The USAID/SARI/Energy program promotes energy security in South Asia through three activity areas:

1. Cross border energy trade,
2. Energy market formation, and
3. Regional clean energy development.

Through these activities SARI/Energy facilitates more efficient regional energy resource utilization; work towards transparent and profitable energy practices, mitigates the environmental impacts of energy production, and increases regional access to energy.

SARI/Energy countries include: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. SARI/Energy Implementing Partners include PA Consulting Group (PA), The United States Energy Association (USEA) and National Renewable Energy Laboratory (NREL).

SARI/Energy provides pre-feasibility studies, technical assistance, advisory services, training, peer exchanges, mapping and project development in each of the three core areas.

Energy Markets:

**Bhutan: Executive Exchange on the Bhutan – India Cross Border Interconnection**

**October 29 – November 3.** The seventh executive peer exchange focused on the cross border exchange of electricity included sixteen executives from Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka along with their Bhutan counterparts, the USAID SARI/Energy core team and country coordinators. The delegation examined the mechanisms and policies involved in the first successful cross border exchange of electricity in South Asia for potential applicability to the power sectors of the other South Asian countries.

During the six-day exchange, the delegates visited with the key Bhutan organizations involved in the electricity exchange. The Ministry of Economic Affairs and the Department of Energy provided an overview of the history of energy cooperation between the two countries and the unique bilateral agreements, including the method of financing, power sharing, and pricing mechanisms used in the interconnection. Bhutan Power Corporation, the sole agency involved in the transmission and distribution of electricity in Bhutan, explained the operations and management of the interconnection, including managing the sale of electricity to the Indian grid. And lastly, the delegates participated in site visits to the 1020 MW Tala Hydroelectric Project – a joint-venture between the governments of Bhutan and India, where the SARI/Energy delegates were taken on a tour of the Tala dam, surge shafts, power house and transformer hall, along with a site visit to the Malbase sub-station. The delegates completed their visit with a site visit to the Chhukha Hydro Power project – a 336 MW project built by India on a turnkey basis at a remarkably low cost of Rs 2,470 million. The project has earned precious revenue for Bhutan through export of electricity to India and has a significant share in the internal revenue generation of Bhutan.

**Outcome of the Exchange:** South Asian executives have gained a better understanding of the mechanisms and policies necessary for the successful exchange of electricity in South Asia. After learning in depth about the organization, operation and development impacts of the individual players in the Bhutan – India exchange, the delegates have been shown practices that are be applicable to the power sectors of their own South Asian countries.

**Govt. of Afghanistan Scoping mission to India**

**December 9 - December 15.** A team of high level Govt. of Afghan officials led by USAID/Kabul visited India to look at the capacity building options under SARI/Energy.

The team included the P.E. Head of Energy & Power Team, USAD/Kabul, Head of Energy Department, Ministry of Energy & Water, Head of Training Centre, MEW and Head of Kundoz Breshna, DABM/MEW (Afghan Electricity Utility). The trip involved visits to:

- Maharashtra State Electricity Distribution Company Limited (MSEDCL) at Mumbai, Maharashtra and discussed the restructuring processes and about its Training and Capacity Building exercises.
- Reliance Energy Management Institute (REMI) at Mumbai, which is recognized among the best performing
A-Grade Institutions. The Team went to see all the amenities and facilities which is provided by the Institute.

- Bangalore Electricity Supply Company Limited (BESCOM) at Bangalore and discussed the best practices and its implementation Strategy, the team were also confer about the Micro Feeder Franchisee programme during their visit.

- Central Power Research Institute in Bangalore which is the power house of the Indian electrical industry and which functions as a centre for applied research in electrical power engineering assisting the electrical industry in product development and quality assurance.

- National Power Training Institute (NPTI), which is a national Apex body for Training and Human Resources Development in Power Sector with its Corporate Office at Faridabad.

Outcome of the visit: Afghan team has planned a meeting with the Energy Minister to describe what they saw and learnt and what they feel will be areas for cooperation with SARI/Energy on capacity and institutional building efforts for Afghanistan.

Afghanistan

Dave Renne of NREL participated in a panel discussion at the American-Afghanistan Chamber of Commerce Business Networking Conference held in Washington, DC on November 12-13. He presented the results of the Afghanistan wind and solar resource mapping activities, and distributed a number of CD's containing this information. There was particular interest among the participants, which included private-sector businesses, NGO’s, and U.S. Government organizations working in Afghanistan, in these products. Making this information available will help stimulate interest in using renewable energy technologies as an alternative to, or supplement, to the conventional energy sources currently being deployed or planned for Afghanistan’s energy infrastructure.

Nepal:

Michael Ellis, Chief of Party, PA Consulting Group, SARI/Energy, visited Nepal from 27th November until 30th November 2007 to meet with USAID Kathmandu and the Clean Energy Development Bank (CEDB). The proposed USAID technical assistance to assist CEDB with development of a Hydo Equity Fund was discussed and the general framework of this TA was agreed to. Work is planned to be completed during the first quarter 2008.

SARI/Energy Country Coordinator’s Meeting:

SARI/Energy Country Coordinator’s meeting was held at Thimphu, Bhutan on 30 October 2007 to review status of current activities and brainstorm on activities for the next year.
South Asia Regional Energy Security Quarterly Report

The first issue will be released and posted on the SARI/Energy website in early January.

Updated SARI/Energy Program Brochure:

The new version is printed and ready for circulation. SARI/Energy will provide copies of the brochure to all USAID SARI/Energy missions for local distribution. The same can also be viewed on the SARI/E website.

SARI/Energy Implementing Partner Coordination

PA Consulting conducted implementing partner coordination meetings with USEA and NREL in New Delhi to review the current work plan, approved task orders, and potential collaboration for 2008.

SARI/Energy activities planned for 2008

Nepal
Workshop on India’s Current Market Structure, January – February 2008. Executives from Nepal utilities, regulatory agencies and government will participate in a two-day workshop to review India’s current electricity market structure and to discuss policies that may affect bilateral trading between India and Nepal. Presentations will be provided by Central Electricity Regulatory Commission, National Thermal Power Corporation, and Power Grid Corporation of India.

Nepal Hydro Equity Fund
PA consulting is planning to field a team of specialists to assist CEDB with structuring the framework of the fund, with a projected launch by the end of the first quarter 2008.

Sri Lanka
Workshop on India’s Current Market Structure, January – February 2008. Executives from Sri Lanka utilities, regulatory agencies and government will participate in a two-day workshop to review India’s current electricity market structure and to discuss policies that may affect bilateral trading between India and Sri Lanka. Presentations will be provided by Central Electricity Regulatory Commission, National Thermal Power Corporation, and Power Grid Corporation of India.

Regional
The seminar will focus on global oil and gas markets, how they affect South Asia’s economies, and how the countries can coordinate to insulate themselves against shocks in the global market. The event is planned for February 25th to 29th 2008 in New Delhi. The brochure for the same has been printed and circulated among the USAID’s SARI/Energy Mission.

SARI/Energy Advisory Board Meeting:
In coincidence with the Seminar on Global Energy Markets, SARI/Energy is planning to hold the next Advisory Board Meeting during the week of 25th to 29th February at New Delhi.

New SARI/Energy Task Orders
The SARI/Energy team plans to make a concentrated effort to develop and formulate additional program task orders during the first quarter 2008.

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