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South Asia Regional Initiative for Energy Integration (SARI/EI)

Work Plan for 2013-2014 and Task Force Activities

Rajiv Panda
SARI/EI/IRADe

2nd Meeting of Task Force 1

“Coordination of Policy,. Legal and Regulatory framework”

19th and 20th February, 2014 ,Hotel Taj Samudra, Colombo, Sri Lanka



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Outline of Presentation

- **Cooperative Agreement: Highlights**
- **Key activities completed in the First Year (2012-2013)**
- **Four Phase approach of SARI/EI**
- **Plans 2013-2014: Essence**
- **Plans 2013-2014: Key Activities Planned**
- **Task force 1 Activities:**
 - 1. Overall Working Methodology of Task Force:***
 - 2. First meeting of Task force -1***
 - 3. No of TF-1 meetings planned 2013-2014 to achieve the deliverables as defined in the Terms of reference (TOR) of TF-1***
 - 4. TF-1: Meetings planned and main agenda of each meeting***
 - 5. TF-1: Tangible outputs from by the End of Year: 2013-2014***
 - 6. Supportive study/assignments to be carried out to achieve the deliverables the Task Force 1 as defined in the TOR***



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Cooperative Agreement: Highlights

Cooperative Agreement: Highlights

Program goal and objective :

1. Regional Energy Integration.
 2. Cross border Electricity trade.
 3. Establishment of South Asia Electricity Market .
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- Effective from 1st October,2012
 - Period -5 years (2012-2017)
 - Fourth and Final Phase of SARI.



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Key activities completed in the Year 2012-2013

- Regulatory Workshop on “Cross-Border Energy Trade - Issues before Regulators in the South Asia Region ”was successfully held on 19th- 20th February, 2013 at Kathmandu, Nepal.
- Visits to Nepal, Bangladesh, and Sri Lanka were organised along with USAID to interact with the key stakeholders and garner the support for Phase 4 of SARI program.
- Formation of Project Steering Committee.
- 1st Project Steering Committee meeting held on 12th March 2013 at New Delhi.
- Constituted the Task Force 1 & Task Force 2 .
- 1st Meeting of Task Force-1 on Coordination of Policy, Legal & Regulatory Framework was held on 24th & 25th July 2013 at Dhaka, Bangladesh.
- 1st meeting of Task Force 2 on Advance Transmission System Interconnections was held on 21st & 22nd August 2013 at Thimphu, Bhutan.

“Terms of reference (TOR) were finalized and various action points to meet the TF objectives and its deliverables were finalized during the meeting”



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Task Force-1 on Coordination of Policy, Legal & Regulatory Framework on 24th- 25th July, 2013 | Dhaka, Bangladesh : Findings

- TOR and methodology proposed by IRADe for TF 1 finalized and accepted.
- Members shall identify the provisions contained in their laws, policies and regulations on the various aspects and make Country wise presentation on the above shall be made in the 2nd meeting of TF 1.

Key Deliverables as per the Terms of reference of TF-1 :

- Aligning National Electricity Policy to recognize CBET as an integral part of the national electricity plan by **reviewing existing electricity plan and review of laws, acts ,policies for identifying specific provision/clauses that impacts CBET.**
- Develop **regulation and Policy Coordination Template** and Develop a regulatory pathway/Road Map for establishment of SAME starting with minimum set of enabling regulatory and legal provisions
- **Investment guidelines** and policies applicable across South Asia. Risk analysis and mitigation policies and Compilation of South Asian **Electricity Policies.**
- **Standard formats** for Bid Documents and Power Purchase Agreements.



Task Force-2: Advancement of Transmission System Interconnection

- ❑ Members finalized the TOR and key deliverables

Key Deliverables:

- Prepare Regional Electricity plan in 25-30 year time frame in periods of 5 years based on National plans
- Assess CBET opportunities in 25 – 30 year time frame
- Develop Standard Technical specifications for requirements of different voltage levels with parameters and list of codes to be prescribed for cross border requirements.
- Develop coordinated system operating procedures to be adopted for import export tie lines.





Key Lessons Learnt

- To follow a consultative, participative and structured approach through the Task forces.
- Strategic skilful policy advocacy in implementing the program and meeting the objectives of the program
- Importance of continuous TF meeting to ensure continuity of the TF activities.
- Providing intellectual inputs to the PSC and TF members through research and analysis for enabling them to making informed recommendations.



As per PIP 4 phase Approach and Strategy

PHASE-1 (2012-13)

Establishment of Steering Committee and Task Forces, High Level Regional Conference , Back Ground Paper, Task Force Meetings

PHASE- 2

Periodic Task Force Meetings
Analytical and Technical Studies
Workshop & Study Visits

PHASE-3

Periodic Task Force Meetings,
Analytical and Technical Studies,
Task Force Reports.

PHASE-4

Combined Task Force Report.
Strategic Buy in and Dissemination of findings .
Program Sustainability and Exit strategy





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Plan for 2013-2014



Plans 2013-2014: Essence

“Plans for 2013-2014 is focused on intensive task force meetings where each of the task forces will work to address the specifics issues concerning CBET and achieve the deliverables as defined in the terms of reference of Task Forces”



Plans 2013-2014: Key Activities

- **Inaugural conference on 4-5 October 2013, Release of Background Paper during the Inaugural Conference**
- **Organising Project Steering Committee meetings**
- **Formation of Task Force 3**
- **Country visits in the SA region**
- **Study Tours**
- **Organising Workshops (Investor workshop)**
- **Task Force Meetings**
- **Supportive exercises/assignments to be carried out to achieve the deliverables of the task Forces.**

Conference held on 4-5th October, 2013

- Inaugurated by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India (GoI).
- Active participation: SA governments, public & private sector, ADB, World Bank and SAARC Energy Centre etc.
- PSC and TF members actively participated.
- Conference followed the SARI process of consensus building among country governments.
- Show cased the “win win” benefits cross border trade for all SA countries and IRADe published a background paper on CBET.



**South Asia Regional Inaugural Conference of SARI/EI on
“Cross-Border Electricity Trade”
4th-5th October, 2013
New Delhi, India**



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Key Outcome of the Conference

- High level officials acknowledged the work of SARI/EI and suggested the need to institutionalise the process to advance the cause of CBET in the SA region in an effective manner.
- Electricity should be recognized as trading commodity and policies related to pricing and subsidies need to be aligned in the context of CBET.
- Review of respective electricity import and export policies by for facilitating CBET.
- Distorted prices due to subsidies to sizable population of poor in the SA region can be a constraint for investments in power sector which impacts the scope of CBET, therefore needs to be reviewed.
- Requirement of investors to take up large projects in hydro sector for sustainable cash flows which can be done by investment friendly policies in the region.



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2nd PSC meeting 8th January, 2014 | New Delhi, India

- 2nd Project Steering Committee Meeting, SARI/EI was organised on 8th January, 2014 | New Delhi, India.
- The progress of the program and future program activities were discussed.
- Task force 3 TOR were discussed , finalized TOR will be issued along with the letter of nomination for TF-3.
- Members discussed on building on the political consensus.
- Various studies to be carried out to achieve deliverables of the Task force were discussed.
- Members suggested to have Coordinated Project Steering Committee and Task Forces Meetings, the same shall be organised in 2013-2014.





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TASK FORCE 1 ACTIVITIES:
Activities planned to achieve deliverables of TF-1 as defined in the terms of reference of TF-1



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Overall Working Methodology of Task Force: Bottom Up Approach and Building Strategic ownership.

- Task force are the heart of the SARI/EI Program .
- TF will follow a highly structured and participatory approach.
- Members are the owners of the Task Force and its outcomes .
- Members if want to carryout a study to get the work done for the Task force , may ask the need for doing the same.
- IRADe will provide technical, coordinating and secretariat support for required TF-1 and for carrying out the study if needed.
- PSC committee will also be consulted and their guidance/directives will also be taken for activities of the Task Forces.



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Task Force-1 on Coordination of Policy, Legal & Regulatory Framework on 24th- 25th July, 2013 | Dhaka, Bangladesh : Findings

- TOR and methodology proposed by IRADe for TF 1 finalized and accepted.
- Members will identify the provisions contained in their laws, policies and regulations on the various aspects.
- Members agreed to make Country wise presentation on the above in the 2nd meeting of TF 1.
- Website links and Data formats





TF-1 meetings planned in the year 2013-2014

- Three meetings of TF1 is planned to be conducted in this year.

| ACTIVITIES | Quarter 1 | | | Quarter 2 | | | Quarter 3 | | | Quarter 4 | | |
|------------------------------|-----------|--------|--------|-----------|------------|--------|-----------|------------|--------|-----------|--------|------------|
| | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Mar-14 | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 |
| Task Force 1 meetings | | | | | | | | | | | | |
| TF-1 Meetings | | | | | TF1 | | | TF1 | | | | TF1 |



TF-1: Tangible outputs from by the End of Year: 2013-2014

- Members findings on review of existing Acts, Policies and other regulations and clear recommendations on changes (country wise) to be made (including institutional changes if any) to facilitate CBET and **draft** report of the same.
- **Draft** report based on minimum regulatory/legal/ policy requirements needed to enable expansion of CBET and and report on a common/ coordinated legal, policy, regulatory frame work for CBET in SA.
- Country specific actions plans and strategies for buy in of recommendations of the report on “Review of existing Acts, Policies and other regulations and clear recommendations on changes to be made”.
- **Draft** outline Task force 1 report.

Supportive exercises/assignments to be carried out to achieve the deliverables the Task Force 1

Supportive exercises/assignments for Task Force 1:

1. Review of existing acts, policies, other regulations and agreements to identify inconsistencies that could have an impact on CBET and suggest corrective measures.
2. Exercise on minimum regulatory/legal/ policy requirements.

“Scope of the exercise will be finalised in third Task Force 1 meet and the findings of the study will be discussed in fourth TF1 meet”



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Thank You