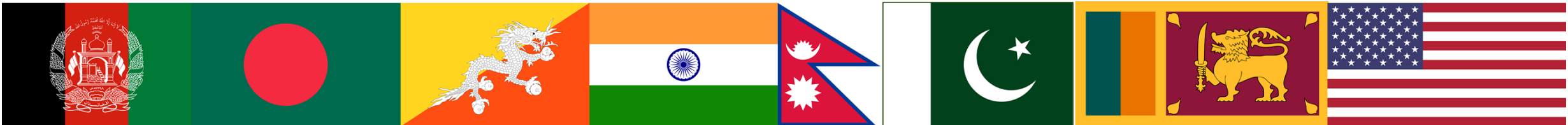


Task Force-3

South Asian Regional Energy Market Terms of Reference and Key Deliverables

28th June 2019



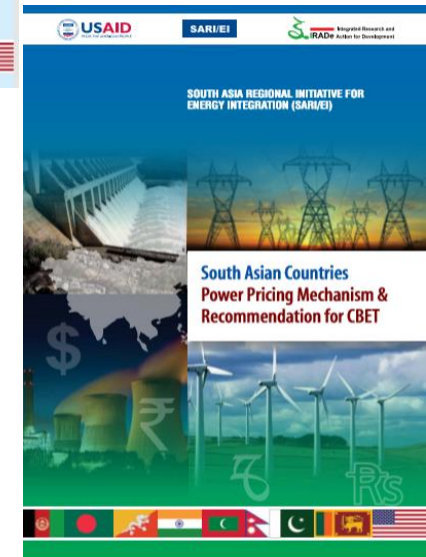
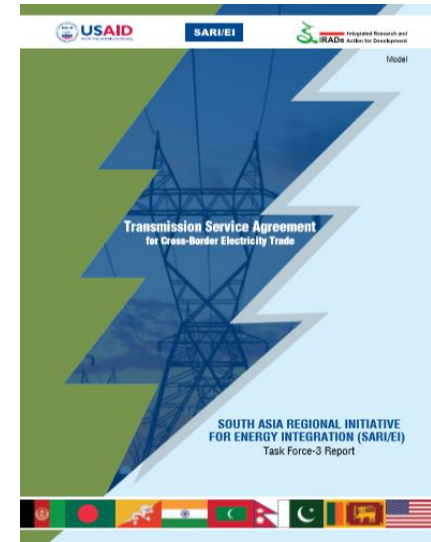
Contents

- Objective
- Quick-recap of Task Force-3 work
- Terms of Reference
- Deliverables

- Creation of regional energy market for advancing energy integration.
- To enhance the bilateral and multilateral trade arrangements by various possible energy market products.
- For developing efficient and transparent market rules & design to increase the Private investment.
- Market arrangement and prices- a useful benchmark for investors, generators/ producers, and consumers in the entire region.
- To develop a power trading system that is fair, transparent reliable and beneficial for all the parties so that the region can unleashed its trade potential.

Recap of Task Force-3 work

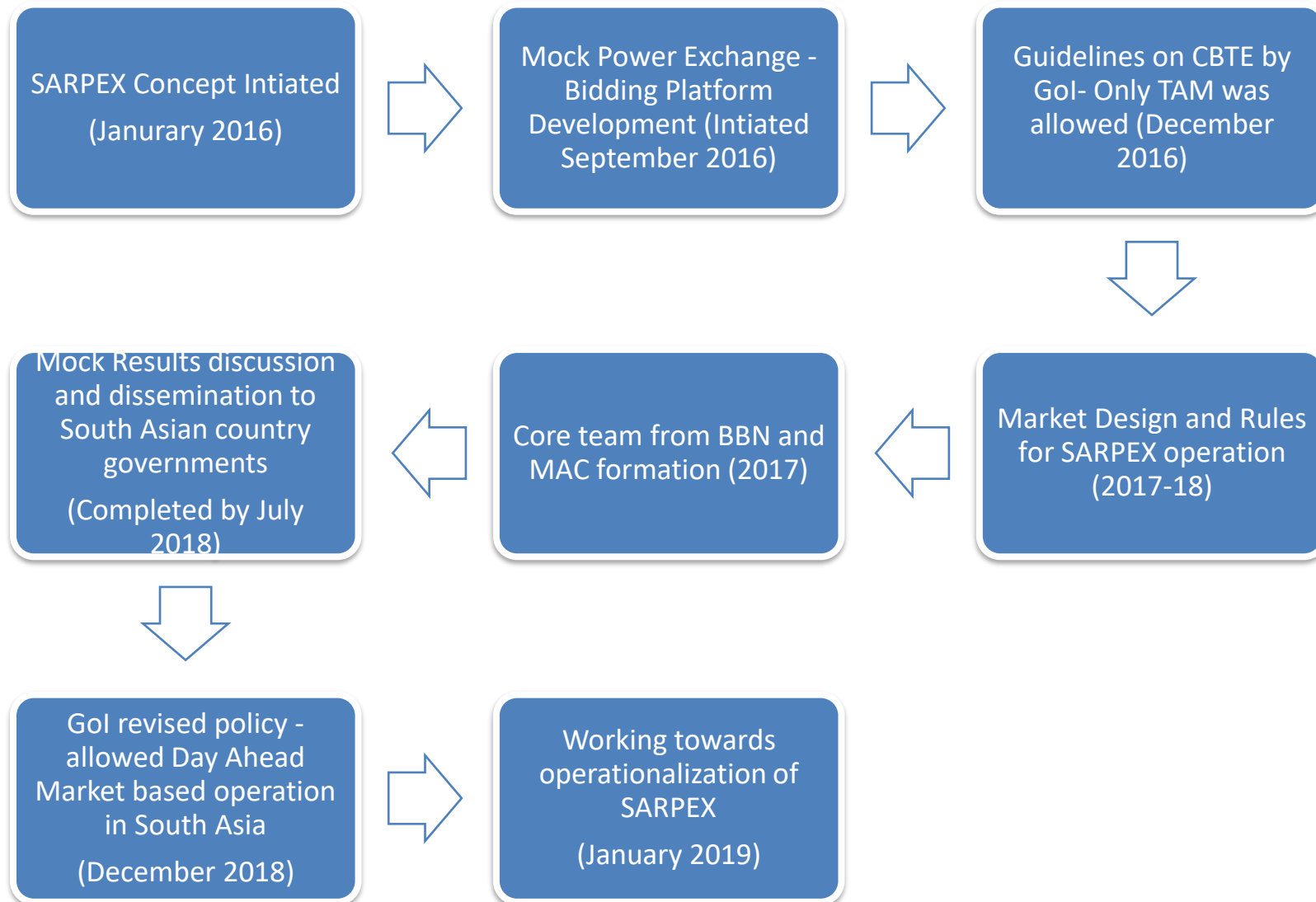
- Review of power procurement mechanism in South Asian countries
- Commercial terms and conditions – Standard Power Purchase Agreement (PPA) and Transmission Service Agreement (TSA)
- South Asian countries power pricing mechanism & recommendation for CBET



Recap of Task Force-3 work

- Review of International Power Exchange evolution, market design, products etc
- South Asian regional power exchange – market design and rules
- South Asian regional power exchange – mock exercise
- Review of International Power Exchange evolution, market design, products etc

In recent guidelines MoP, India allowed Day Ahead Market based trade with neighboring countries- SARI/EI mock exercise



Recap of Task Force-3 work

- Total Task Force-3 meetings-5
- Stakeholders Meetings and Report release event – 12
- Capacity building programs under SARPEX – 2



Terms of Reference

- Review of international best practices - handling congestion, market surveillance and governance, market-based instruments etc.
- Technical assistance for regional energy market development including the power exchange based trade.
- To identify country specific policies, regulations and other aspects for Implementation of Power Exchange based trade in South Asia.
- Review for the required market structure in the SA region for a trading mechanism for renewable energy, ancillary services & spinning reserves etc.

Terms of Reference

- Developing a strategy paper for creation of SAREM
- Expand the Task Force-3 to South East Asian region (BIMSTEC).
- Analysis of existing commercial arrangements for power trade in South Asia.

Terms of Reference

- The transmission tariff framework including transit fee for trading of electricity.
- Review of existing mechanism for dispute resolution in South Asian countries for Electricity Trade and International best example.
- Existing market monitoring & oversight mechanism and tools available in SA region and International best practices.
- Review and discussion on developing the framework for supporting the ancillary services and spinning reserve sharing.

Deliverables

Operationalization of power trade through the PX platform.
(SARPEX)

Bidding strategy and Policy aspects

Market design and rules

Technical assistance to operationalize

A regional forum/working group for discussion on various aspects of energy trade.
(SAREM)

Existing gas, oil and power sector demand-supply situation and pricing methodology

Market opportunity for private/public sector participants in energy trade.

Energy security assessment and potential for energy trade.

Market Monitoring and oversight

Assessment of competitiveness in the South Asian market

Preparing the market monitoring report

Developing the market monitoring tools

Deliverables

Transmission tariff framework including transit fee

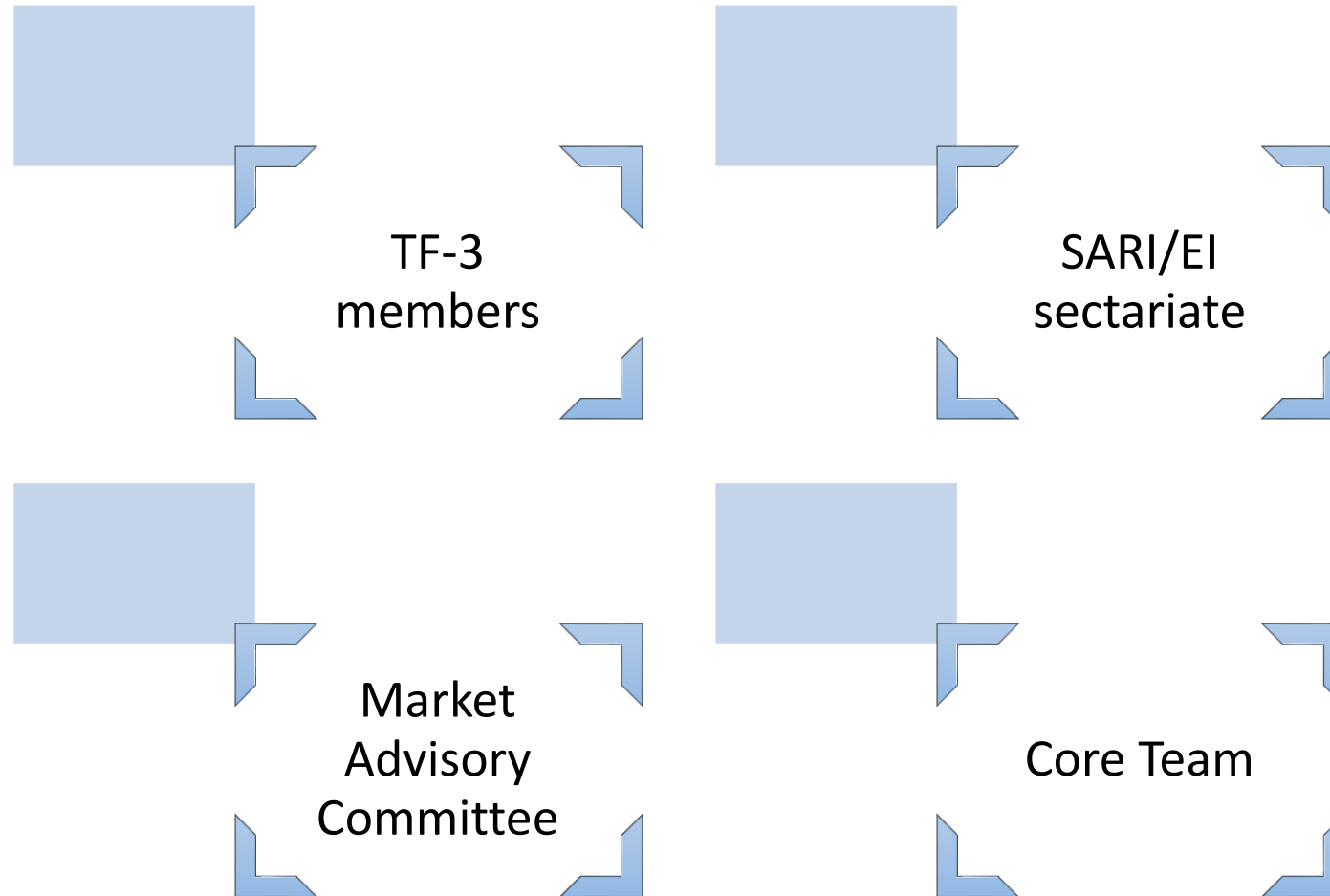
Framework for ancillary services and spinning reserve

Commercial arrangements - recovery of cost and sharing the CBET benefits equitably.

Knowledge and experiences sharing for market evolution and development

Framework for energy scheduling, accounting and deviation settlement mechanism.

Associated Members with TF-3



Pictures of Task Force-3 Events





Thank You!

Gaurav Jain (gjain@irade.org)

SARI/EI/IRADe PROJECT SECRETARIAT

B-44, Shivalik, Malviya Nagar, New Delhi-110 017, India

