

# Legal, Policy and Regulatory Issues Promoting Investment in Cross Border Power Trade in South Asia

Dr. Salim Mahmud

Member, Bangladesh Energy Regulatory Commission



# Legal Issues for Facilitating Cross Border Power Trade

- Intergovernmental Treaty
- Comprehensive Legal Regime
  - A Secure and Stable Legal Framework for Private Investment
- Supportive Policy Framework
- Supportive List of Regulations
- Long term contracts at the beginning

# Creating an Effective Regulatory Regime

## Establishment of an Independent Regulatory Authority

- Independence
- Neutrality
- Quasi-Judicial Authority

## Basic Features of an Ideal Regulatory Regime :

- Legal mandate for Liberalization of the Sector
- Separation of Regulatory Issues from Policy Issues
- Supremacy of the Law
- Decisions through Public Participation
- Dispute Settlement through ADR

# Issues of Protection of Investment

- **Legal**
- **Contractual**
- **Regulatory**



# Need for a Regional Legal Framework

## Energy Charter Treaty 1994 (ECT) - A Model Legal Framework for Cross Border Energy Trade

The ECT's 4 areas of focus


*Protection of Foreign Energy Investments*

*Free Trade In Energy Materials, Energy Products and Energy-Related Equipment*

*Energy Transit*

*Dispute Resolution through Arbitration*

**Why South Asia should join ECT or develop a legal framework similar to ECT ?**

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# Need for a Regional Regulatory Authority or Forum of Regulatory Authorities

# Harmonizing Legal, Policy and Regulatory Frameworks

- **Licencing**
- **Tariff setting**
- **Wheeling**
- **Access to Networks**
- **Market monitoring**
- **Enforcement of codes and standards**
- **Dispute resolution**

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Thank you all