

Summary of Discussions
Sixth Meeting of the Planning Working Group (PWG-6) of the Regional Power Trade
Coordination Committee (RPTCC)
Ho Chi Minh City, Viet Nam, 20 November 2008

1. **Objectives.** The PWG-6 meeting will revisit/ review the results and accomplishments under the regional technical assistance project (RETA) 6304 (Regional Power Trade Coordination and Development), particularly in the areas of training, database/ website development, master plan study, and studies on performance standards and transmission regulation. The meeting will also discuss the proposed next steps under the new RETA 6440: (Facilitating Regional Power Trading and Environmentally Sustainable Development of Electricity Infrastructure in the GMS), which was approved by ADB in December 2007 and funded by the Swedish International Development Cooperation Agency (Sida).
2. The PWG-6 meeting was held in Ho Chi Minh City, Viet Nam on 20 November 2008 and co-organized by the Electricity Regulatory Authority of Viet Nam (ERAV)-Ministry of Industry and Trade (MOIT) 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), Australian Agency for International Development (AusAid), Japan International Cooperation Agency (JICA), Mekong River Commission (MRC), RTE International, Swedish International Development Cooperation Agency (Sida), Soluziona, and World Bank (WB). Attached is the agenda and program of the meeting (Annex 1) and the list of PWG-6/ FG-7 participants (Annex 2).
3. The PWG-6 was co-chaired by Mr. Daovong Phonekeo, Deputy Director General of the Department of Electricity, Ministry of Energy and Mines, Lao PDR, and Mr. Yongping Zhai, Principal Energy Specialist, Infrastructure Division, Southeast Asia Department (SEID), ADB.

Opening Session

4. Mr. Nguyen Vu Quang, Deputy Director General, ERAV-MOIT, welcomed the participants to the meeting and thanked ADB and the development partners for the support to the development of the GMS energy sector. He emphasized the importance of the studies and activities being undertaken by the RPTCC to develop regional power trade arrangements under the purview of the Inter-Governmental Agreement on Regional Power Trade (IGA). He hoped that the discussions would yield substantive outputs and wished the meeting a complete success.
5. Mr. Yongping Zhai, SEID, ADB, welcomed the participants and thanked the host, ERAV, for the hospitality and excellent meeting arrangements. He noted that we are on the threshold of starting work on key activities that would help us realize the initial stages of regional power trade as specified in the road map. He then explained that the meeting will review the results and accomplishments under the current AFD-supported RETA, and deliberate on the proposed next steps that should be the focus/ direction under the new Sida-supported RETA.

Review of Results/ Accomplishments under RETA 6304

6. **Training Program.** Soluziona (Mr. Karacsonyi and Mr. Castrillo) reviewed the results of training program implementation under RETA 6304. He presented the various training courses implemented, and elaborated on the suggested courses that include: (i) national and regional

grid code, (ii) tariff mechanism for cross-border trading, and (iii) organization, duties and responsibilities of regulator, transmission system operator (TSO), and market operator.

7. **Discussions.** ADB took note of the proposed additional training courses and said it would assess whether some of these could be supported under subsequent technical assistance.

8. **Database and Website.** Soluziona (Mr. Castrillo) provided an overview of the recent milestones in database and website development. He explained the key features of the website (home page, forum, database access and maintenance) and the suggested user profiles for website administrator, country administrator, and private and public users. Issues and next steps included updating of data and training of country administrators, the maintenance of hardware and software, and payment of annual subscription fees.

9. **Discussions.** Mr. Zhai thanked PRC for agreeing to host the database, which is a good demonstration of GMS ownership of power trade development activities. He said the development partners (ADB, AFD, and Sida) could support the launch of the database/ website but the long-term maintenance of the system depends on the GMS countries' commitment. PRC enjoined the GMS countries to increase their interaction through the website, and to help in regularly updating the database. Viet Nam noted that there should be some indication of what information should be updated regularly. The GMS country delegations were requested to update their respective nominees for website country administrator. ADB asked Soluziona to consult the country nominees on the needed training for website maintenance and other follow-up actions.

10. Sida asked about the kind of information that could not be accessed by the public through the website. Soluziona provided examples of data with general and limited access. ADB noted the need for procedures in deciding on whether data is public or private. The WB gave suggestions on ensuring sustainability of the database, encouraging the countries to use the database and provide feedback and suggestions for improvement.

11. **Master Plan Activities.** Soluziona (Mr. Karacsonyi) gave a recap of the scope of work and the activities carried out under the indicative master plan study. He briefed on the master plan methodology, showing the input data and process used to obtain the desired outputs (optimal solutions). He gave the summary of results of sensitivity analysis and the recommendations for next steps and future improvements for the master plan exercise.

12. **Discussions.** ADB (Mr. Zhai) requested the views of GMS representatives on the relationship of their national master plans with the regional master plan. Soluziona felt that the optimal arrangement is for each country's national master plan be adjusted based on results of the GMS master plan. Viet Nam noted the differences in results of national and regional plans, in particular capacity of interconnections. Myanmar noted ongoing discussions for power exports to its GMS neighbors, which constitute the cross-border element of its power program. Lao PDR suggested strong consideration of generation prospects in the planning of cross-border lines. Thailand said the study should recommend the amount of power for cross-border trade rather than the list of generation projects that could provide the power as there are many uncertainties for the implementation of the generation projects. ADB noted that planning is complicated by changes in the viability and priority accorded by the countries to various power projects. Cambodia proposed that the consultant coordinate with power officials on the priority cross-border projects being considered in their national master plans.

13. ADB asked the countries to indicate their domestic limitations on how much power can be imported. Based on the GMS delegates' responses, the limitation ranged from 15 to 25 percent of total power supply. RTE International and Sida briefed on the various constraints and arrangements in power trade in Europe, i.e. that there exist no limitation on volumes or sources of electricity that may be traded between EU member states but that technical limitations may exist due to system security requirements by the Transmission System Operator (TSO) in each EU-member state. WB suggested that the optimization model should be owned by the GMS countries which could be applied in national planning, and in planning for GMS transmission and generation projects.

14. **Performance Standards and Transmission Regulation.** Soluziona (Mr. Del Mundo) briefed on the activities to develop performance standards (PS) and transmission tariffs, which include new activities such as determining transitory PS for countries that do not yet fulfill the regional grid code requirements, and methodology for power systems studies. Workshops were held to incorporate GMS comments, and a final report containing the following deliverables was presented: proposal for regional PS; transition arrangements; methodology for power systems studies to be performed when interconnecting two GMS systems; guidelines for design of new transmission facilities linked to PPAs; and proposal for compensation for transits. Sida requested the consultant (Soluziona) to provide its opinion on how close- or how far away- the consultant believed that a baseline was in terms of the GMS member countries adopting such baseline PS (in years or alternatively as a percentage of 100%).

15. **Discussions.** ADB (Mr. Zhai) stressed the need to discuss the next steps for the studies. Soluziona said this could include carrying out exercises using the prescribed methodology in the conduct of feasibility studies of priority projects. ADB (Mr. Humbert) said that the performance standards study results should be taken into account in preparing the key GMS transmission projects in the ADB pipeline. Lao PDR (Mr. Daovong, co-chair) requested clarification on the proposal for transition until performance standards targets are achieved.

16. Thailand noted that the consultant could guide the GMS countries in developing the standards and on the steps needed to achieve these standards. Soluziona recommended building capacity so that personnel in operation and control processes aim for the fulfillment of performance standards. Cambodia said that its developing grid code is similar to the one being proposed by the consultant, signaling its readiness to comply with performance standards. Soluziona based its assessment on Cambodia's answer to the questionnaire, in the absence of other verifiable information. Thailand inquired whether the performance standards study, as submitted, is adopted.

Closing Session

17. ADB noted that further discussion and confirmation of agreements on performance standards would be tackled in the FG meeting the following day, along with a recap of the agreed next steps for training, database/ website maintenance and master plan updating.

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-6 meeting *ad referendum*.

19. **Summary and Closing Remarks.** Mr. Zhai thanked the participants and appreciated the participants' contributions during the extensive discussions that took place.