

Minutes of the 2nd meeting (Virtual) of SAFIR Joint Working Group (JWG) “To study, formulate and recommend for facilitating Power trade development in South Asia” held on 28th September 2020 at 11.00 AM IST

Mr. Gailius J. Draugelis, representative of World Bank welcomed all members to the second meeting (Virtual) of SAFIR Joint Working Group (JWG) (*as per Annexure -I*) on the said subject and provided a brief on the agenda of the meeting and requested Professor Kithsiri M Liyanage, Chairperson of JWG for his remarks.

Agenda 1: Confirmation of minutes of 1st Meeting held on 21.08.2020

Ms. Rashmi Nair, Deputy Chief (Regulatory Affairs), Central Electricity Regulatory Commission, India informed the members of the JWG about the inability of Mr. I.S. Jha Member, Central Electricity Regulatory Commission, India to attend the meeting as he was on leave. Thereafter, Professor Kithsiri M Liyanage Chairperson, JWG welcomed all members to the meeting.

Chairperson, JWG sought for confirmation of the minutes of the 1st meeting. After approval of the members, the minutes of the 1st meeting of JWG were confirmed.

Agenda 2 : Deliberations on Terms of Reference

Agenda 3: Technical support for the Joint Working Group

Dr. S K Chatterjee, Chief (Regulatory Affairs), Central Electricity Regulatory Commission, India and Convenor of JWG, informed the members about the scope of work as enunciated in the Terms of Reference already circulated . He elaborated on the two key aspects of the scope of work which are the Common Minimum Grid Code and the Market design in South Asian countries.

He updated the members that SARI/EI with the support of USAID is already assisting SAFIR Working Group on some of the aspects of Terms of Reference which is with reference to the Common Minimum Grid Code for the SAFIR member countries and evolving a model for the same.

On the market design aspect in the region, Dr. Chatterjee explained in brief about the market structure and products available for trade of power in India on platforms including the Power exchanges and products such as day ahead, term ahead, real time market and proposed new interventions such as ancillary services for balancing the grid. He added that though bilateral and multilateral trade in electricity has been carried out without the involvement of power exchanges between India and neighboring countries, he emphasized that India has policy and regulatory frameworks enabling the trade on electricity through power exchanges.

He proposed a broad scope of the market design as under:

- ✓ Study existing power market design in each of the member countries;
- ✓ Identify institutional and regulatory systems (including rules and regulations) in place in these countries;
- ✓ Compare and contrast the systems and practices in this regard in the member countries;
- ✓ Study international experiences and regional power market (EU, South Africa etc.);
- ✓ Suggest measures, market design structures for each of the member countries as a step towards efficient regional market;
- ✓ Examine as to whether adequacy of institutional and regulatory systems and procedures, is a pre-condition for regional market; assess impact for each country;
- ✓ Suggest measures in different time horizons, short-time, medium term and long-term for operationalization of regional market;
- ✓ Any other matter related and incidental to the above, as may be decided by the Joint Working Group

Dr Chatterjee further suggested that the World Bank can assist the JWG in providing technical assistance for the market design by engaging in studies with internal and external stakeholders

Shri Pankaj Batra, Project Director, SARI/EI , IRADe informed the JWG that a few of the focus points as enunciated in the scope of work were already underway through studies under progress and some are in the process of being initiated. He also updated the JWG of a study on international electricity markets is in progress and that the findings would be presented in early 2021.

Mr. R V Shahi, Sr Energy Advisor, World Bank proposed that World Bank can coordinate with SARI/IRADe on such studies to synthesize the same and make suitable refinements before presenting the same to the JWG.

Thereafter, Mr. Pankaj Batra, IRADe explained the activities of SARI/IE with regard to the Common Minimum Grid Code which was noted by the JWG.

Chairperson of the JWG / PUCSL, Sri Lanka stated that awareness of all the stakeholders about the content of the grid code is required to streamline the process of approval of grid code by the member nations.

Mr. Bazlur Rahman, Member of Bangladesh ERC mentioned that the comments of their utilities on the Grid Code have been received and are being evaluated.

Mr Dilli Bahadur Singh, Chairman of ERC of Nepal remarked that the Grid Code should work out options for implementation in detail so that each country need not rework on it again.

Dr. Chatterjee informed that the CERC, India had constituted a High Level Expert Committee on reviewing the Grid Code and several improvements in the extant Grid Code notified in 2010 have been suggested in the report, which is available on the CERC Website. The Committee's

recommendations are based on a comprehensive market design perspective. He also added that similar review and updation exercises in the grid code may have taken place/in progress in other member nations. These recommendations may be considered while developing the Common Minimum Grid Code.

Mr. Batra, IRADe informed that the framing of Common Minimum Grid Code is a dynamic process and intervening period developments shall be duly factored.

Mr. R V Shahi, World Bank emphasized on the need of a comprehensive grid code in all member countries irrespective of the Common Minimum Grid Code .The members agreed to the proposal.

Decision Points & Way forward

1. The Working Group needs to focus on :-
 - a) Market design in South Asian countries
 - b) Common Minimum Grid Code
2. The Working Group agreed on the broad scope of the Market design **as proposed**. World Bank would provide technical assistance. It was informed that IRADe has also initiated some studies on this subject. World Bank will synthesize these studies and identify the need for suitable refinements to align analysis and recommendations, to the scope of study on market design agreed in the meeting. In the next meeting, World Bank would update the Working Group in this matter.
3. IRADe would provide technical assistance to support the Working Group on the Common Minimum Grid Code on which they are already working and providing assistance to SAFIR. In this regard, IRADe would make a presentation on harmonization of rules and Common Minimum Grid Code in the next meeting.
4. SAFIR Secretariat to send a request to members Countries to suggest/nominate technical experts on the subject of grid code and attend presentation to be made by IRADe
5. The date of the next meeting to be discussed with Chairperson, JWG /PUCSL, Sri Lanka. SAFIR Sectt to consider the time zones to enable representatives from US/Europe to also attend the meeting. Thereafter, the meeting notice may be issued.

Meeting concluded with vote of thanks to Chair.

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Annexure - I

List of Participants of the 2nd meeting (Virtual) of SAFIR Joint Working Group (JWG)
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S. No.	Name & Designation	Organisation
01	Professor Kithsiri M Liyanage, Chairman	JWG / PUCSL, Sri Lanka
02	Mr.Samdrup Thinley, CEO,	BEA, Bhutan
03	Mr. Mohammad Bazlur Rahman, Member	BERC, Bangladesh
04	Mr Dilli Bahadur Singh, Chairperson,	ERC, Nepal
05	Dr. S K Chatterjee, Chief (Regulatory Affairs)	CERC, India
06	Mr. RV Shahi, Sr. Energy Advisor	World Bank, Europe
07	Mr. Gailius J. Draugelis, Lead Energy Specialist, Energy Sector Unit South Asia Infrastructure,	World Bank, US
08	Ms. Rashmi Nair, Deputy Chief (Regulatory Affairs)	CERC, India
09	Mr. Arun Kumar, Assistant Secretary	CERC, India
10	Mr. Ankit Gupta, Research Officer	CERC, India
SPECIAL INVITEES		
11	Mr Pankaj Batra, Project Director	SARI/EI, IRADe, India
12	Mr Rajiv Panda, Technical Head	SARI/EI, IRADe, India
