



AGENDA

**CURRENT STATUS & DEVELOPMENT
TOWARDS AN EU ELECTRICITY MARKET –
HIGHLIGHTS OF THE
WESTERN AND SOUTHEAST EUROPEAN
ELECTRICITY MARKETS**

**EXECUTIVE PEER EXCHANGE TO
LEIPZIG & COLOGNE, GERMANY**

May 26 – June 2, 2007

**Conducted by the
U.S. ENERGY ASSOCIATION
Under the
SOUTH ASIA REGIONAL INITIATIVE FOR ENERGY (SARI/ENERGY)
Funded by the
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

AGENDA FOR EXECUTIVE PEER EXCHANGE

**Leipzig & Cologne, Germany
May 26 – June 3, 2007**

GOAL: By assessing the Western European and Southeast European Electricity Markets (with special focus on Romania and Bulgaria) and their roles within the development of a pan-European Market, South Asian energy executives will gain a better understanding of the roles of individual country and sub-regional electricity markets and their transition to forming a regional electricity market. The delegates will be shown the positive impacts that transparent energy markets and cross border energy trade can have on attracting additional investments and meeting energy needs.

After learning in depth about the organization, operation and development impacts of the individual electricity market participants, the delegates will have the opportunity to identify potential actions and practices that might be applicable to the power sectors of their own South Asian countries.

PRIMARY OBJECTIVES:

- To learn techniques for managing energy markets
- To analyze power trading strategies, including other-the-counter (OTC)/SPOT, power pool and futures exchanges
- To analyze the benefits of liquid day-ahead and forward markets and open balancing and intra-day markets with trustworthy prices
- To discuss mechanisms to manage congestion
- To analyze pricing mechanisms, including whole price index for peak power and short term OTC traded power
- To discuss open access tariff structures
- To learn the role regulatory agencies play in structuring and monitoring power exchanges
- To learn the European Union's plan for a regional energy market and the roles of the Western Europe and South Eastern European Markets within that framework

SUBOBJECTIVES:

- Learn about & obtain documentation on additional electricity markets, including: history, organizational structure, planning, standards, operations, tariffs, products, energy trading strategies, regulation and monitoring
- Learn about & obtain documentation on cross border power projects
- Learn about & obtain documentation on the regulator's role in domestic and international energy markets
- Learn about & obtain documentation on the electricity exchange operation in domestic and international energy markets
- Learn about the development of the European Union's energy policies

OUTCOMES:

- Knowledge & documentation on multinational and regional energy markets
- Knowledge & documentation on specific cross-border investment projects
- Participant's assessment of policies, procedures, organizational structures and practices potentially applicable to South Asia

Executive Peer Exchange Participants

Bangladesh (2)

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Bhutan (2)

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India (3)

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USAID

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USEA

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May 26 – 27, 2007 (Saturday – Sunday)

Delegates arrive in Leipzig

Lodging:

Marriott Leipzig
Am Hallischen Tor 1.
Leipzig, Saxony 04109 Germany
Tel: 49-341-9653-0
Fax: 49-341-9653-999

Transportation:

KVS Bus & Limousinen Service GmbH
Tel: 00 49 (0) 3 41 988 27 22

DAY 1: Monday, May 28, 2007 – Leipzig (meetings located at hotel - Boston/Chicago Room)

Meeting with the Representative of the Romanian Electricity Market

Speakers: Ms. Mihaela Constantinescu (key expert with the department in charge with development support for the regional market framework), OPCOM
Mr. Remus Barsanescu (Head of the IT Department), OPCOM

08:45 Tea & coffee served

09:00 Welcoming & Introductions

Ms. Sarah Blanford, Senior Program Coordinator, USEA

Mr. Sarbinder Singh, Deputy Program Manager, USAID

09:15 History of the Romanian Electricity Market

- History
- The liberalization of the national and regional markets
- Past challenges

10:30 Coffee & Tea Break

10:45 Overview & Market Convergence

- Participants
- Operational principles
- Current challenges
- Future plans
- Integration with the European Electricity Market
- Next steps

12:00 Lunch – Allie’s American Grille (located in hotel)

Meeting with the Representative of the Bulgarian Electricity Market

Speaker: Mrs. Viktoria Popovska, Head of Electricity Market Operator Division Electricity System Operator (ESO)

13:00 History of the Bulgarian Electricity Market

- History
- The liberalization of the national and regional markets

- Past challenges

14:15 Coffee & Tea Break

14:30 Overview & Market Convergence

- Participants
- Operational principles
- Current challenges
- Future plans
- Integration with the European Electricity Market
- Next steps

Country Presentations

15:45 *Investment in Hydro and Electricity Trade with India*
Speaker: Mr. Sher Singh Bhat, Nepal Electricity Authority

Q&A

16:30 *Enabling the Business Environment for Promoting Investment in Hydro for Exports*
Speaker: Mr. Karma Tshering, Department of Energy

Q&A

17:15 Adjourn

19:30 Welcome Dinner

DAY 2: Tuesday, May 29 – Leipzig

09:30 Meet in lobby for short walk to EEX

Meeting with the European Energy Exchange AG (EEX)

Speakers: Toralf Michaelsen, Deputy Head of Market Operations
and

Daniel Wragge, Corporate Communications (tel: 641-2516-204)

Location: European Energy Exchange AG, Neumarkt 9-19, 04109 Leipzig

The European Energy Exchange AG (EEX) currently operates spot and derivatives markets in power, CO₂ emission allowances and coal; gas trading is scheduled to begin later this year. It is rapidly expanding its range of services with the aim of establishing EEX as Europe's leading, multi-product energy exchange.

10:00 Welcoming Coffee & Tea & Introductions

Ms. Sarah Blanford, Senior Program Coordinator, USEA

10:10 Overview of EEX

- History
 - Convergence of LPX Leipzig Power Exchange & EEX
 - European and German market liberalization
- Organization, governance and enabling policies of participants

- EEX Responsibilities & Functions
- System supply, demand and transmission constraints
- Operational guidelines

10:30 Overview of Market Operations

- Market integration
- Joint & common markets
- Energy markets – real time, day-ahead, etc.
- Financial transmission rights
- Ancillary services
 - Black start service
 - Synchronized reserve market
 - Market based regulation
- Market settlements
- Capacity credit
- Market monitoring
- Demand response

11:10 Intraday/Spot Market

- Trading schedule
- Delivery
- How to trade
- Contract specifications

11:30 Day Ahead/Spot Market

- Germany/Austrian power
- Phelix (Physical Electricity Index)
- Swiss Power
- How to trade
- Contract specifications

12:00 Tour of Trading Floor - Toralf Michaelsen, Deputy Head of Market Operations

12:30 Working Lunch – Discussion/Q&A

Meeting with the European Commodity Clearing (ECC)

Speaker: Ekkehard Will, Clearing & Settlement

Location: EEX

European Commodity Clearing AG (ECC) operates a clearing house for energy-related commodities and their derivatives. Its vision is to become the clearing house of first-choice for these products. Currently, ECC provides clearing services for contracts traded on both the European Energy Exchange (EEX) and the European Energy Derivatives Exchange N.V. (ENDEX), as well as for over-the-counter (OTC) trades registered via these exchanges. Founded in 2006, ECC currently offers clearing services for the following commodities: German, French, Austrian, Swiss and Belgian power; emission allowances; coal; and natural gas.

13:00 Overview of ECC

- History
- Organization, governance and enabling policies of participants
- ECC Responsibilities & Functions
- German Federal Financial Supervisory Authority (BaFin)

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- 13:45 Operational Procedures & Services**
- Clearing procedures - automated and integrated clearing
 - Pricing
 - Technical regulations
 - Margin parameter
 - Margining
 - Risk management services

14:30 Adjourn

DAY 3: Wednesday, May 30, 2007 – Leipzig and Cologne

08:30 Meet in lobby for short walk to Stadwerke Leipzig GmbH

Stadwerke Leipzig GmbH

Location: corner Building with the sign "Energieberatungszentrum" (customer service center).
Pfaffendorfer Straße 2, 04109 Leipzig

Contact: Ines Hammer, Corporate Communication (+ 49 341 121-6198, Ines.Hammer@swl.de) or
Mr. Andre Schmerler

Speakers: Mr Andre Schmerler, Team Manager, Energy Trading and Ms. Ines Hammer, Corporate
Communication

09:00 Overview of Stadwerke role in the European Energy Market

09:45 Overview of the Stadwerke trading office

10:30 Adjourn & return to hotel

12:00 Check-out of hotel & depart for Cologne

Afternoon – Travel to Cologne (via minivans – 4 ½ - 5 hour journey)

Lodging:

Dom Hotel – Cologne
Domkloster 2 A | D - 50667
Cologne
Tel: (49)(221) 20240
Fax (49)(221) 2024444

Transportation:

Thomas Madaus
Le Meridien DOM-Hotel / Köln
Tel: +49-221-2024-275
Mobile: +49-179-6964395

DAY 4: Thursday, May 31, 2007 – Cologne

09:00 Depart hotel for Essen

Morning – Meeting with RWE Trading GmbH

Contact: Dr. Norbert Verweyen – Lobbying & Regulations (Huysseallee 2, D-45128 Essen, +49(0)201/12-17910, norbert.verweyen@rwe.com)

10:30 Overview of RWE Trading

- History
- Organization, governance and enabling policies of participants
- Responsibilities & Functions
- RWE Trading within the RWE Group

11:00 Role of Trading in the EU Market

11:45 Operational Procedures & Services

- Power trading
- Gas trading
- Oil trading
- Coal trading
- Emissions trading
- Risk Management

12:30 Lunch

13:30 Tour of Trading Floor – Mr. Holger Fleckenstein, Analysis Continental Europe

14:30 Adjourn & Return to Cologne

15:30 Arrive at hotel

19:30 Official Dinner

DAY 5: Friday, June 1, 2007 – Cologne (afternoon meetings located at hotel)

08:00 Meet in lobby to depart for Bonn

Meeting with Federal Network Agency for Electricity, Gas, Telecommunication, Post and Railway (Federal Network Agency) (located in Bonn)

Contact: Ms. Yvonne Finger (tel. 0049/228/14-5763, yvonne.finger@bnetza.de)

Location: Tulpenfeld 4, 53113 Bonn

The Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway is a separate higher federal authority within the scope of business of the Federal Ministry of Economics and Labour, and has its headquarters in Bonn. On 13 July 2005 the Regulatory Authority for Telecommunications and Posts which superseded the Federal Ministry of Posts and Telecommunications (BMPT) and the Federal Office for Posts and Telecommunications (BAPT), was renamed Federal Network Agency. Moreover, it acts as the root certification authority as

provided for by the Electronic Signatures Act. The Federal Network Agency's task is to provide, by liberalisation and deregulation, for the further development of the electricity, gas, telecommunications and postal markets and, as from 1 January 2006, also of the railway infrastructure market.

09:00 Welcoming & Introductions

09:10 The European Electricity Market

Speaker: Dr. Frank-Peter Hansen, Head of Section Transmission Network Access and Cross Border Trade of Electricity

- History of Council of European Energy Regulators (CEER) & European Regulators Group for Electricity and Gas (ERGEG)
- Tasks of CEER & ERGEG
- The liberalization of the national and regional markets
- State of integrating markets
- Coordination between regions
- Current challenges
- Next steps

10:30 Coffee & Tea Break

10:45 Overview of Federal Network Agency

Speaker: Mr. Karsten Bourwieg, Head of Section, Legal, Unbundling & Consumer Protection

- History
- Organization structure
- Responsibilities
- Core activities
- Cooperation with other national agencies

12:00 Adjourn – Return to hotel

12:30 Lunch at hotel restaurant

Country Presentations – location: Relchenberger Saal Room

13:30 *Evolution and Experience in Open Access in Transmission, Electricity Trading and Challenges in Organizing Electricity Trading through a Power Exchange in the Indian Power Sector*

Speaker: Mr. A.D. Mirajkar, Deputy Chief (Engineering), Central Electricity Regulatory Commission (CERC)

Q&A

14:15 *Cross Border Trade and Electricity Reforms in the Sri Lankan Electricity Sector*

Speaker: Mr. Tissa Heart, Ministry of Power and Energy and Mr. Chamath Goonawardena, Public Utilities Commission of Sri Lanka

Q&A

14:45 Coffee & Tea Break

15:15 *Power Sector Reform & Independent Distribution Utility Operation*

Speaker: Mr. Nasiruddin Ahmed and Mr. Nadir Altaf, National Electric Power Regulatory Authority

Q&A

16:00 *Bangladesh Regulatory Commission – Reforming the Energy Sector*

Speaker: Mr. A. N. M. Obaidullah, Sub Divisional Engineer, Directorate of System Planning

Q&A

16:45 Group Meeting and Discussion – Assessment of peer exchange and discussion of procedures and practices applicable to South Asia

Moderator: Ms. Sarah Blanford, Senior Program Coordinator, USEA

17:30 Close of Day Five and Executive Peer Exchange

Saturday, June 2, 2007 – Delegates depart for home