

Energy Sector Action Plan: Implementation Progress and Key Issues

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Energy Work Plan (2013-2015)

Six actionable elements :

1. Developing the Central Asia – South Asia Corridor;
2. Resolving Regional Energy Dispatch Issues;
3. Managing Energy-Water Linkages;
4. Mobilizing Funds for Building Energy Assets;
5. Implementation of Energy Sector Priority Projects; and
6. Capacity Building and Knowledge Management

ESCC Meeting convened on 6-7 June 2013 in Ashgabat, Turkmenistan

- **Confirmed the way forward**
- **Identified items for SOM endorsement**

Element 1: Developing the Central Asia – South Asia Corridor

Key Developments

- CASA-1000 continues under development
- Afghanistan Power Sector Master Plan completed

ESCC Discussion

- CASA-1000: Links summer hydropower surplus in Tajikistan and Kyrgyz Republic with energy deficits in Pakistan, transiting through Afghanistan. Negotiations on commercial agreements are progressing.
- TUTAP: Links Turkmenistan, Uzbekistan, Tajikistan with the proposed Afghan electricity grid, with connections to Pakistan (TUTAP). Investments have begun with Turkmen/Afghan 500kV interconnection and new capacity in Turkmenistan.

ESCC Decision

- Continue to coordinate two complementary regional activities, i.e., CASA-1000 and TUTAP, to maximize the benefits of both initiatives.

Element 2: Resolving Regional Energy Dispatch Issues

Key Developments

- Two studies completed under the ESCC EAP Framework (2010-2012):
 - a. Load Dispatch and System Operation for Central Asian System (Mercados)
 - b. CAREC: Power Sector Regional Master Plan (Fichtner)

ESCC Discussion

- A concept emphasizing progressive improvements that help each member country engage in trade was supported. Terms of Reference would be prepared taking into consideration suggestions of the Director of CDC.
- Two activities will be implemented:
 - a. Central Asia Electricity Trade Development Program
 - b. Capacity building under USAID RESET program.

For SOM Endorsement

- Approval to proceed with preparing TOR for the Central Asia Electricity Development Program to be prepared and presented in the next ESCC meeting.

Element 3: Energy-Water Linkages

Key Developments

- World Bank has initiated several activities emerging from its report at the September 2012 ESCC meeting:
 - a. BEAM and AraIDIF Models;
 - b. Central Asia Energy-Water Knowledge Portal;
 - c. Energy Vulnerability to Climate Change; and
 - d. Central Asia Energy Water Knowledge Network.

ESCC Discussion

- A set of activities (capacity; data; modeling; governance) were proposed to strengthen the knowledge platform and decision support system. Activities were supported with addition of topic on hydropower development.

For SOM Endorsement

- Approval to proceed with proposed activities with the addition of topics on hydropower development

Element 4: Mobilizing Funds for Building Energy Assets

Key Developments

- 10-year (2013-2022) investment plan prepared for Central Asian Power System under the Power Sector Regional Master Plan identified >\$30 billion of investment required in Generation and Transmission.

ESCC Discussion

- It was recognized that significant financing needs of Central Asian Countries pose a fund mobilization issue. Outline TOR for study to identify options to mobilize these funds was agreed

For SOM Endorsement

- Undertake investment study to identify sources of funds and strengthen the environment for private investment in the power sector.

Element 5: Implementation of Energy Sector Priority Projects

Key Developments

- Ongoing review of the medium-term priority projects list

ESCC Discussion

- The MC's emphasis on this list was reported to the ESCC. A draft list with CAREC criteria will be circulated for comments as follows: each country will (i) update their planned project list; and (ii) indicate, where needed, concern with projects identified by other countries.

For SOM Endorsement

- Approval to proceed with the circulation of draft list of projects along with CAREC criteria to member countries for comments.

Element 6: Capacity Building and Knowledge Management

Key Developments

- Revised plan for capacity building under the EWP (2013-2015)

ESCC Discussion

- A 2011 ESCC list of topics was reviewed; Numerous additional suggestions were made and will be coordinated with USAID support
- The list of topics will be updated and serve as the guide for capacity-building activities.
- Several members expressed a desire for CAREC Institute to support project and feasibility studies, although it was recognized this currently lies outside the scope for CAREC Institute as agreed by Ministers.

ESCC Decision

- The updated list of topics will serve as a guide to capacity building activities, to be coordinated with similar activities by USAID.

Key Issues for Guidance by the SOM

1. For endorsement

Element 2: Resolving Regional Energy Dispatch and Trade Issues:

TOR/work program to be presented at next ESCC meeting

Element 3: Energy-Water Linkages:

Proceed with proposed activities + add topic on hydropower development

Element 4: Mobilizing Funds : Finalize TOR & recruit consultant to identify sources of funds and enable private sector participation

Element 5: Implementation of Energy Sector Priority Projects: Circulate draft list of projects along with CAREC criteria to member countries for comments

2. ESCC Membership

Countries to update ESCC membership in coordination with NFPs; appointments should be 1 policy maker (Deputy Minister level) and 1 technical expert (energy company management level) able to attend ESCC meetings on regular basis

Thank you!

15th CAREC-ESCC Meeting

6-7 June 2013, Ashgabat Turkmenistan

Key documents can be viewed at the CAREC Program website
(<http://www.carecprogram.org/index.php?page=carec-energy-sector-coordinating-committee-escs-meeting-jun2013>)