

## 6<sup>th</sup> Japan-SAARC Energy Symposium March 6-7, 2013, Kathmandu, Nepal

### **Recommendations:**

The 6<sup>th</sup> Japan-SAARC Energy Symposium was organized by the Ministry of Foreign Affairs, Government of Japan in partnership with the Nepal Electricity Authority (NEA) on March 6-7, 2013 in Kathmandu, Nepal. The theme of the symposium was “Commercially Viable Energy Networking in the SAARC Region, with Emphasis on Energy Grid Structure”. The symposium was inaugurated by Mr. Leela Mani Paudyal, Chief Secretary Government of Nepal and Chairman NEA. In addition to the participants from Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka, the symposium was attended by the SAARC Secretariat, SAARC Energy Centre, Asian Development Bank, USAID, Ambassadors and diplomats from the SAARC Member Countries and other organizations based in Kathmandu. Presentations were made by the experts from the SAARC Member countries, SAARC Energy Centre, the ADB, USAID and SN Power Holdings Singapore Pte. Ltd. during the four sessions held over the period of two days.

The benefits of regional resource development and grid integration for electricity trade to enhance reliability, security and affordability of supply to the end-users was clearly brought out during the various deliberations in the symposium.

After the detailed deliberations, a consensus was arrived at submitting the following recommendations to the SAARC Secretariat for the consideration of Member countries.

#### **1. Augmentation of Generation and Transmission Capacities:**

The symposium recognized that the generation and transmission capacity additions planned by member countries are aimed at meeting their own electricity requirements. However, Bhutan and Nepal have the interest to export surplus hydroelectric power. It was felt that there is urgent need to make substantial generation capacity additions through the implementation of Regional Power Plants to make energy available for the SAARC Electricity Market (SEM). The required transmission capacity additions to support the wheeling of energy traded through the SEM too need to be laid.

#### **2. Incorporation of necessary Provisions in Electricity Laws and Regulations:**

The prevailing electricity laws and regulations of only Bhutan and Nepal provides for cross border electricity trade. Other countries need to make necessary changes in their electricity laws and regulations to permit and facilitate cross border electricity trade.

### **3. Harmonization of Technical Parameters:**

In order to help smooth trading of electricity across the South Asia Region and creation of a commercially viable South Asian Electricity Market, there is a need to harmonize power system technical parameters and operational procedures by the Member States.

### **4. Commercial Arrangements:**

There is need for evolving standard commercial arrangements, including payment security mechanisms for smooth cross border electricity trade.

### **5. Open Access on Transmission Systems:**

The key to the success for electricity trade within the region is to permit open access on transmission systems, both cross-border as well as trunk domestic transmission systems to allow energy flows from one country to the other or to a third country.

### **6. Transit Facilitation:**

Electricity flows in the region will have to transcend the borders of one or more countries to reach the load centers from the generation facilities. The examples could be the power imports by Pakistan and India or any country in South Asia from Central Asia; similarly from Bhutan or Nepal to Afghanistan, Bangladesh, Pakistan or Sri Lanka. The Member States, therefore, need to evolve a mechanism of facilitating transit of energy flows through their respective territories for electricity flows between two or more third countries. This could include permitting the laying of dedicated transmission systems and/or use of any redundancies in the existing transmission systems of a transit country for the purpose of third country electricity trade.

The symposium acknowledged the contribution of the Government of Japan and requested them to continue with the Japan-SAARC Energy Symposia initiative for enhanced regional energy cooperation in South Asia. Ministry of Foreign Affairs, Government of Japan in consultation with the SAARC Energy Centre may plan and implement the future Japan-SAARC Energy Symposia in collaboration with relevant local institution of the member countries.

These recommendations have been adopted unanimously by the participants from the SAARC Member States and are hereby submitted for the consideration of SAARC Secretariat for appropriate actions.