EE081:
Understanding Electricity Market Regulations & Economic Regulatory Analysis
Training Description:

The electricity sector is changing dramatically. Generators, vertically-integrated utilities as well as state and federal regulators alike are under pressure to re-define their roles and responsibilities to address key issues such as climate change, energy security and economic growth.

Understanding and evaluating the impact of regulatory changes and policy options on the power and utility sector is now vital to balance power relations and competing interest. Delegates of this course will be equipped with the necessary insights to navigate through critical policy and regulatory issues and optimize decision-making mechanism and capacity planning processes.

Training Objectives:

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

- Review regulatory methodologies for the regulation of electricity industry to understand and influence the course of the market
- Assess the diverging objectives related to energy policy – from the economic and industrial over the social and environmental to the financial and regulatory objectives – to balance power relations and competing interest
- Identify key drivers of change and their impact to prepare yourself for short term and multi period regulatory periods and determine the best investment opportunities
- Analyze the price and tariff levels for distribution, transmission, and generation companies to develop new business strategies
- Navigate through critical policy and regulatory issues to optimize your decision-making mechanisms and capacity planning processes

Training Designed for:

This course is intended for the following personnel who are working in Power industry, seeking to gain a strategic overview of the concepts and methodologies, alongside practical tips for improving their understanding of regulatory frameworks and their strategic planning including General Managers, Policy & Regulation Managers, Heads of Economic Regulation, Regulation Analysts, Programme Managers, Strategy Planners, Business Advisors, Commercial Managers, Project Planners, Portfolio Managers, Planning Managers and Policy Experts.

Managers, advisors and experts in a range of organizations including:
- Power generation, transmission and distribution companies
- Governments, regulators and market operators
- Industry associations
- Consultancies
Training Program:

**FIVE DAYS:**

PRE-TEST

PRINCIPLES OF ELECTRICITY NETWORK REGULATION AND GOVERNANCE

- **Components of Economic Regulatory Analysis Licensing**
  - Tariff setting
  - Monitoring and review
  - Dispute resolution

- **Electricity Networks**
  - Development and characteristics of electricity networks
  - Structure of network regulation and impacts on the industry
  - The interplay between regulator and the industry

- **The Interplay between Electricity Network Regulation and Competition**
  - Opportunities and limitations of network regulations
  - Benefits and risks of competition
  - Interactions between regulations and the retail market and the consequences for the industry

- **Defining and Assessing the Role and Responsibilities of Electricity Network Regulation**
  - Benefits, and key principles of an independent economic regulator
  - The regulator as controlling instance in a competitive market
  - Setting and defining the frameworks for investment
  - Success factors for attracting the private sector

- **Harmonizing Divergent Objectives**
  - Economic and industrial objectives
  - Government social and environmental objectives

- **Network Regulation and Governance**
  - Regulation mechanisms and practices
  - Effectiveness of regulation – the realities between needs, demands and expectations
  - Representation of interests and interventions

- **Optimizing Electricity Network Regulation**
  - Demand forecast and modelling
  - Core network services and value-added solutions
  - Operational costs and revenue generation
  - Tariffs and pricing

**ELECTRICITY NETWORK REGULATION PRACTICES**

- **Review of regulatory methodologies for the Regulation of ESI**
  - Rate of return regulation ~cost of supply plus regulation
  - Incentive forms of regulation ~price and revenue price controls
  - The Revenue Requirement determination components
  - Identifying key drivers for short term and multi period regulatory periods
• Impact of best investment opportunities

❖ Regulatory Policy vs Economic Incentives
• Fundamentals of incentive-based regulatory approaches
• Designing and implementing incentive plans for suppliers and consumers
• Who should share benefits from improved efficiency

❖ Defining the Regulatory Process
• Business Planning
• Revenue Requirement (RR) determination
• Converting the RR to Customer tariff classes, tariff levels, tariff structures
• Minor and major review of control
• Management meetings for consolidation of risks
• Stakeholder engagement and analysis
• Board decision implementation

❖ Regulating Rate-of-Returns and Pricing of Network Services
• Advantages and disadvantages
• Assessing and benchmarking operational expenses
• Prices vs. revenue

❖ Analyzing the Price and Tariff Levels
• DUoS tariffs
• TUoS tariffs
• Wholesale tariffs
• Developing new business strategies

❖ Consumer Engagement and Representation
• Promoting the interests of current and future consumers
• Consumer participation: strategies and patterns
• Leveraging consumer energy data

❖ Post Regulation Analysis
• Impact assessment of current regulatory systems on efficiency and sustainability of sector
• Changes to reposition the utility organization in the interplay between markets and regulation

Course Conclusion
POST-TEST and EVALUATION

Training Requirements:

“Hands-on practical sessions, equipment and software will be applied during the course if required and as per the client’s request”.

Please note that the above topics can be amended as per client’s learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.
Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Software & General Discussions
- Pre and Post Test

Training Certificate(s):

Internationally recognized certificate(s) will be issued to each participant who completed the course.

Training Fees:

As per the course location - This rate includes participant’s manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01st of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

Training Timings:

Daily Timings:
- 07:45 - 08:00 Morning Coffee / Tea
- 08:00 - 10:00 First Session
- 10:00 - 10:20 Recess (Coffee/Tea/Snacks)
- 10:20 - 12:20 Second Session
- 12:20 - 13:30 Recess (Prayer Break & Lunch)
- 13:30 - 15:00 Last Session

For training registrations or in-house enquiries, please contact:
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Training & Career Development Department