

Summary of Discussions
2nd Meeting of the Focus Group (FG-2) of the
Regional Power Trade Coordination Committee (RPTCC)
Siem Reap, Cambodia, 14 June 2006

I. Background

1. The Focal Group was established with the holding of its first meeting (FG-1) in Hanoi in January 2006. The earlier FG-1 meeting agreed on the appointment of the authorities (chair and co-chair), the setting up of communication channels/ procedures, prioritization of activities, and the establishment of the Planning Working Group (PWG). PRC was appointed chair for the next two years, with ADB as co-chair. The FG-2 meeting was co-organized by the Ministry of Industry, Mines and Energy (MIME) of Cambodia and the Asian Development Bank (ADB). It was attended by FG-2 members of the six GMS member countries, as well as by representatives of AFD, IUCN, JBIC, SIDA, Soluziona, TEPCO, World Bank and ADB.

2. **Objectives.** The FG-2 meeting was held to: (i) confirm the procedural arrangements and division of work with PWG; (ii) review the PWG recommendations and confirm the next steps on the GMS Power Master Plan, power sector database and website, and best practices for power purchase agreements (PPAs), for presentation to the RPTCC; and (iii) agree on the next steps for specific priority tasks, namely, performance standards, operational planning, rules for cross-border electricity trade, transmission regulation and training program, for presentation to the RPTCC. Attached is agenda and program of meeting (Annex 1) and the list of FG-2 participants (Annex 2).

3. **Opening & Welcome Remarks.** Mr. Shi Shengguang, Chairman of the Focal Group and Deputy Director of the International Cooperation Department, China Southern Power Grid Company (CSG), warmly welcomed the members of the FG and recalled the main outcomes of the FG-1 meeting in terms of agreed internal arrangements and priority activities and schedules. He looked forward to a productive FG-2 meeting, in advancing the next steps for priority FG activities in the spirit of close, substantive GMS cooperation.

4. Mr. Anthony Jude, Principal Project Specialist, SEID, ADB recalled the important outcomes of the FG-1 meeting and explained the purpose of the FG-2 meeting, which would mainly review PWG suggestions, and recommend next steps for priority FG activities (such as GMS power master planning) and other priority tasks, such as setting performance standards and rules for cross-border power trade; the next steps to further advance the progress of priority FG activities and tasks were earlier discussed at the PWG.

II. Discussion on Next Steps for Implementing FG Activities

5. *Procedural Arrangements, Division of Work between FG and PWG.* The FG members discussed the most suitable coordination arrangements between the FG and PWG. One option considered is for the PWG to have country focal points, working closely until completion of the task, after which the PWG will report to the FG. Another option is to establish a small, efficient secretariat to coordinate priority activities; a similar model adopted in other GMS sector of cooperation such as the core environment program. ADB mentioned that careful analysis would be undertaken over next year to determine how such a center could be established, strengthened with additional staff and funded to support the RPTCC activities in the longer term. ADB summarized the consensus of PWG members in terms of nominating country focal points

within the PWG, and assigning specific tasks to each country. To facilitate the work of consultants, PWG focal point in each country will prepare and provide a list of contact persons for each priority task.

III. Progress of Priority Focal Group (FG) Activities

6. *Review of PWG Recommendations/ Agreements, Next Steps for Presentation to the RPTCC*). ADB noted that this session would discuss clarifications/ confirmation from the FG on PWG recommendations and agreements the previous day.

7. *Power Master Plan/ Linkages with GMS Master Plan*. PRC stressed the need to ensure consistency between the national plans and the regional power master plan and the need to prioritize training/ capacity building and institutional strengthening for power planning. Lao PDR, Myanmar and Viet Nam stressed the importance of training in power planning for the PWG, which should be made the top priority. Thailand expressed concern about the time frame for preparation of the regional master plan, and whether information from the national plans could be utilized for the GMS master plan. ADB agreed to coordinate the consultant's work so as to ensure that data is captured in support of the regional master plan. ADB also noted that software would be provided as part of TA funding. WB clarified that the consultant would only train and assist the GMS members, who are then expected to develop the master plan themselves. The FG-2 meeting endorsed the preparation of the GMS Master Plan as a priority activity.

8. *Regional Power Database and Website*. ADB cited the efforts to enhance the GMS power sector webpage, which would include the presentations during meetings as well as the final reports of previous studies in order to improve dissemination of information. The FG agreed to the WB suggestion to develop a public and a secure website, with the latter containing the working drafts of the PWG and other sensitive material.

9. *Developing Best Practices for PPAs*. The FG confirmed the earlier PWG agreed timetable for submission of comments and revision of the study by Soluziona.

10. *FG Discussions on Other Priority Activities*. ADB recalled that the PWG endorsed the following as priority activities: development of performance standards; design of transmission regulation; and identification of core training program. The FG confirmed the PWG recommendation to undertake these priority activities.

11. *Next Meetings*. ADB noted that the back-to-back PWG and FG meetings would be held in September to follow up on the priority activities. The host would be PRC, who would later advise on the venue.

IV. Closing Session

12. *Synthesis of Discussions/ Agreements*. ADB cited the FG agreement on the work plan and next steps for the PWG and noted that it will look into strengthening of secretariat support to the working groups in the future.

13. *Consideration and Adoption of Proceedings*. Mr. Jude announced the distribution of the draft summary of proceedings for review by the body. The FG members reviewed the draft summary of proceedings and after incorporation of suggested changes, the body therefore approved the minutes of the FG-2 meeting.

