

**Summary of Discussions**  
**Third Meeting of the Planning Working Group (PWG-3) of the**  
**Regional Power Trade Coordination Committee (RPTCC)**  
**Sanya, Peoples' Republic of China (PRC), 16 May 2007**

1. **Objectives.** The PWG-3 meeting was held to advance the progress for priority PWG studies and activities covered under the RPTCC work plan, namely: (i) review the progress of studies on performance standards and transmission regulation; (ii) update on the status of arrangements for the training programs, and proposed new programs based on training needs; and (iii) review the progress of preparing the GMS power master plan and developing the regional power database and ICT strategy. The meeting also discussed the revised timetables for these studies and activities.

2. The PWG-3 meeting was held in Sanya, PRC and co-organized by the China Southern Power Grid Company Limited (CSG) and the Asian Development Bank (ADB). It was attended by PWG nominees of the six GMS member countries, as well as by representatives of ADB, Agence Francaise de Developpement (AFD), GMS Environment Operations Center (EOC), International Rivers Network (IRN), Japan Bank for International Cooperation (JBIC), PRC State Environmental Protection Administration (SEPA), and Soluziona. Attached is the agenda and program of the meeting (Annex 1) and the list of PWG-3 participants (Annex 2).

**Session I: Opening Session**

3. Mr. Deng Xiaowen, Division Chief, International Department, China Southern Power Grid Company (CSG) welcomed the participants and noted the good progress achieved for the priority RPTC studies and activities that are being coordinated by the PWG. He explained the objectives of the PWG-3 meeting and expressed his wish for the participants to engage in free and productive discussions and thus achieve substantive outcomes in the meeting.

4. Mr. Yongping Zhai, Principal Energy Specialist, Infrastructure Division, Southeast Asia Department (SEID), ADB, welcomed the participants and thanked the host, CSG, for the excellent meeting arrangements. He explained the purpose of the meeting, which is to take stock of the status and advance the progress of priority PWG studies and activities. He said a summary of the meeting's recommendations, covering revised activities, milestones and timelines, would be reviewed at the end of the PWG-3 meeting and prepared for confirmation at the Focal Group and RPTCC meetings.

**Session II: Discussion on Priority PWG Studies (Performance Standards, Transmission Regulation, Next Steps)**

5. **Performance Standards Study.** Soluziona (Mr. Karacsonyi) provided a background of the study, which falls under component 2 of ADB TA 6304 (GMS: Regional Power Trade Coordination and Development) i.e., to facilitate creation of institutions to coordinate and develop regional power trade. He noted that the study's main objective is to address short-term reliability problems, to overcome concerns about interconnections passing on disturbances from one country (with low quality/ reliability) to another. A recap of agreements was provided, as well as the status of submission of the questionnaire by GMS countries. Soluziona then gave an overview of the answers of GMS respondents to various issues raised in the questionnaire. He provided the proposed next steps for the study, indicating the timeline for key outputs and activities of the study.

6. **Discussions.** Comments focused on constraints in data collection and how these could be addressed. The level of detail in the data needed for the study was also discussed. Clarifications were provided on the short and long term objectives of the study. ADB (Mr. Zhai) stressed the need to meet the deadlines for the next steps presented for the study. Thailand (Mr. Prutichai) agreed to a technical workshop in the last week of June 2007 to discuss the outputs of the studies (performance standards and transmission regulation).

7. **Transmission Regulation Study.** Soluziona (Mr. Karacsonyi) indicated that this study also falls under component 2 of TA 6304, and provided a recap of the agreements at the Technical Stocktaking Meeting (TSM) of PWG in Bangkok in March 2007. He discussed the recommendations of Thailand (Mr. Somphol) on the steps to commence with the study. Proposed initial activities include analysis of inter-Transmission System Operator (TSO) compensation mechanisms and design of procedures to support TSOs in complying with cross-border power trade commitments.

8. **Discussions.** Soluziona clarified that, in response to the query of Lao PDR (Mr. Daovong), the study would be multi-disciplinary covering technical, legal and even environmental aspects. Viet Nam (Mr. Thang) stressed the importance of clear communication flows within and between working groups to ensure their effectiveness. ADB (Mr. Zhai) noted that rather than create additional WGs to perform specific tasks, it would be better to identify key tasks and clarify for each, the roles and appropriate focal persons within the existing structures. Thailand (Mr. Prutichai) expressed the view that this study should be accorded lower priority given the current stage of the GMS power market. Mr. Zhai suggested that the RPTCC review the priority accorded to this study and reword the priority in the proposed MOU.

### **Session III: Discussion of Training Program**

9. **Status of Arrangements for Agreed Training Programs.** Soluziona (Mr. Castrillo) gave a recap of the agreements on the training plan in terms of the priority courses, hosting, commitment dates and number of sponsored participants. For the Power System Planning course, to be hosted by PRC in Ban Na, PRC on 4-8 June 2007, he discussed the profiles, logistics/ course content (all 8 modules), and confirmed participation. He also discussed the course content for the two other courses, namely, (i) Electricity Markets and Cross-border Trading and (ii) Electricity Regulation (2 modules) to be hosted by Cambodia and Thailand on 23-27 July and in early September 2007, respectively.

10. **Discussions.** Viet Nam (Mr. Thang) suggested that to be realistic and effective, the objectives of the power system planning course (e.g. whether basic, central or indicative planning) should be identified at the outset. Soluziona (Mr. Karacsonyi) concurred with this suggestion, and provided information on the trainers to be tapped for the course. Soluziona (Mr. Karacsonyi) and representatives of PRC (Mr. Jin Xiaoming) and Cambodia (Mr. Nolson) exchanged clarifications on the scope of the modules.

### **Session IV: Update on the progress of Priority PWG Activities: Power Master Plan; Database/ ICT Strategy**

11. **Regional Power Database and Website Implementation.** Soluziona (Mr. Castrillo) provided the overview and objectives of component 4 that would establish a platform or database for information exchange and communication. He gave the updates on the progress of this activity, with revised timelines for the bidding process to choose the database developer. He

apprised of the issues/ problems that were encountered. Only one bidder had submitted a proposal, but the bid price far exceeds the budget.

12. **Discussions.** Soluziona (Mr. Castrillo) discussed possible options to reduce the cost of database development. ADB (Mr. Zhai) reiterated the need to have the system in place within a year and encouraged Soluziona to discuss with CSG as the lead agency for the GMS RPTCC with respect to addressing cost and technical issues.

13. **Long Term Indicative Master Plan (LTMP).** Soluziona (Mr. Karacsonyi) provided a recap of the LTMP activities, which is still within the targeted schedule, and discussed the LTMP's goal, which is to define the least-cost expansion plan for generation and transmission to meet strategic targets related to critical issues, such as affordable tariffs, regional integration and sustainable development. He then explained the process already undertaken, and the additional work needed for the following: (i) least cost generation and transmission (G & T) expansion modeling; (ii) determining data requirements; (iii) filling in missing data; (iv) taking into account the assumptions; (v) obtaining test results and model results; and (vi) deciding on the next steps. The latter involves conduct of a workshop to discuss information enhancement, analysis of preliminary results, security criteria and data on relevant projects.

14. **Discussions.** PRC (Mr. Jin Xiaoming) noted the availability of CSG resources for the development and refinement of the LTMP. Viet Nam (Mr. Tuan) suggested the use of shadow costs in the price of fuels. Soluziona said suggestions would be obtained from GMS representatives on the assumptions for fuel costs at the workshop.

15. Thailand (Mr. Varavoot) asked about the relationship between the national master plans and the regional plan (LTMP). Soluziona clarified that the regional plan considers possibilities for alternative generation sources and transmission configurations due to power trading, which may not have been considered in the national plans. Viet Nam (Mr. Thang) noted that robust growth in the GMS may limit the ability of long term plans to accurately predict future conditions. Soluziona noted that master plans may have shorter range forecasts, and could be updated regularly to account for changes in assumptions that could affect the forecasts. Thailand (Mr. Prutichai) proposed that ADB (i) provide the software for master planning to the GMS countries, which could be used to refine the individual national plans and to regularly update the regional plan, and (ii) provide support for capacity building to GMS countries in this area.

16. ADB (Mr. Zhai) requested views of the participants on whether to hold a (i) combined workshop on studies on performance standards and transmission regulation, and the LTMP, or (ii) to hold separate workshops for the two studies and the LTMP. One concern on combining the workshop was that it would be too long and participants would be away from office work for a long period. An option proposed by Lao PDR (Mr. Daovong) is to combine the workshop but vary participants according to work responsibilities. Myanmar (Mr. Naing) noted that a combined workshop would have the added advantage of being able to utilize common needed data sets. ADB (Mr. Zhai) suggested that CSG and EGAT meet to discuss possible arrangements for organizing the workshop.

## **Session V: Closing Session**

17. **Summary of Agreements.** Soluziona presented a summary of the agreements reached during the PWG-3 meeting (Annex 3), particularly the next steps for the priority RPTCC studies and activities. Among the milestones highlighted were:

- (i) Schedules and arrangements for the training courses: Power System Planning (Ban Na, PRC, 4-8 June 2007); Electricity Markets and Cross-Border Trading (Cambodia, 23-27 July 2007); and Electricity Regulation (Thailand, 1<sup>st</sup> half of September 2007);
- (ii) Thailand to host the workshop on performance standards and transmission regulation in the last week of June 2007, and PRC to host the LTMP workshop also in the last week of June 2007; and
- (iii) Further discuss the options to reduce the cost of the database development (re-bid the package, negotiate further with the database developer, or hire a programmer and bid out the hardware).

18. **Consideration and Adoption of Proceedings.** Mr. Zhai announced the distribution of the draft summary of proceedings for review by the participants. After the PWG members reviewed the draft summary of proceedings, and after incorporation of suggested changes, the body therefore approved the minutes of the PWG-3 meeting *ad referendum*.

19. **Summary and Closing Remarks.** Mr. Zhai thanked the participants and appreciated the constructive discussions and agreements reached to further advance the priority RPTCC studies and activities. He invited everyone to the welcome dinner to be hosted by ADB later in the evening.