









## Background

South Asia's rapid economic growth is leading to increased energy demand. Access to clean, reliable, and quality energy is essential to sustaining the region's expanding economies and rising aspirations. Energy cooperation among South Asian countries is a key pillar to enhancing energy security and facilitating clean energy transition. Cross-border energy cooperation and interconnected power grids can support optimum utilization of energy resources resulting in lower energy costs for customers and improved energy access.

The United States Agency for International Development (USAID) leverages its regional presence and technical expertise through its flagship program, South Asia Regional Energy Partnership (SAREP), to enhance energy cooperation amongst the six South Asian countries – Bangladesh, Bhutan, India, Nepal, Maldives, and Sri Lanka. A key initiative under USAID's Clean EDGE (Enhancing Growth and Development through Energy) Asia, SAREP builds upon USAID's two decades of work on cross-border electricity trade and power markets through its South Asia Regional Initiative for Energy (SARI/E) program.

## Goal and Objectives

	<b>STRENGTHEN</b>	Capacity of policymaking, regulatory institutions, and utilities
	<b>ENABLE</b>	Regional and sub-regional power trade
	<b>ENHANCE</b>	Regional energy cooperation through public consensus
	<b>ADVANCE</b>	Regional transmission interconnections
	<b>ESTABLISH</b>	South Asia regional power market
	<b>INSTITUTIONALIZE</b>	Institutions and forums to facilitate cross-border electricity trade (CBET)

## Interventions

SAREP collaborates with government departments from South Asia (SA) to provide technical assistance, analysis, capacity building, and outreach. The interventions under this technical objective include:

1. Facilitating power market participation
2. Enabling and supporting trading companies in SA countries
3. Developing a consensus on regional power trade and markets
4. Harmonizing policies and regulations to promote cross-border trade
5. Advancing regional and sub-regional trade of electricity
6. Establish and strengthen the capacity of regional and national institutions

## Outcomes and Outputs

1. 588.2 GWh electricity has been traded through the power exchange by Bhutan with SAREP support. SAREP team supported the operational team of Bhutan based Druk Green Power Corp. (DGPC), to enable DGPC, Bhutan Power Corporation (BPC), Bhutan Power System Operator (BPSO), Bhutan Electricity Authority (BEA) to participate in market-based cross-border power trade. Bhutan bought power between January-March 2022 and January to Mid April 2023 which helped meet its demand thereby avoiding power cuts.
2. Knowledge sharing on policy issues, regulatory requirements, and common rules on energy markets and procedures to enroll in India's Day Ahead Market (DAM) with Bangladesh stakeholders. SAREP, jointly with USAID/Bangladesh's BADGE program organized a training program in Dhaka for Bangladeshi stakeholders to enhance their knowledge and understanding about the Indian DAM. A five-day Utility Peer Exchange visit to India by 15 Govt officials from Bangladesh, which included lectures, practical handholding sessions on power exchange-based CBET and the experience with Nepal and Bhutan. SAREP is providing handholding support to Bangladesh to initiate its participation in the India power exchange.
3. Institutional strengthening of trading entities in Nepal, Bangladesh, and Bhutan by strengthening processes, systems, and capacity in close coordination with other USAID programs. SAREP is undertaking a gap analysis of power trading entities/arms within existing companies to develop a roadmap for a power trading entity.
4. Facilitate establishment and implementation of regional forums such as the South Asia Forum for System Operators (SAFSO), the South Asia Forum for Transmission Utilities (SAFTU), and the South Asia Forum for Energy Investment (SAFEI). USAID's SARI/E program has worked to conceptualize regional institutions to address issues and facilitate system integration for sustainable CBET and regional energy cooperation in South Asia. SAREP is working to institutionalize these forums to encourage greater regional energy cooperation.
5. Establishing a Regional Parliamentary Forum (RPF) on Energy Cooperation and Energy Trade in South Asia to discuss energy cooperation and trade for a more prosperous South Asia region.





## Institutional Structure

As a follow-on of USAID's SARI/EI program, SAREP adopted the same institutional framework as follows:

1. Project Steering Committee, an apex body comprising of senior officials from partner Governments, to provide strategic guidance to SAREP's activities on regional energy cooperation and cross-border power trade.
2. Three Intergovernmental Task Forces on harmonization of policy, legal and regulatory issues; advancement of transmission system interconnections and regional power market to provide technical advice and rigor to SAREP's interventions.

## About SAREP

The South Asia Regional Energy Partnership (SAREP) is a five-year flagship regional energy program of USAID/India. SAREP will improve access to affordable, secure, reliable, and sustainable energy in six countries—Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka. This five-year initiative aims to provide expert technical assistance and capacity development under four interlinked objectives – utility modernization, advanced energy solutions and systems, regional energy markets and integration, and private sector participation and engagement to support the clean-energy transition, as per the country's climate and energy security priorities. SAREP's activities and outcomes support and contribute to the U.S.-India Strategic Clean Energy Partnership (SCEP) and the Climate Action and Finance Mobilization Dialogue (CAFMD) under the U.S.-India Climate and Clean Energy Agenda 2030 Partnership.

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## FACT SHEET

# REGIONAL POWER MARKETS AND INTEGRATION

SOUTH ASIA REGIONAL ENERGY PARTNERSHIP (SAREP)

