

The Power Marketing Association

Certified Power Marketer (CPM)

COURSE PROGRAM

The Power Marketing Association Certified Power Marketer Program (CPM)

Power marketing is a unique profession, requiring knowledge and skill sets from the electric utility industry, commodities industry, services, and retailing. The Power Marketing Association (PMA) has created a new program for professionals who are working within this new and exciting business to fill out the gaps in their knowledge to better understand the industry they are helping to build.

The Power Marketing Association's Certified Power Marketer (CPM) program is comprised of a course of Internet-based presentations and assigned readings, as well as a live, full-day seminar, The Fundamentals of Power Marketing, given at least twice each year, at PMA's Power Markets annual conferences (the next scheduled seminar is October 15, 2001, immediately prior to PMA's Power Markets 2002 Conference & Exhibition in Arlington, VA.

Upon completion of the assigned materials, an examination is required. Upon passage of the final examination, the graduate will be provided a Power Marketing Association Certified Power Marketer (CPM) certificate. This certificate is evidence that the recipient is familiar with the fundamental elements of both the wholesale and retail power marketing industries, and can therefore more readily be utilized in a power marketing organization in positions of responsibility.

The next scheduled PMA Certified Power Marketer examination will be given 1:30 p.m. - 4:30 p.m., Wednesday October 17, 2001, at the Doubletree Arlington, VA, following The PMA Power Markets 2002 conference.

Participation in the program is free to PMA members or employees of corporate members (except for any otherwise applicable fee for attending the Fundamentals of Power Marketing seminar).

Curriculum Outline:

All candidates are required to be familiar with the material contained in the following readings and online presentations. Power Marketing Association Certified Power Marketer (CPM) candidates are also required to complete successfully the one-day course and final examination "The Fundamentals of Power Marketing," which is presented by the association at its twice-yearly meetings held each spring and fall.

Read:

Wholesale Markets Reading Materials:

1. Why Use Power Marketers?
2. Power Marketing: Price Creation in Electricity Markets.
3. Electric Price Risk Management.
4. Uses of Options in Electric Power Marketing.

Retail Markets Reading Materials:

1. Electric Power Retailing.
2. The Undermining of Retail Access.

The above are available online at: <http://www.retailenergy.com/spiewak/sstoc.htm>

View Multimedia Presentations Online:

Wholesale Markets Presentations:

1. Finance for the New Power Industry.
2. Transmission — Is it Open Yet?
3. Electricity Futures and Options Strategies Seminar:
 - Part I: The Basics
 - Part 2: The Strategies

Retail Markets Presentations:

1. Restructuring the Retail Energy Industry.
2. Pennsylvania's Retail Market.
3. Bundling Non-Energy Services
4. Distributed Generation
5. Credit Cards and the Utility Industry

The above are available online at: <http://www.pmaconference.com/>

The Fundamentals of Power Marketing One-Day Course

There are two distinct markets for power — wholesale and retail. The skills and capabilities, the products required in each differ dramatically. This one program will introduce you to what you need to know to succeed in either- as buyer or seller.

Introduction to the Power Industry: A brief history of today's power industry— private, public, regulated and independent. The physical plant: powerplants, transmission and distribution lines. The institutional structures: Federal and state rate regulation, Independent System Operators and control areas, FERC Order 888.

Getting Started as a Marketer: Obtaining power marketer status; the importance of membership in the Western Systems Power Pool; how and why to enter into "pro forma" transmission tariffs, and standardized interchange agreements. Review capital, personnel and software and equipment requirements.

Lexicon of Power Marketing: The major price indices; the forward curve; NYMEX electricity futures contracts; basis contracts; puts and calls; collars; recallable contracts; swaps; arbitrage; tolling agreements.

Marketer Products & Their Applications:

Indexed Transactions: The simplest, lowest margin product is the index transaction. Distinguish between market indices and artificial indices, when indexed transactions make sense and when to convert to fixed.

Swaps: Any expense or revenue stream can be converted into another expense or revenue stream to create custom products.

Tolling Agreements: How to design and price and agreement under which you "rent" the use of a powerplant to convert fuel to electricity, or vice versa, on both a physical and financial basis.

Option-Type transactions: Options can be used to create price floors and ceilings, to devise no-cost "collars", and recallable contracts. How to price and design option contracts.

Finance-Type Transactions: Project finance; valuation of generation capacity; mark-to-market accounting; long-term purchase agreements; Unwinding existing agreements

Serving the Retail Power Market: 90% of all customers simply want a price, fixed, for the year. How to provide it using a combination of futures, basis contracts, options and swaps.

Retail Power Marketing: Lessons From the First Open Access Markets: Review of the highlights of the California and Pennsylvania open access legislation, of the Massachusetts New York and Illinois Pilot Programs.

Key issues in Retail Access: Stranded investment calculation, recoupment, and securitization; practicable tariff design; utility affiliate abuses; fly-by-night competitors; tax issues; metering requirements; credit and redlining.

Nuts and Bolts of Retail Marketing:

Marketing and Sales: Branding, multiple product lines, sales force management;

Customer Analysis and Pricing:

The Key Functions: scheduling, nominations, balancing and billing.

Wrapup: The \$2 trillion deregulated electric power market of tomorrow will hold plenty of opportunities for companies of all sizes and capabilities. What will the industry look like tomorrow? Where will the profit opportunities lie, and for whom?

PMA Certified Power Marketer Program (CPM) -- Program Application

I hereby apply for acceptance into The Power Marketing Association's Certified Power Marketer(CPM) professional designation program.

Name: _____

Title: _____

Company: _____

Address: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-Mail: _____

EDUCATION:

College/University: _____

Degrees: _____

Special Training _____

Participation in the CPM program is free to current Power Marketing Association members, or employees of corporate members, (except for any otherwise applicable fee for attending The Fundamentals of Power Marketing seminar).

Mail or fax application to:

**Certified Power Marketer Program
The Power Marketing Association
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Arlington, VA 22202**

(703) 979-4677 - Fax

(703) 892-0010 - Tel

pma@powermarketers.com

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