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

## Overview of SARI/EI Program Progress, Key Achievements and Way Forward

### South Asia Think Tank Forum Meeting

16<sup>th</sup> September, 2016

Hotel Shangrila

Kathmandu, Nepal





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

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● SARI/EI 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 (2012-2017): Key Objectives

Three Key Development Outcomes:

1. *Coordinate policy, legal and regulatory issues.*
2. *Advance transmission interconnections.*
3. *Establish South Asia Regional Electricity Markets.*

● First Four Year of the Program is Completed.

● Demand Driven ‘Bottom Up’ Approach

● IRADe, a regional organization, is implementing partner



# SARI/EI : Structure Framework

## SARI/EI/IRADe (Secretariat)



### Project Steering Committee

- ❑ Apex body, provides strategic direction for SARI/EI program
- ❑ PSC member includes:
  - Govt. Nominated –Secy./JS./Director/Chairman Level official South Asia Country governments
  - Director Level Representatives of regional institutions such as SAARC
  - Representatives of multilateral donors (e.g. ADB and World Bank)
  - Independent Energy Experts/Diplomats



### Intergovernmental Technical Task Forces: Heart of the Program

- ❑ Government Nominated Members (national governments, electricity utilities, regulatory commissions, power market institutions, etc)
- ❑ Task force meetings:
  - Follows Highly structured, consultative, participative approach
  - Demand-driven approach
  - Identifying needs for technical analysis, research studies



3<sup>rd</sup> PSC and 4<sup>th</sup> TF-1 Meeting



2<sup>nd</sup> PSC Meeting



Regulators Workshop in Kathmandu

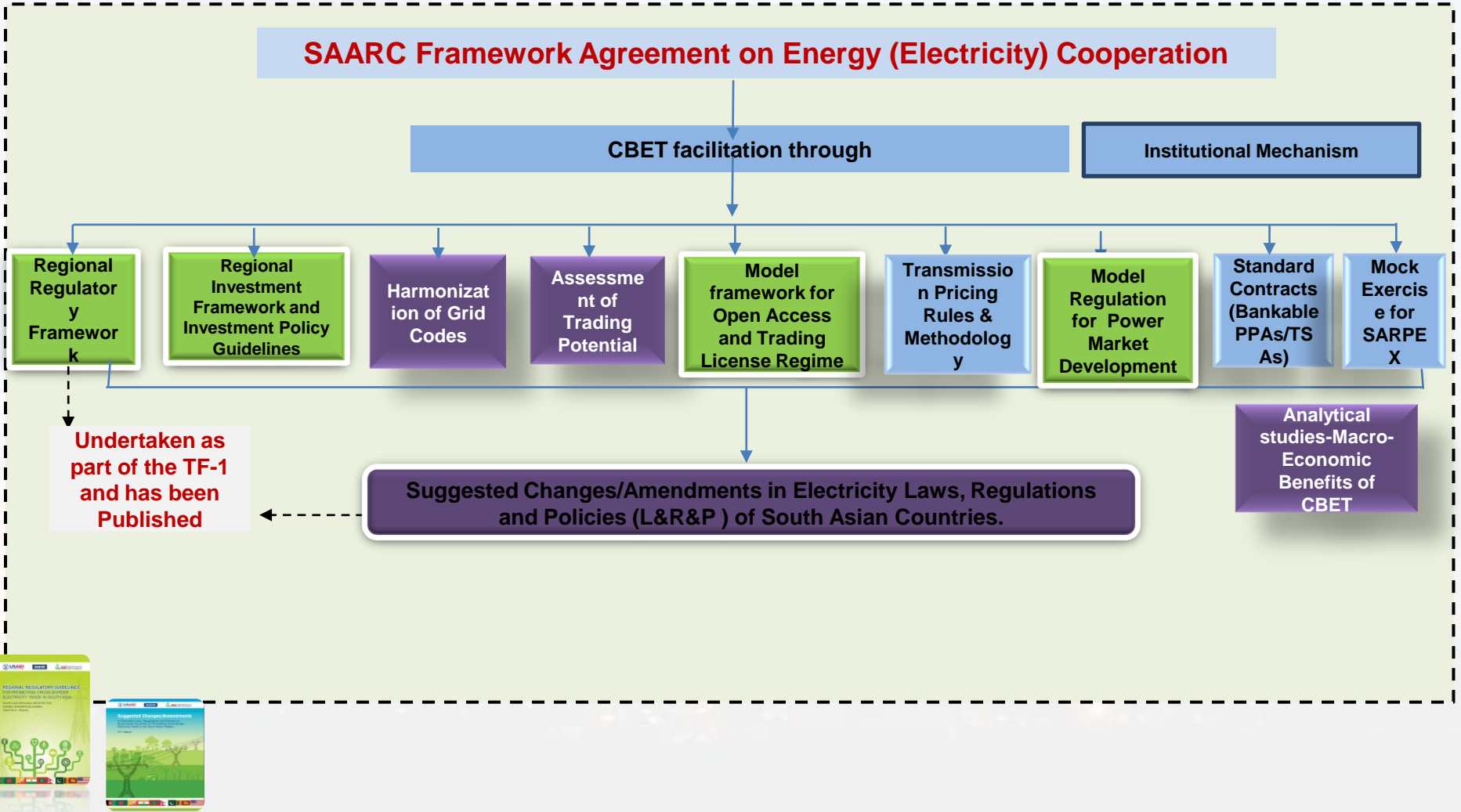


1<sup>st</sup> TF-1 Meeting



1<sup>st</sup> TF-2 Meeting

# SARI/EI Framework for an Enabling Environment for CBET in South Asia

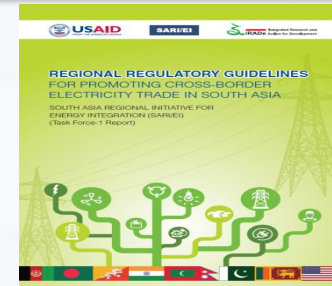


## Demand Driven Studies /Exercises to Achieve the Deliverables of Task Forces as Defined in the Terms of Reference of Task Forces

**Study -1: Study on Review of policies, regulations and laws, preparation regulations etc. (Report has been finalized, Proposed Changes, amendments in electricity laws, regulations and policies Regional Regulatory Guidelines) –Completed and Published**

**Study-2: Study on Investment policies/guidelines for SA countries (Draft Report Prepared- On going )**

**Study 3: Developing a Whitepaper on South Asia Forum of Electricity Regulators SAFER .(Draft Report Prepared-Ongoing)**



- Licensing for cross-border electricity trade
- Non-discriminatory open access to transmission network
- Transmission pricing regime applicable to CBET transactions
- Transmission planning particularly recognizing the planned/proposed cross-border interconnections
- Imbalance settlement mechanism for trade transactions
- Harmonization of codes
- Dispute resolution
- Duties and tax regimes applicable to CBET



TF-1 :

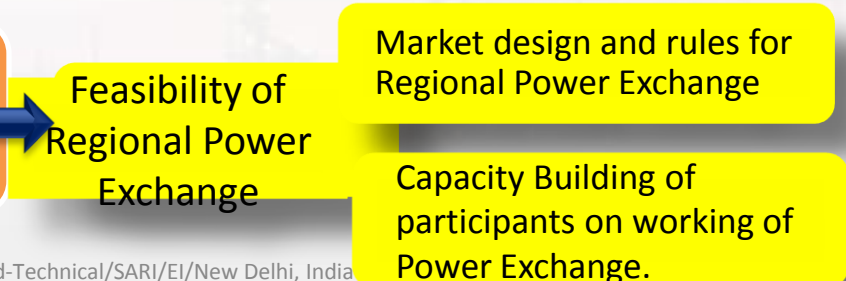
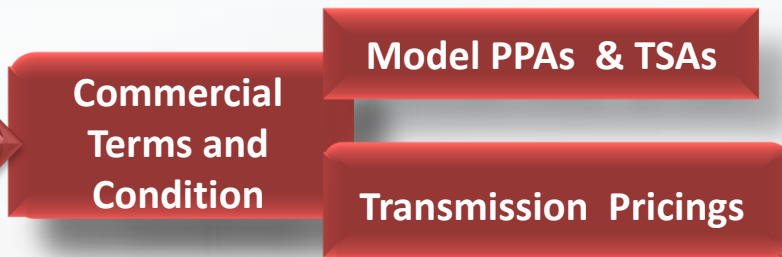
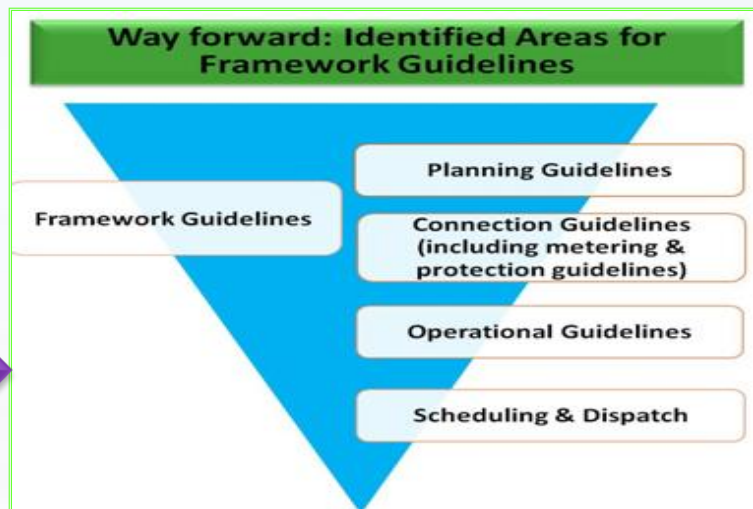
**Demand Driven Studies /Exercises to Achieve the Deliverables of Task Forces as Defined in the Terms of Reference of Task Forces**

**Study 1:** Study to find out the Trading Potential of South Asian Countries (*Draft Final Report Prepared -Ongoing*)

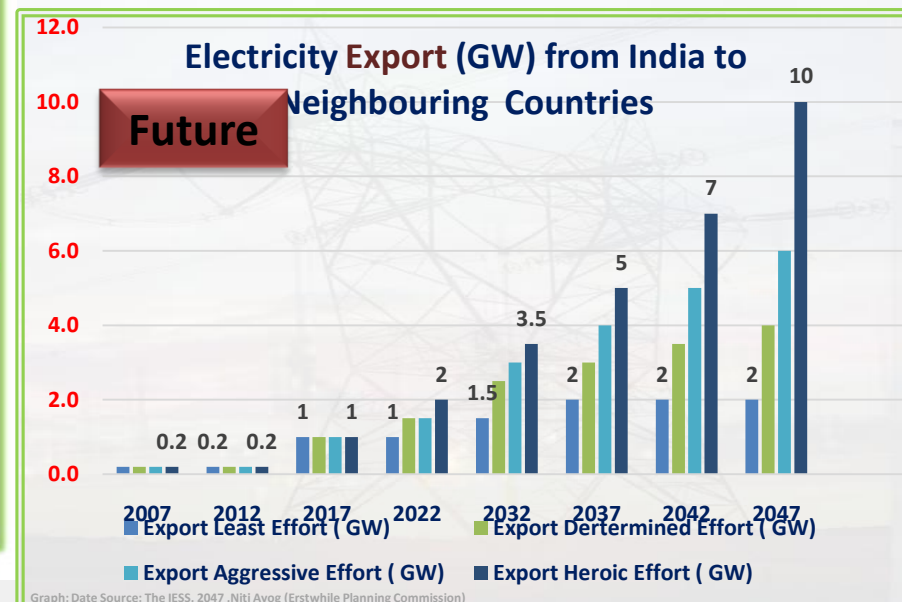
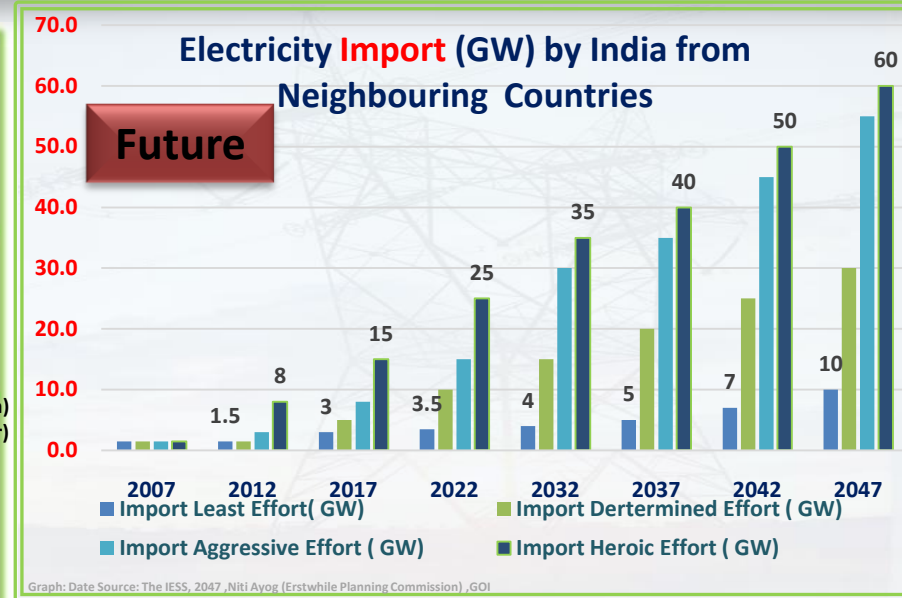
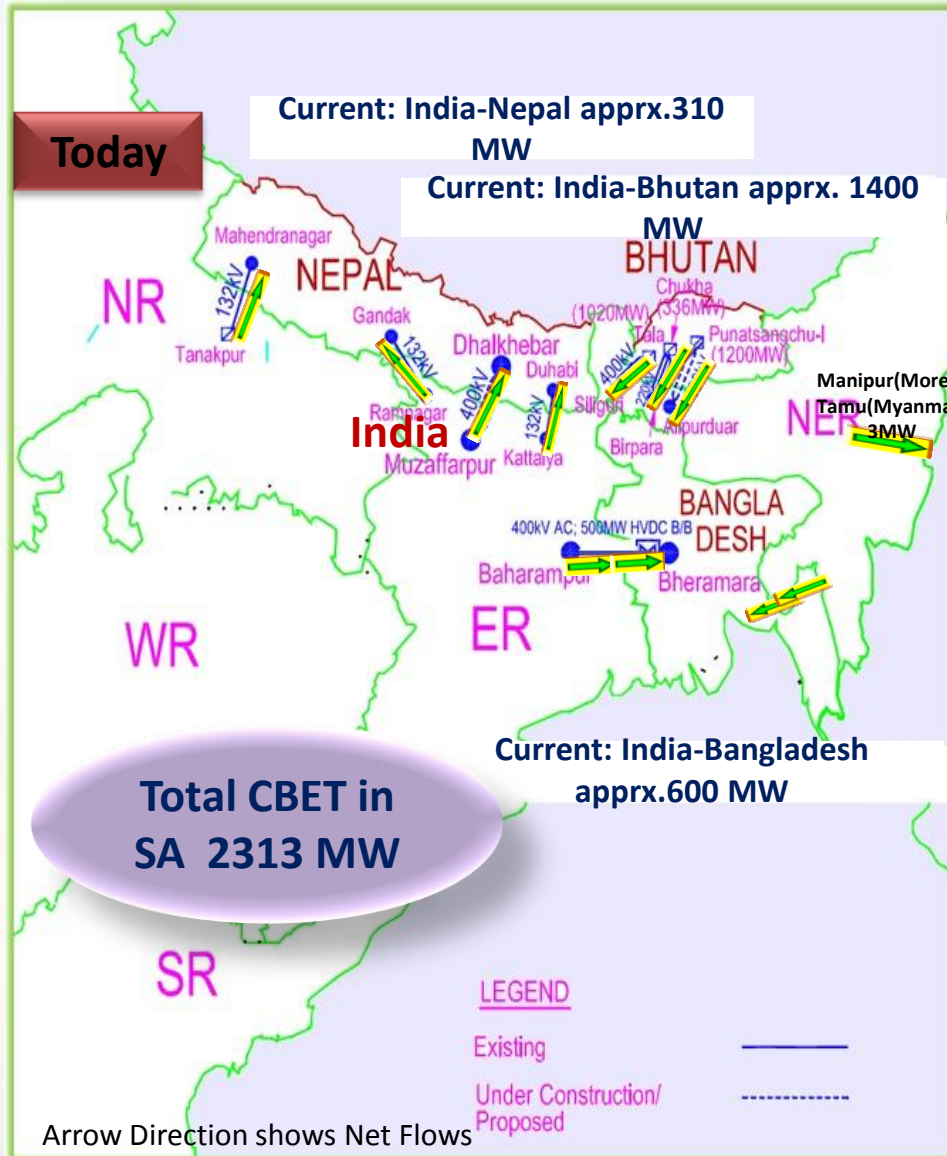
**Study 2:** Harmonization of Grid Codes (*Draft final Report Prepared - Ongoing, to be Published soon*)

**Study 1:** "Assessment and recommendation of commercial terms & conditions for Cross Border Electricity Trade (CBET) and suggesting the model Of Power Exchange in South Asian region" (*Draft Final Report Prepared- Ongoing*)

**Study 2:** Implementation of SARPEX- Pilot Market & Market rules (*Initial Work started*)



# Current Status of Cross Border Electricity Trade (CBET) and Future Trading Scenarios







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# **SARI/EI: Key Achievements/Impacts in the Region on CBET**

# SARI/EI: Some Key Achievements/Impacts



*First time in SAC, Regional Regulatory Guidelines (RRGs) for CBET Launched.*



*First time in SAC, Suggested Changes/Amendments in Electricity Laws, Policies, Regulation for CBET Launched.*



**CBET trade increased by 720 MW since the Program Started.**



**NEPAL-India Power Trade Agreement Signed.**



**SAARC Intergovernmental Framework Agreement on Energy (Electricity) Cooperation signed by SAARC Member States.**



**CBET is recognised/being recognised in National Electricity Laws, Regulations, Policies.**

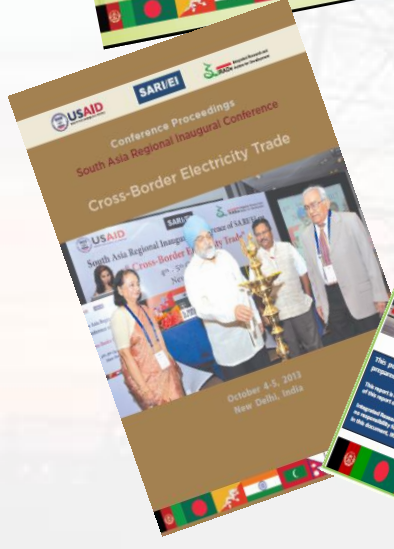
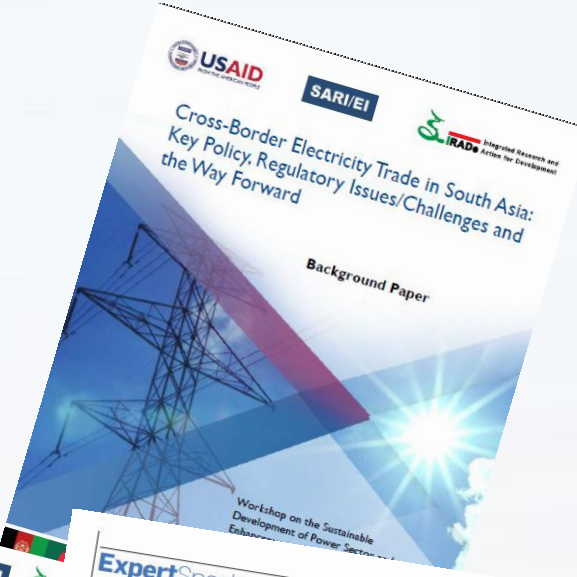
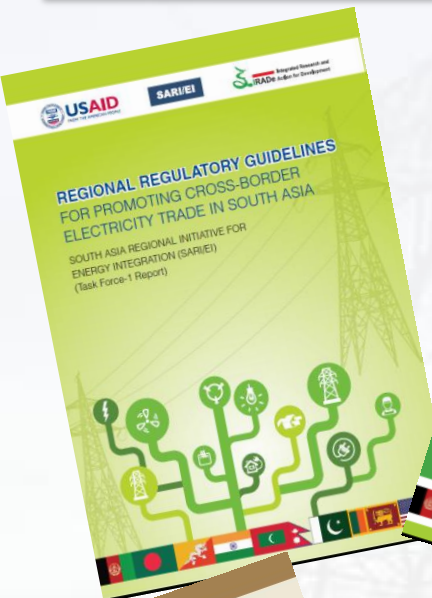


**Government of India initiated the Process of Preparation of Cross Border Electricity Trade Policy and Development of Regulatory Framework for CBET.**



***National Transmission Plans are Updated/being updated with Cross Border Transmission Planning.***

# Major Publications





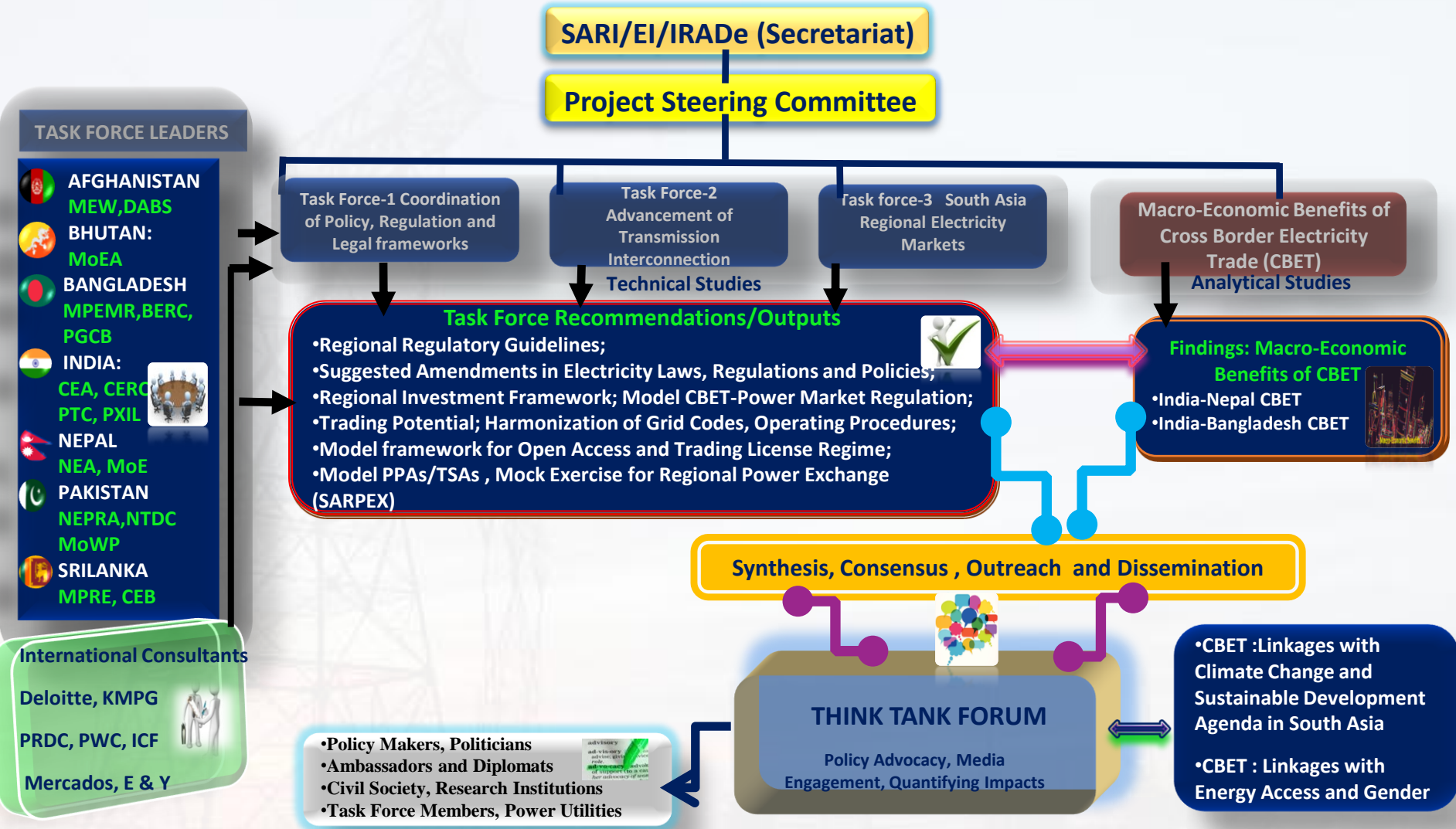
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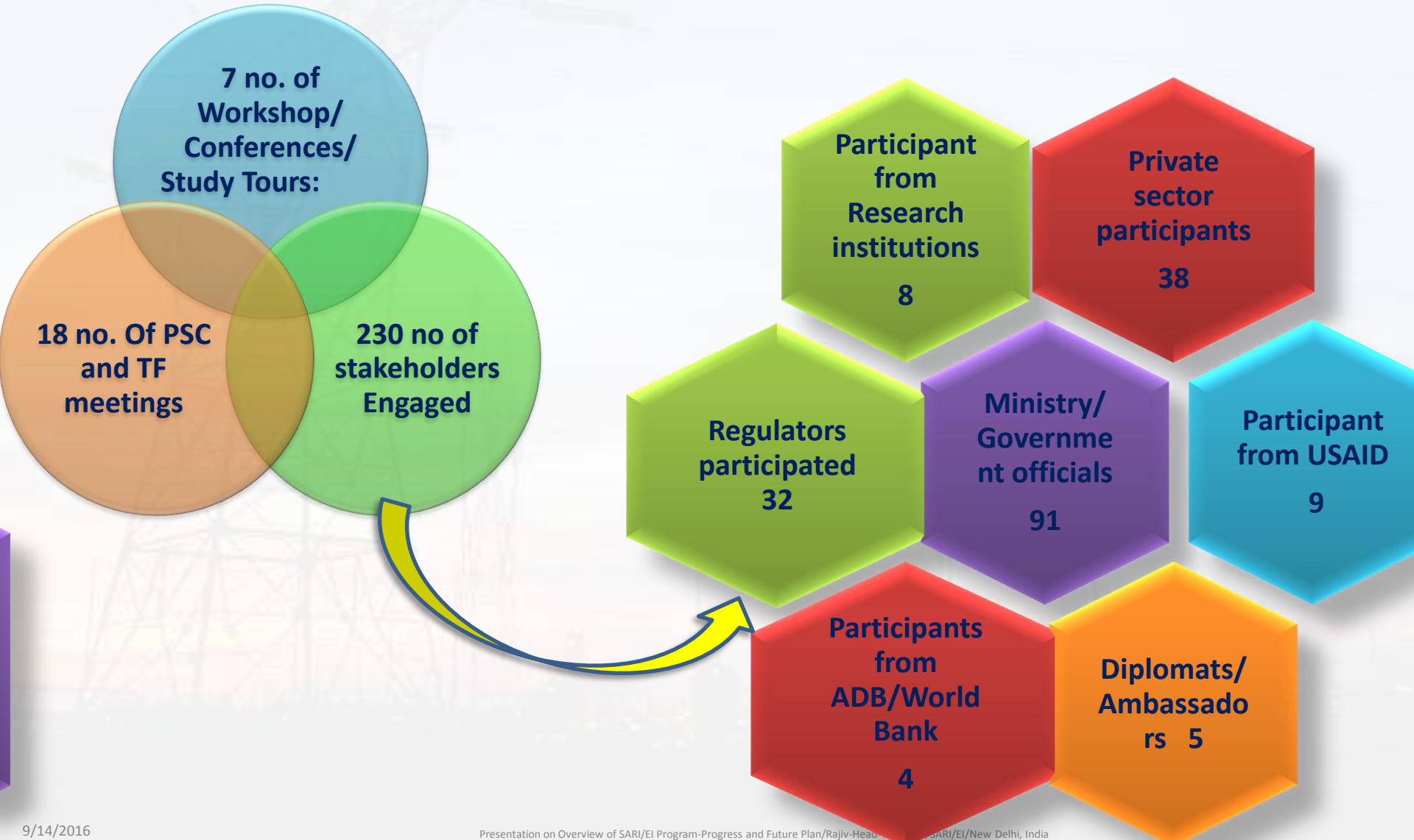


# SARI/EI Outreach and Consensus Building Strategy

# SARI/EI Outreach and Consensus Building Framework

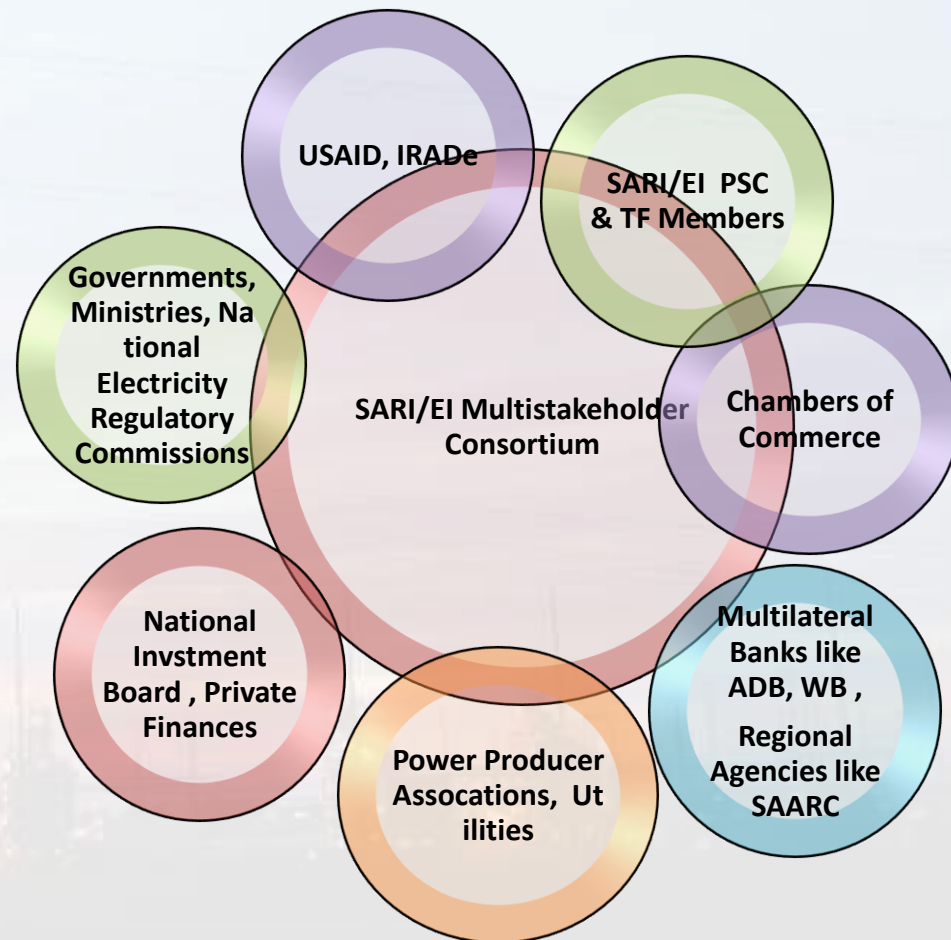


# SARI/EI Engagement with wide range of Stakeholders



# SARI/EI Outreach and Consensus Building Strategy : Think Tank Forum

- A network of leading think tanks in each participating South Asian country
- To initiate a discourse on the role of CBET in addressing energy demands for socio-economic development
- To establishing narratives and examples of the relevance of CBET in the energy security and climate change discourses
- TTF to take these messages to the stakeholders in respective nations
- Countries in focus:  
Bangladesh, Bhutan, Pakistan and Nepal



# Way Forward

1. More than 4 years of the Program has been completed.
2. Future Program will focus on following aspects

*Implementation of task force recommendations.*

*Working with SAARC and SAARC Energy Centre.*

*Conesus building and Outreach for buy in task force recommendations.*

*Institutionalizing the Process such as SAFER/SAARC Council of Energy Regulators (Electricity) .*

*Think Tank Partnership: For Country specific action.*

*Model Power Market Regulation framework for developing Power Market/Trading.*

*Facilitating the creation of regional power market.*

Way forward



# Thank You

THANK YOU

