TIME, LOCATION

October 28-29, 2019
8:30 a.m. - 4:30 p.m.

Tri-State Generation & Transmission Assn.

1100 W. 116th Ave.
Westminster, CO 80234

Directions to Tri-State Generation & Transmission Assn.

From I-25: Take exit 223 at 120th Avenue. Proceed west to Huron. Turn left (south) to 116th Ave. For customized driving directions go to www.mapquest.com

CONFERENCE AGENDA

October 28-29, 2019

Course Outline

Day One – Basic Principles for Business Cases

I. Business Building Blocks

- Value Creation: Comparing both balanced and profit-focused cultures
- Navigating the Business Word Swamp
- Financial Statements (Income Statements, Balance Sheets, and Cash Flows)
- The Matching Principles and Depreciation
- Taxes and Decision Making

Networking Lunch

II. Generation and Energy Market Fundamentals

- Types of Electric Generation and Storage
- Economics of Generation
- Energy Markets
- Economic Dispatching in ERCOT

III. Cash-based Financial Decision Making (Part A)

- The Fundamental Philosophy of Spending Decisions
- The Basic Rule of Financial Decisions
- Diagramming Cash Flows
- Payback: Principles and Issues
- Typical Business Case Outline

Day Two – Advanced Business Case Tools

IV. Cash-based Financial Decision Making (Part B)

- Time Value of Money Principles
- Valuation of Cash Flows (Net Present Value)
- Profitability Index and Capital Budgeting

d. Levelized Cost of Energy (LCOE) for Renewables

Networking Lunch

V. Handling Uncertainty

- Decision Trees
- Exercise: SpaceY CSV
- Exercise: An HR Issue
- Balancing Intangibles

VI. Capstone Case: Blastoff (Team Competition)

Course Objectives

- A working knowledge of two key financial statements (income statement and balance sheet)
- An “appreciation of depreciation” and its implications in the electric utility industry
- A current view of the types of Electric Generation and Storage in use
- An understanding of the interaction of Energy Market Economics and Generation in ERCOT
- The difference between accrual accounting and cash decision making
- The core business difference between generation and T&D (fixed vs. variable costs)
- The skill of diagramming cash flows of decisions, including the effect of taxes on decisions
- The inherent tax differences in decisions for IOUs vs. MOUs.
- The skill of handling uncertainty in financial decisions (using decision trees)
- The skill of balancing decisions between financial and intangible considerations

Workshop Instructor

Richard began his career with Public Service Company of Colorado in the Production Department. He progressed through plants in Pueblo, Boulder and Denver, reaching the position of Results Engineering Supervisor. He moved to San Antonio joining City Public Service Company of San Antonio, now CPS Energy. His positions included Director of Maintenance and Betterment Services, Vice President Gas Operations, Vice President Fossil Generation, Senior Vice President Energy Supply, and Senior Vice President of Energy Supply and Market Operations. He retired from CPS in 2014, and is now a Senior Consultant with Llewellyn Consulting. He is also Primary Consultant with CM Lantana. He is a graduate of UT El Paso with a BSME, and Our Lady of the Lake University in San Antonio with an MBA.

Continuing Education Certificates

All attendees will receive a continuing education certificate worth 16.0 Professional Development Hours (PDHs) by RMEL, upon completion of the course. There will be 1.0 professional hour (PDH) given for attending the Member Roundtable. RMEL serves a large territory in which attendees participate in a number of accrediting organizations, each with their own requirements. Depending on the certifying body you are affiliated with, RMEL PDHs may be applied towards your recertification credit. It is the responsibility of the attendee to determine if the credits are applicable to their certifying body and how they may be applied. Use the event brochure, and agenda to determine how the content applies to your certification. The attendee is also responsible for verifying how the quantity of RMEL PDHs convert to your certifying body credits. Typically 1.0 PDH is equal to .1 CEU, but you should always verify the conversion scale.

RMEL EDUCATION

RMEL's resources and 25 annual events help everyone at your organization do their best. Content is designed to help attendees and members feel productive and knowledgeable as they get back to work armored with practical takeaways. Continuing education credits are given at each event, and members can even bring an RMEL event to their location.

RMEL MISSION STATEMENT

"Preparing the electric energy industry for the future through education and networking."

Events are focused on topics like plant management, public policy, the Smart Grid, power supply planning and projects, finance, system operations, generation, growth, OSHA, renewable technologies, safety, transmission, reliability, overhead and underground distribution, workforce issues, keeping rates low, giving back to the community, NERC/FERC, transmission line design, IT, grounding, arc flash, sustainability, customer service, green building, substation design, distribution line design, health, energy efficiency, security, management, customer service, government regulations, engineering and many other top concerns for the electric energy industry.

EDUCATION MISSION

Programs Designed by Members to Address Member Needs

RMEL's education program is designed to meet the needs of its members by expanding the knowledge base at every level within companies. From high-level conferences and executive forums to workshops that reinforce and build upon skills and operational practices, the member-

ship drives the content of RMEL products and services.

As technology, public policy and consumer satisfaction drive changes to your job faster than ever before, RMEL helps you stay prepared with daily access to information that impacts your organization.

SECTIONS

Content Related to Your Interests is Easy to Find

RMEL sections make your experience finding tangible value with the association easier than ever before. In some ways, you've probably identified with an RMEL section without even trying. RMEL sections include generation, transmission, distribution, safety and management.

CORE EVENTS

Reoccurring Events Let You Plan Ahead

Core events in each section reoccur at the same time every year so you can plan ahead. At least one signature event has been established for each section, and section participants can quickly and easily identify with their events. Topics at core events evolve to stay relevant and ahead of electric energy industry trends.

ELECTIVES

Events Dedicated to Critical Issues of the Day

From year to year, RMEL will offer new events in each section to cover the latest technologies, evolving trends and critical issues that aren't covered at core events. These events will zero in on your top priorities at any given time and may not repeat from year to year. Electives can take the form of an RMEL conference, workshop or roundtable.

ROUNDTABLES

Discuss Your Priorities and Drive RMEL Content

These forums allow you to meet in a setting that focuses on trust and peer-to-peer sharing. RMEL roundtables serve as a catalyst for future program development. By increasing your participation in discussion forums and enhancing roundtables, you can maximize the potential of the RMEL community and network with RMEL contacts throughout the year—whether you're at an RMEL event, your desk, or in the field.

IDENTIFY YOUR

RMEL SECTION

RMEL Benefits Start at www.RMEL.org

Identify your interests by updating your profile on www.RMEL.org then watch for the content and benefits of your section in your inbox. You can select the section(s) you wish to participate in, along with identifying your specific area of expertise and responsibility.



Education and networking for the electric energy industry.

6855 S. Havana St, Ste 430 - Centennial, CO 80112 www.RMEL.org

ELECTRIC UTILITY FINANCIAL DECISION MAKING WORKSHOP REGISTRATION

Your Personal Member ID#: _____ Name: _____

No Member ID? No Problem. Please provide the following instead:

First Name: _____ Last Name: _____

Title: _____

Company Name: _____

Company Address: _____

City: _____

State: _____ Zip: _____

Phone: _____

Fax: _____

Email: _____

HOW TO REGISTER

ONLINE Register at www.RMEL.org

PHONE Call RMEL at (303) 865-5544

FAX your form to (303) 865-5548

MAIL Send form and payment to RMEL

RMEL Electric Utility Financial Decision Making Workshop - October 28-29, 2019

Registration Includes: Breakfast, breaks, lunch, presentations, handouts, attendee roster and, upon course completion, a continuing education certificate.

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|---|-------|
| <input type="checkbox"/> Member two-day meeting | \$695 |
| <input type="checkbox"/> **Student Member two-day meeting | \$325 |
| <input type="checkbox"/> Non-RMEL member two-day meeting | \$900 |

Payment

- Check (RMEL; 6855 S. Havana St, Ste 430; Centennial, CO 80112)
- Visa Master Card or American Express

Card#: _____ Exp. Date: _____

Signature: _____

**** To receive the student rate, you must be a full-time student at an RMEL member university. All student registrations must be faxed or called in, and a copy of your student ID and full-time class schedule are required.**

Cancellation Policy: Fees are refundable if cancellation is received on or before 5 p.m. on **October 18, 2019**. If cancellation is received after that date, half of the registration fee will be refunded. Payments will be processed for those who do not attend or do not cancel by 5 p.m. the day before the event. To have someone take your place, please notify RMEL anytime before the event.