



Enclosure3: Terms of Reference of USAID/SARI/EI Task Force 1 on: “Coordination of Policy, Legal and Regulatory Framework”

This TF-1 comprise of members of the country’s energy/power ministries, the regulatory commissions and other policy, regulation making bodies.

The key deliverable of this TF-1 is to create conditions for a sustainable market for investment and implementation of cross-border energy trade through activities that enhance political support and social acceptance, agreements for coordinated operations, coordination of policies and regulations, framework for licensing, open access, tariff and trade negotiations and agreements on single window clearance, dispute resolution mechanism and enforcement.

1. Objective:

The TF will establish the legal and regulatory framework to identify the most beneficial investment opportunities for the overall system, define the ground rules on the allocation of costs and risk sand create congenial environment for investors in generation and transmission.

2. Constitution of Task Force:

Task Force has been be constituted with nominated member from each country from their energy /power ministries, regulatory commission, or other policy making bodies.

3. Terms of Reference:

- 3.1. Review international best practices to develop a common template that all countries can Strive to achieve within a period of 2 years.
- 3.2. Aligning National Electricity Policy to recognise CBET as an integral part of the national Electricity plan.
- 3.3. To evolve National Electricity Policy with a 25 to 30 year time horizon in consultation with Policy makers
- 3.4. To compile Regional South Asian Electricity Policy for each country covering a period of 25 to 30 years.
- 3.5. Develop a regulatory pathway/Road Map for establishment of a South Asian Regional Electricity Markets Starting with the minimum set of enabling regulatory and legal provisions.
- 3.6. Review of existing Acts, Policies and other regulations and agreements listed below to Identify inconsistencies that could have an impact on CBET and suggest corrective measures:
 - 3.6.1. Electricity Acts
 - 3.6.1.1 Independent Power Regulator
 - 3.6.1.2 Licensing Provisions, for various stakeholders in value chain.
 - 3.6.1.3 Government Subsidies,
 - 3.6.1.4 Climate change policy
 - 3.6.1.5 Consumer Protection
 - 3.6.1.6 Appellate Authority provisions
 - 3.6.2. National Electricity Policy
 - 3.6.3. Rural Electrification Policy
 - 3.6.4. Tariff Policy,

- 3.6.5. Energy efficiency policy
- 3.6.6. Renewable Policy,
- 3.6.7. Market rules and Policies for electricity Trade
- 3.6.8. PPAs Structure and bidding & awarding processes
- 3.6.9. Export/import duties or restrictions and free trade agreements
- 3.6.10. Intergovernmental agreements, bilateral treaties

4. Time Schedule:

- 4.1. The task forces shall meet periodically (Preferable once in each quarter)
- 4.2. The TF shall prioritize the various deliverables and deliver them on a timely basis
- 4.3. Without the proper legal/regulatory framework in place, no investment would be forthcoming and thus, this is the most pressing requirement on which progress needs to be made quickly and effectively.
- 4.4. The activities assigned shall be completed within a period of 24 months from the date of Constitution of the Task Force

5. Program Secretariat

- 5.1. The Program Secretariat shall be provided by IRADe. It would facilitate holding of the Task force meetings, prepare agenda, and coordinate the meetings and would issue minutes.
- 5.2. In case the TF finds the need for a study or assistance of an external Consultant for advice, the Project Secretariat would arrange for the same from internal resources or by engaging consultants.

6. Working Groups

- 6.1. The Taskforce can setup working groups to carry out some of the functions under the Task force. If the Working group is constituted by comprising of members of two or more countries then the Program Secretariat shall formally form such a working group and arrange and coordinate its meetings also.
- 6.2. If a subgroup is formed within a country for facilitating the functioning of the country's TF member then the respective country may form such group on its own and keep the Project secretariat informed of the same.

7. Deliverables

- 7.1. Regulation and Policy Coordination Template.
- 7.2. Compilation of South Asian Electricity Policies for 25–30 years
- 7.3. Investment guidelines and policies applicable across South Asia.
- 7.4. Risk analysis and mitigation policies
- 7.5. Standard formats for Bid Documents and Power Purchase Agreements.
- 7.6. Any other work that needs to be carried to meet the objectives.