





#### South Asia Regional Initiative for Energy Integration

# Presentation on "Regional Energy Cooperation in South Asia"

Presented by

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Interaction with International Solar Alliance, World Bank, Electricité de France (EDF), The One Sun One World One Grid (OSOWOG) Vision & Roadmap Study Team

Fri May 7, 2021, 4pm – 5pm (IST)





















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South Asia Forum of Transmission Utilities (SAFTU)

South Asia Forum of System Operators (SAFSO)

South Asia Forum for Electricity Market (SAFEM)

South Asia Forum for Energy Investment (SAFEI)







#### Overview SARI/EI Program: South Asia Regional Initiative for Energy Integration (SARI/EI)

SARI/E is a long standing program of USAID started in the year 2000.

- Program has consistently strived to address energy security in South Asia by focusing
  - 1) Cross Border Energy Trade
  - 2) Energy Market Formation and
  - 3) Regional Clean Energy Development.
- SARI/EI-Phase IV (2012-2018): Key Outcomes.
  Three Key Development Outcomes:
  - 1. Coordinate policy, legal and regulatory issues.
  - 2. Advance transmission interconnections.
  - 3. Establish South Asia Regional Electricity Markets.
- Demand Driven 'Bottom Up' Approach
- IRADe, a regional organization, is implementing partner







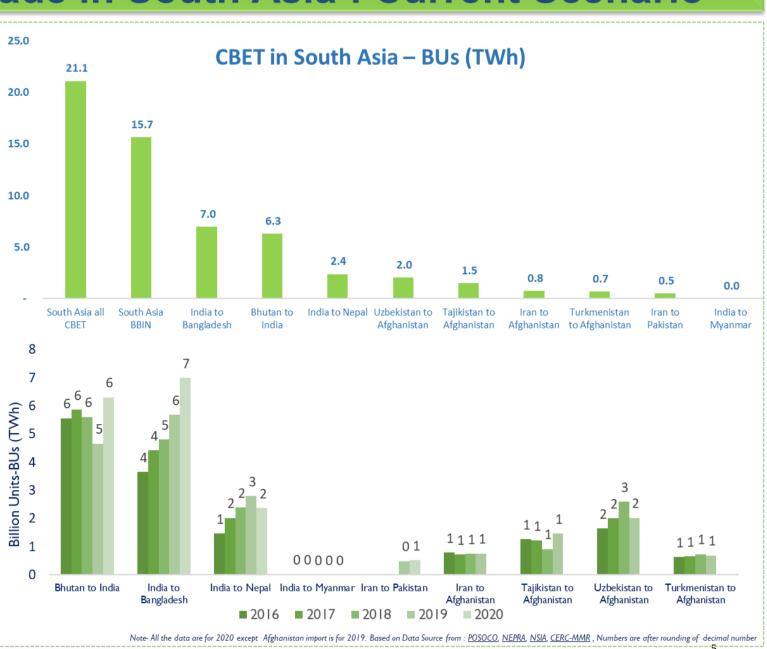




#### **Cross Border Electricity Trade in South Asia: Current Scenario**













#### **Cross Border Electricity Trade South Asia (SA): Future Scenario**

SA CBET Outlook



~43.8 GW, Cross Border Interconnection Capacity by 2040



Transitioning from Bilateral to Trilateral CBET in SA



Renewable Energy based CBET (One Sun One World One Grid)



Commercial form of CBET, Trade Through Power Exchange Platform



Regional Power Market Development & Market Integration





Guidelines for the Import / Export (Cross Border)-2018 of Electricity

Section 3.1, 5.3, 8.6



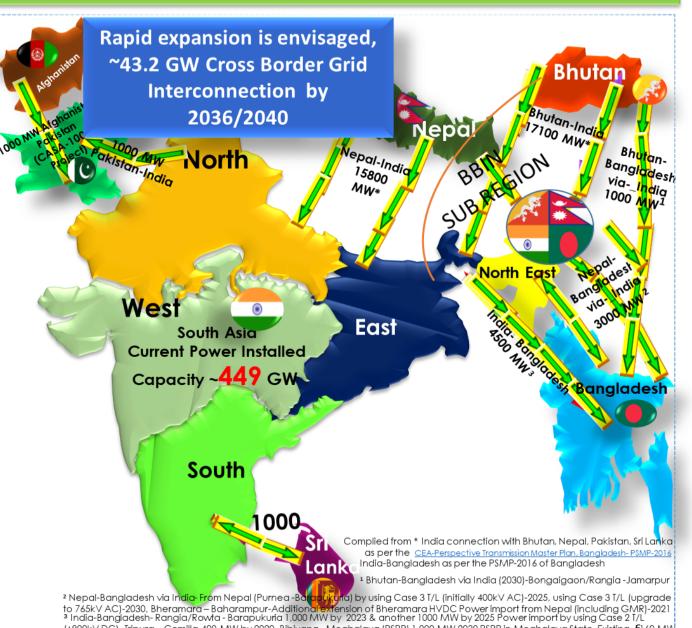
Central Electricity Regulatory Commission (Cross-Border Trade of Electricity) Regulations, 2019

Section 3 (2), 6, 12 (6)



Procedure for approval and facilitating Import/Export (Cross Border) of Electricity by the DA Authority-Feb, 2021

Section 8, Annex-V, 6.5, 6.6 (iii), Annex-III









## Our Experience of Energy Integration (EI) & Cross Border **Electricity Trade (CBET) in South Asia (SA)**











#### Experiential Insights from the Journey of Energy Integration & Cross Border Electricity Trade in South Asia



Political, Political-Economy, Consensus Building

Process of building Consensus takes time

Trust Building, Geopolitical Realties

Political Capital & Will, Cooperation Spirit

Required sustained efforts, Continuity



Policy, Regulatory, Market, Technical Different level/stage of Policy, Regulatory, Market, Technical (PRMT) Frameworks, Harmonisation Implementation of agreements, lack of clear PRTM framework

Power Market Development & Competition



Financial/Commercial feasibility, Investment attractiveness, focused Investment Facilities

Project Feasibility, Financial Challenges of building Hydro

Sharing of cost of cross border transmission

Policy, Regulatory Risks Amplifies viability

Lack of Dedicated Investment Facilities



Trilateral, Multilateral, Regional Institutional Platforms Moving from Bilateral, Building consensus on Trilateral took time

Sharing of cost of cross border transmission

Lack of Dedicated Regional Institutional Platforms

**Enabling Procedure** 

8

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Experiential Insights from the Journey of Energy Integration & Cross Border Electricity Trade in South Asia: Evolution in Thinking, Narrative and General discourse

#### **Preconceived Notions & Dominant Thoughts**

CBET only when county in Absolute Surplus

No need of Comprehensive Regulatory framework, regional institutions, Ad hoc measures are ok & fine

Restrict electricity imports for Energy Security (ES)

No need of Regional Approach and Planning

Notion of Not getting the benefits of Export-Won't get a fair deal

Geo-Politics rather than Economics the Driver

No Consensus on Trilateral Approach

#### **Changed/Changing Thoughts**

CBET can Happen by Exploiting Diversity, absolute surplus not a pre-conditions

Need of Comprehensive Regulatory Framework, Regional Institutions Desirable, Avoid Ad hoc measures, -ely Impacts Investment

ES continue to be a concern, but reasonable energy interdependence is a better approach

Better Appreciation for Regional Approach and Planning

Can get a fair deal, Learning the art of deal making
More positive and practical understanding

Mix of Geo-Politics and Economics the Driver

Understanding/Consensus on Trilateral Approach







## Brief of SARI/EI Extended phase: Key activities and Deliverables







#### South Asia Regional Initiative for Energy Integration (SARI/EI) Program (Extended Phase - 2018-2022)



SARI/E is a long-standing program of USAID started in the year 2000.



Program addressed energy security in South Asia 1)
Cross Border Energy Trade 2) Energy Market
Formation 3) Clean Energy Development

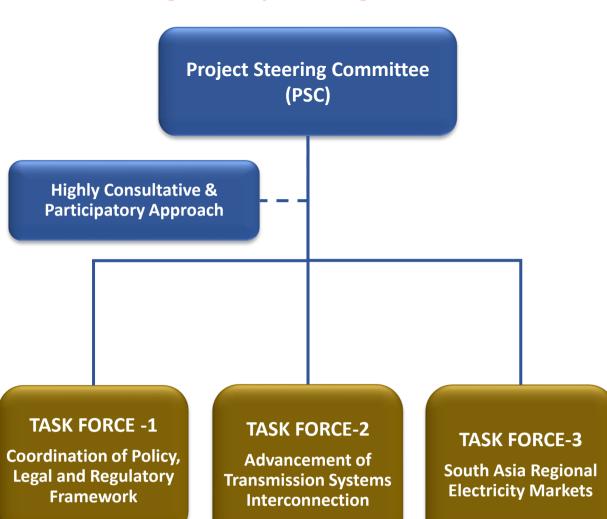


Extended Phase 2018-2022)-Focused on establishing & strengthening institutional mechanisms, carry forward the legacy of SARI/EI



Transfer knowledge/learning from USAID/India's bilateral projects to rest of the region

#### **Program Operating Structure**









#### **Inception Meetings 2018-19**

2019

SARI/EI Inception Meeting in Bhutan, Bangladesh, Nepal, Sri Lanka: Key Action Points









#### **Inception meetings November 2018 - Bhutan**





Left to Right - Mr. Md. Firoz Zaman, Deputy Director, Bangladesh Energy Regulatory Commission (BERC), Mr. Rajiv Ratna Panda, Technical-Head, SARI/EI/IRADe, Mr. Monowar Islam ndc, Chairman, BERC, Mr. Saliya Mathew, Chairman, Public Utilities Commission of Sri Lanka, Mr. Pankaj Batra, Senior Advisor, IRADe, Mr. Arun Kumar, Assistant Secretary, Central Electricity Regulatory Commission, India







## **Inception meetings November 2018 - Bhutan**











## Inception meetings December 2018 - Bangladesh











## **Inception meetings December 2018 - Bangladesh**





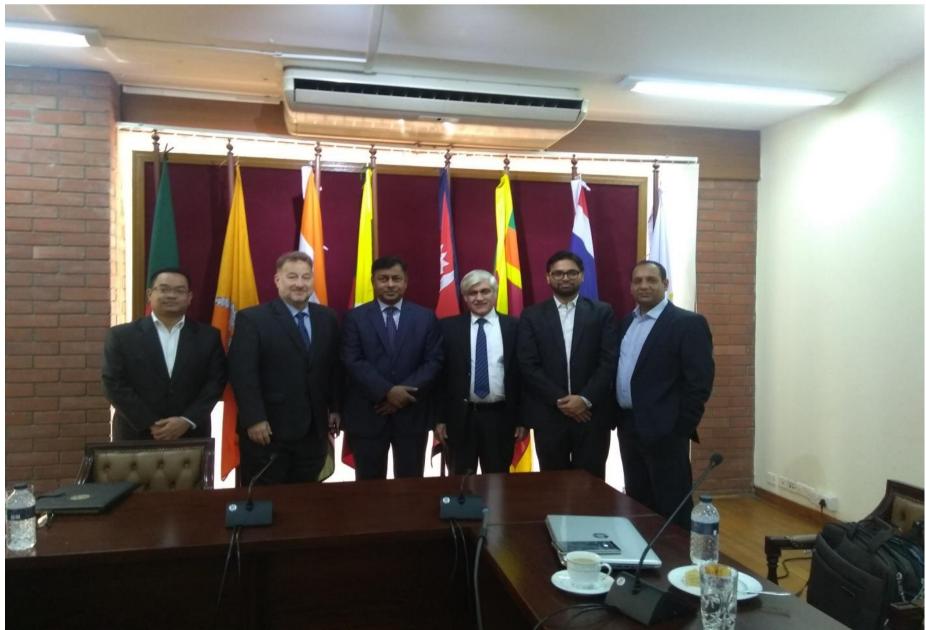






## Inception meetings December 2018 - Bangladesh























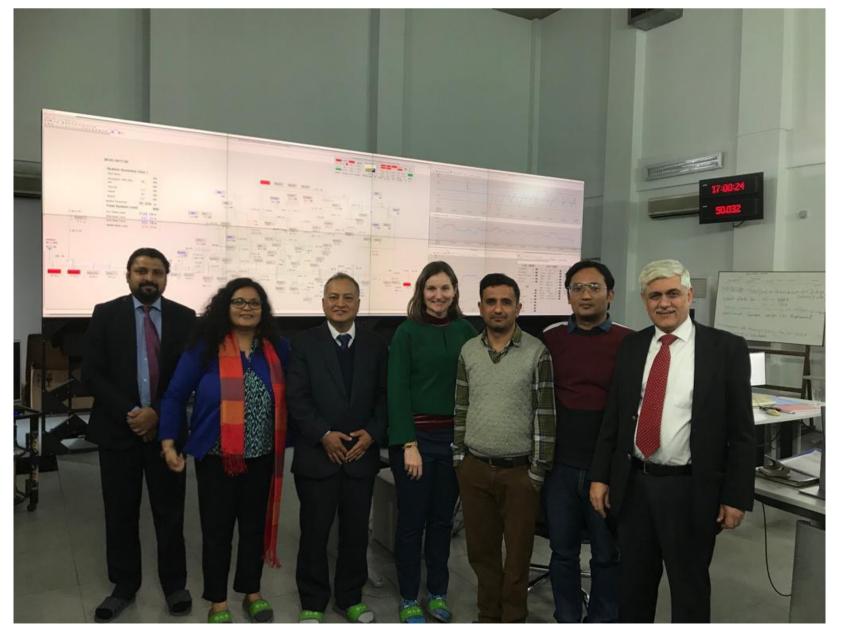




















































Left to Right: Ms. Monali Zeya Hazra, Regional Energy Manager and Clean Energy Specialist, USAID, India, Mr. Rajiv Kandanarachchi, Project Management Specialist, USAID, Sri Lanka, Mr. Merrille Goonetilleke, Add. Secretary, Ministry of Power & Energy, Sri Lanka, Mr. Pankaj Batra, Senior Advisor, SARI/EI/IRADe, Mr. Rajiv Ratna Panda, Technical-Head, SARI/EI/IRADe











Left to Right: Mr. Rajiv Kandanarachchi, Project Management Specialist, USAID, Sri Lanka, Ms. Janaki Vithanagama, Secretary, PUCSL, Mr. Damitha Kumarasinghe, Director General, PUCSL Mr. Saliya Mathew, Chairman, PUCSL, Mr. Pankaj Batra, Senior Advisor, SARI/EI/IRADe, Mr. Rajiv Ratna Panda, Technical-Head, SARI/EI/IRADe











Left to Right: Mr. Pankaj Batra, Senior Advisor, SARI/EI/IRADe, Mr. Rajiv Selvaraj, Vice Chairman, Ceylon Electricity Board (CEB), , Mr. Rajiv Ratna Panda, Technical-Head, SARI/EI/IRADe











Left to Right: Mr. Rajiv Kandanarachchi, Project Management Specialist, USAID, Sri Lanka, Mr. Rajiv Ratna Panda, Technical-Head, SARI/EI/IRADe, Ms. Monali Zeya Hazra, Regional Energy Manager and Clean Energy Specialist, USAID, India, Mr. T. M. R. Bangsa Jayah, Chairman, Sri Lanka Sustainable Energy Authority (SLEA), Dr. Asanka S. Rodrigo, Director General, SLEA, Mr. Chamila Jayasekera, Director (Strategy), SLEA and Mr.H.A Vimal Nadeera, Deputy Director General(Supply Side Management), SLEA.











Meeting with Mr. Sunil Hettiarachchi, Secretary, Ministry of Highways & Road Development and Petroleum Resources (MHRP), MD, Ceylon Petroleum Corporation, Director General, Petroleum secretariat and their senior officials and Mr. Pankaj Batra, Senior Advisor, SARI/EI/IRADe, Mr. Rajiv Ratna Panda, Technical-Head, SARI/EI/IRADe







## Key Deliverables of the SARI/EI Extended Phase (2018-2022)



Institutionalization of South Asia Forum of Energy Regulators (SAFER)



Institutionalization of South
Asia Forum of Transmission
Utilities (SAFTU) & South Asia
Forum of System Operators
(SAFSO)



Institutionalization of South Asia Forum for Electricity Market (SAFEM)



Operationalization of South
Asia Regional Power Exchange
(SARPEX)



Institutionalization of South Asia Forum for Energy Investment (SAFEI)



A coordinated transmission and generation master plan



Pre-feasibility study on potential transmission links



Framework for Regulatory market monitoring and oversight



Transmission network with common operating standards & grid code



An environment that promotes private sector investment



Assessment of potential of gas in South Asia and South East Asia till 2030



All round institutional and human capacity building

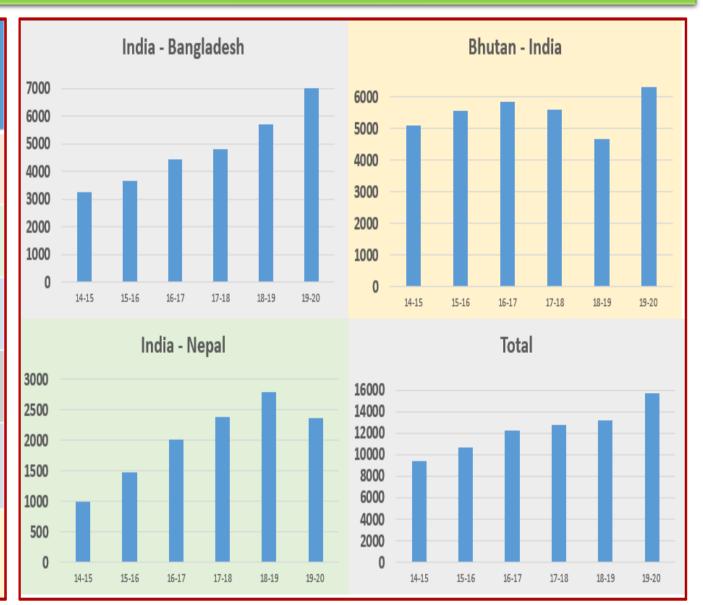






#### **Growth of Cross Border Energy Trade in BBIN Region during last 6 Years**

Year	India - Bangladesh	Bhutan - India	India - Nepal	Total
14-15	3271	5109	997	9377
15-16	3654	5557	1469	10680
16-17	4419	5863	2021	12303
17-18	4808	5611	2388	12807
18-19	5690	4657	2798	13145
19-20	6987	6311	2373	15671









## **SARI-EI Key Events Since July, 2019**







## **Key Events Since July, 2019**

Number of Workshops/Conferences/Webinar

Number of Technical Studies Initiated

Number of Reports Published & Paper Number of Technical studies are at advance level of award Number of Engagements\* with Regional Institutions (SAARC, SAFIR, BIMSTEC)

10

\* Includes Joint Workshop, Participating in the formal meetings and conference organized by Regional Institutions







#### Workshops and Stakeholder Consultations with the participants of Bhutan

## 16<sup>th</sup> – 20<sup>th</sup> July 2019: Workshops & Stakeholder Consultations

- Power Market and Power Trade through Power Exchange Platform;
- Indian Power Exchange Operation and Products;
- Transmission Losses, Charges, Deviation Settlement Charges and other Charges;
- Models of Trilateral/Multilateral Trade and Case Studies (LTMS)
- Common Minimum Grid Code Discussions;











#### Workshops and Stakeholder Consultations with the participants of Nepal

#### 23rd -25th July 2019: Workshops & Stakeholder Consultations

23<sup>rd</sup> July 2019 – Workshop on Power Trade Through Power Exchange;

24<sup>th</sup> July 2019 – Workshop on Enhancing Energy Cooperation between India-Nepal

25<sup>th</sup> July 2019 – Common Minimum Grid Code Review

#### 21st -22nd November 2019: Power Summit Nepal

21st November 2019 – Workshop on Power Trade Through Power Exchange;

22<sup>nd</sup> November 2019 – Participation in the Session- Transition of South Asia from Bilateral to Trilateral and Multilateral CBET









#### Workshops and Stakeholder Consultations with the participants of BD

## 12<sup>th</sup> -14<sup>th</sup> November 2019 : Workshops & Stakeholder Consultations

- Evaluation of Power Trading in India;
- Indian Power Exchange Operation and New Products;
- Regional Grid Integration and role of Independent System Operator;
- Models of Trilateral/Multilateral Trade and Case Studies (LTMS)
- Common Minimum Grid Code Review











#### Workshops and Stakeholder Consultations with the participants of Sri Lanka

#### 14th -16th January 2020: Workshops & Stakeholder Consultations

 SAARC-SARI Workshop on "Harnessing Regional Cooperation in Energy Sector and Energy Trade through Partnership between SAARC and USAID/SARI-EI" 16th January 2020, Sri Lanka

#### Workshop Recommendations

- ✓ Joint Regional Programmes on emerging critical issues such as Energy Security & Policy, Renewables and Climate change.
- ✓ Conducting collective Research work on latest global trends in the areas of Energy Co-operation.
- ✓ Collaboration on pragmatic & practical solutions through executing Pilot projects
- ✓ SAARC Clean Energy Transition 2040 Roadmap SAAR Regional transmission grid master plan.
- Sri Lanka Stakeholder Consultation on Common Minimum Grid Code.









### Roundtable on Interconnection of Regional Grids in Asia: SAARC GRID - GCC GRID - ASEAN GRID

#### India Smart Grid Forum (ISGF) jointly with USAID's SARI/EI,06 MARCH 2020

- Trans-regional power interconnections;
- > Transition towards market-based trading.
- Power trade and Power Market in South Asia;
- Open access in transmission and markets
- Participants
- Ministry of Power, Gol;
- Power utility; system operator, UNESCAP, Think tank, representatives from Government of Bhutan & SriLanka. Private power sector.









#### SARI/EI Active Engagement with Regional Institutions-Pre COVID-19 and Post COVID-19







#### SARI/EI Active Engagement with Regional Institutions- Pre COVID-19















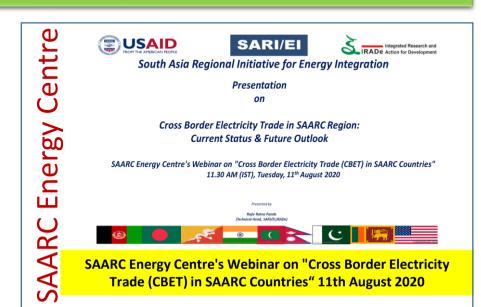


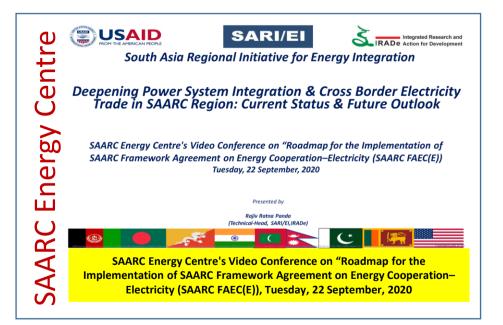


#### **Engagement with Regional Institutions- Post COVID-19**

















# South Asia Forum of Electricity Regulators (SAFER) Activities







#### South Asia Forum of Electricity Regulators (SAFER) & Related Key Technical Studies



South Asia Forum For Infrastructure Regulation (SAFIR) Working Group
On

"Regulatory Cooperation to Facilitate Knowledge sharing, addressing Cross cutting Energy/Electricity Regulatory Issues and Capacity Building in South Asia"

SARI/EI is providing the technical Knowledge support /assistance



## SAARC Council of Experts of Energy (Electricity) Regulators

SARI/EI is providing the technical support /assistance







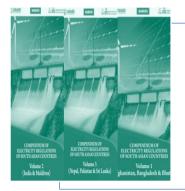
#### **Key Activities of the SAFIR Working Group**



Research & Technical Studies - (Three Studies)



SA Energy Sector Training & Capacity Building program on energy regulation for Energy Cooperation & exchange of electricity in SA.



South Asia
Energy/Electricity Regulatory
Compendium (SAERC)

(Released on 19th February, 2020)



South Asia Energy/Electricity
Knowledge Resource Database
(SAKERD)



SAFIR-Regulatory Newsletter (SRNL)



SAFIR Working Group Meeting







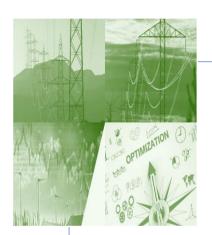
#### Study/Research under SAFIR Working Group



Study /Research on South Asia electricity/electricity regulations to develop regulatory pathway/Road Map for Electricity/Energy exchange and Energy Cooperation (EC) in SA



Regulatory interventions for Grid discipline and Grid reliability in the South Asian Region



Study on Cross Border Trade of Electricity- Potential Optimum Utilisation and Reduction in Cost of Supply







#### South Asia Energy/Electricity Knowledge Resource Database (SAKERD)

Aims to Create a Comprehensive Energy/Electricity Sector Data Base

{Online, user friendly, data Analytic, Indicative Graphs, pie charts and Figures, Info graphics, Annual Energy Data Book }

Power Related Time Series Data Energy Met, Actual Generation, Energy & peak deficits, Rate & volume transaction of PXs Cross Border (MU & MW), Frequency Profile, Diversity Factor, T & D losses

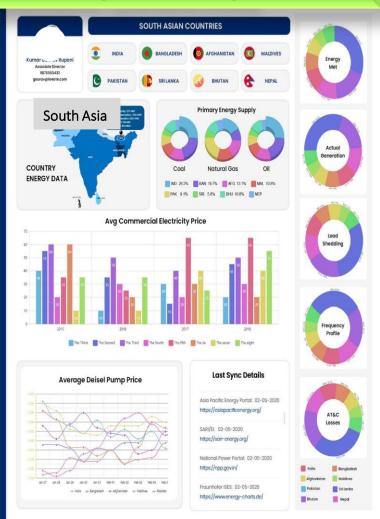
Electricity Generation Capacity and Transmission Network

Installed capacity & Fuel Mix, Transmission sector Regional Power Transfer Capacity, Power Plant details

Per capita energy consumption, Energy resource Primary Energy Supply & Demand

Energy consumption, Energy Balance, Energy access

Energy & Power Related Laws, Policy, Regulations









#### **SAFIR Regulatory News Letter (SRNL)**







Regulatory updates & Policy Developments in the Region Analysis on the Energy Regulatory and Policy Developments

Will capture
Important
development, can
have Guest
Columns outside
of the Region

It includes power, oil and gas sector

To be circulated in SA Countries in electronic format. (Quarterly)







### Technical Knowledge support /assistance to SAARC council of experts of Energy (Electricity) Regulators



SARI/EI is consistently providing technical assistance, input and advice to the SAARC council of experts of Energy (Electricity)
Regulators since its inception.



Earlier finished Model set of electricity regulations for implementation of the SAARC Framework Agreement for Energy (Electricity) Cooperation (SFAEC) and for advancing electricity trade in the SAARC countries



Study on Harmonization of Technical
Standards for interconnecting South Asia and
Central Asia Transmission Infrastructure



Standard Power Purchase Agreement Template for Buying and Selling Entities engaged in energy trade in SAARC







# South Asia Forum of Transmission Utilities (SAFTU) Activities







#### South Asia Forum of Transmission Utilities (SAFTU)

- Act as a platform for crosscutting deliberations, exchange of ideas on system planning, technical standards & other related issues for advancing CBET.
- 2 Facilitate regional system planning of the integrated transmission network.
- Facilitate integrated system/network development in a coordinated & consultative manner & steer the work towards the development of Regional Transmission Master Plan.
- Facilitate the work towards the adoption & implementation of guidelines for CBET, grid Codes etc.;
- Provide technical support & assistance to Regional Regulatory Institutional mechanism in existence and to bilateral Government mechanisms of coordination, by undertaking technical studies & discussions, wherever desired.
- Knowledge sharing, high quality Capacity Building & Training in System planning, network development, RE integration, etc.
- Undertake Research, technical studies, and come up with white paper, discussion briefs, issue briefs, and discussion notes in relevant areas of integrated system planning

Draft strategy paper on SAFTU finalised







# South Asia Forum of System Operator (SAFSO) Activities







#### South Asia Forum of System Operator (SAFSO) Activities



Facilitate the work of development and implementation of common procedures/guidelines and frameworks in the matter of system operation and market operation;

Provide technological support and assistance towards harmonization of system operation practices and compliance with reliability standards, in the matter of cross border connections;

Facilitate development of power market and ancillary services market in the region on harmonious principles;

Promote and render assistance towards capacity building in power system/market operation and development of a Code of Ethics for Load Despatchers in South Asia;

Provide inputs and technical support and assistance to Regional Regulatory Institutional mechanism and Regulators of South Asian Countries (SACs) on the matters related to system operation;

Act as a Secretariat to the various technical Groups/Committees formed under SAFSO;

Draft strategy paper on SAFSO is under preparation







# South Asia Forum for Electricity Market (SAFEM) Activities







#### South Asia Forum for Electricity Market (SAFEM) Activities

The proposed SAFEM will be a neutral body, which aims to facilitate regional electricity market development and creation.

SAFEM will help in adoption and implementation of guidelines and policies by advising the South Asian countries on power trade and markets in the region.

Strategy paper for creating the South Asia Forum for Electricity Market (SAFEM) is under Preparation.

Paper to recommend the role, functions, operating structure of SAFEM.

9 Months study.



#### SARI/EI



#### **Operationalising of South Asia Regional Power Exchange**

Demand Diversity- Daily, weekly , Monthly, Seasonal.

PXs-Fair, Transparent, Neutral Market Place, Competitive price discovery.

TOR for Operationalization of SARPEX is under preparation







South Asian Regional Power Exchange (SARPEX) Mock Exercise- Key Findings

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



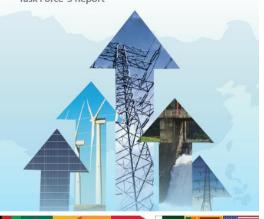






South Asian Regional Power Exchange (SARPEX) Market Design & Rules

South Asia Regional Initiative for Energy Integration Initiative













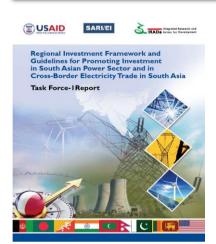
### South Asia Forum for Energy Investment (SAFEI) Activities







#### South Asia Forum for Energy Investment (SAFEI) Activities



"Regional Investment
Framework and Guidelines for
Promoting Investment in
South Asian Power Sector and
in Cross-Border Electricity
Trade in South Asia"



Recommended creation of a "Regional CBET investment Facilitation forum"



Focus on creating an ecosystem to promote regional investment in energy infrastructure in the region and De-Risking

TOR on SAFEI is under preparation –A forum of key stakeholders and financial institutions



SARI/EI will partner
with regional
institutions such as the
SAARC Chambers of
Commerce and
Industries (SAARC- CCI)
for SAFEI



Private investors will be engaged through workshops, conferences and focus group discussions.



Under SAFEI
"Developing a Regional
Risk Management
Framework with clear
risk sharing
mechanisms for
regional energy projects
& infrastructure in SA"







#### **Other Technical Activities**







#### **Ongoing Other Technical Activities - Draft Reports**

Second Edition of BIMSTEC Energy Outlook (A biennial Report).

Analytical Study to assess the potential of gas for Regional Energy Cooperation

Common Minimum Grid Code (CMGC)

Paper on Risk Mapping and Impact Assessment of COVID-19 on South Asian Power Sector (SAPS): Policy Measures for Business Continuity and Risk Mitigation.







#### Common Minimum Grid Code (CMGC): Objective

• The Common Minimum Grid Code for South Asia: lays down the rules, guidelines and standards to be followed by various South Asia country participants in the system for cross border trading in electricity, while operating the power system, in the most secure, reliable, economic and efficient manner.







Facilitation of cross border trading of power, while ensuring secure, reliable, economic and efficient operation of the grid.

Facilitation of the coordinated optimal operation of the South Asian Grid.

Facilitation of coordinated and optimal maintenance planning of generation and transmission facilities in the South Asian grid.







### Thank You