



Training Workshop: Pricing, Economic Principles, and Financial Transmission Rights in a Competitive Electricity Market

Hotel Fiesta Americana, Ciudad de Mexico II Conference Room
Mexico City, Mexico
April 26 & 27, 2016

(the agenda will be the same for each training session)

8:30 – 9:00

Participant Registration

9:00 – 9:10

Opening Remarks and Introductions (**SENER**)

9:10 – 9:40

Economic principles behind spot markets - Market Bases 1 & 2. (**Jake Delphia, Deloitte**)

- Regulated-priced electricity markets versus competitively-priced electricity markets
- What is an electricity spot market?
- What commodities are sold on the spot market?
- Supply-side response to spot market pricing
- Demand-side response to spot market pricing

9:40 – 10:30

Explanation of how prices are calculated in day ahead and real time markets – Market Bases 9 & 10. (**Jake Delphia, Deloitte**)

- Overview of the activities for the day ahead market
- Calculating price (costs) on the Mexican day ahead market
- Overview of the activities for the real-time market
- Calculating price (costs) on the Mexican real time market

10:30 – 10:50

Break

10:50 – 12:45

Financial Transmission Rights (FTRs) Part I – Market Bases 13. (**Brian Holmes, Utilicast**)

As part of the Connecting the Americas Initiative (Connect 2022) which was announced at the Sixth Summit of the Americas in Cartagena, Colombia the need to increase the reliable, clean and affordable access to electricity in the Americas was raised. The Department of State the Government of the United States of America, contracted the services of Deloitte to provide technical assistance for reform and regulation of the Wholesale Electricity Market in Mexico. Services have been provided through specific Statements of Work with the Energy Secretariat (SENER), the Energy Regulatory Commission (CRE) and the National Center for Energy Control (CENACE). As part of the activities agreed with the Ministry of Energy, it has been scheduled the execution of this Training Workshop on Financial Transmission Rights, which will be taught by two specialists Deloitte and will have no cost to participants.



- FTR Purpose and Lifecycle
- Characteristics of FTRs – Market Bases 13.1
 - Characteristics & Attributes
 - Basics of Day-Ahead Settlements

12:45 – 1:45

Lunch – (Restaurante Tarento, 3rd Floor)

1:45 – 4:00

FTRs – Part II (**Brian Holmes, Utilicast**)

- Managing FTR Legacies – Market Bases 13.2
 - Determining Potential Legacy FTR Quantities
 - Assessing Legacy FTR Feasibility
- Stage 1 and Stage 2 Auctions of FTRs – Market Bases 13.3
 - Bidding
 - Feasibility
 - Awards & Settlements
- Break
- Anchoring of the Expansion of Transmission & Distribution System – Market Bases 13.4
- Closing Thoughts & International Perspectives

4:00 – 4:30

Final Questions and Wrap-up

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Presenters

Jake Delphia, Specialist Leader, Deloitte Consulting LLP

Michael “Jake” Delphia has worked for 35+ years in the energy and water utility sectors. Mr. Delphia has provided international consulting services in 50 different countries covering North America, South America, Eastern and Western Europe, Africa, and Asia, and most recently in Georgia, Jordan and Honduras. He has advised government ministries and utility regulatory commissions on national energy policy and strategy, market development, modern tariff design, utility operational improvements, regulatory commission development, public utility commercialization, investment planning and privatization. Mr. Delphia was the strategic planning advisor for energy ministries in several countries, supporting the development of national energy policies, long-term strategic energy plans and annual or bi-annual implementation plans. Prior to being an international consultant, he was a utility manager (gas and electricity) in the USA for nearly 20 years responsible for strategic planning, operational and long-term investment planning, regulatory affairs and utility operations. As chief cost of service witness before energy commissions for 15 years for energy companies, he reported on all aspects of the energy business including tariff design and its implementation.

Brian Holmes, Market Operations Lead, Utilicast

Brian Holmes is Utilicast’s Practice Area lead for Market Operations. Over the past 13 years, Mr. Holmes has led numerous efforts to assist ISOs design and implement new market features and ISO market participants prepare for and compete in wholesale markets. Mr. Holmes has worked extensively on the restructuring of the California energy market – initially from regulatory and market design perspective, through the implementation of the MRTU market and now on the current regional imbalance market expansion. Mr. Holmes also worked extensively with the Southwest Power Pool in the design and implementation of the Integrated Marketplace and with clients in other U.S. Markets. Mr. Holmes has deep understanding of financial transmission rights and has worked on several FTR related efforts. He has successfully combined subject matter expertise, leadership and project management to lead several large projects. His experience spans policy development, business and technology assessments, training development and delivery, system design, development, testing and implementation.

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