



WGRI Consolidation Workshop - Summary



WGRI Consolidation Workshop – 25th November 2019

1. Taking Stock – activities over the last few years

- Regulatory review
- Methodology for Wheeling Charges
- Short-term trading rules
- Balancing mechanism
- Issues around creating a Transco
- Roadmap – preliminary ideas

2. Country Knowledge Sharing

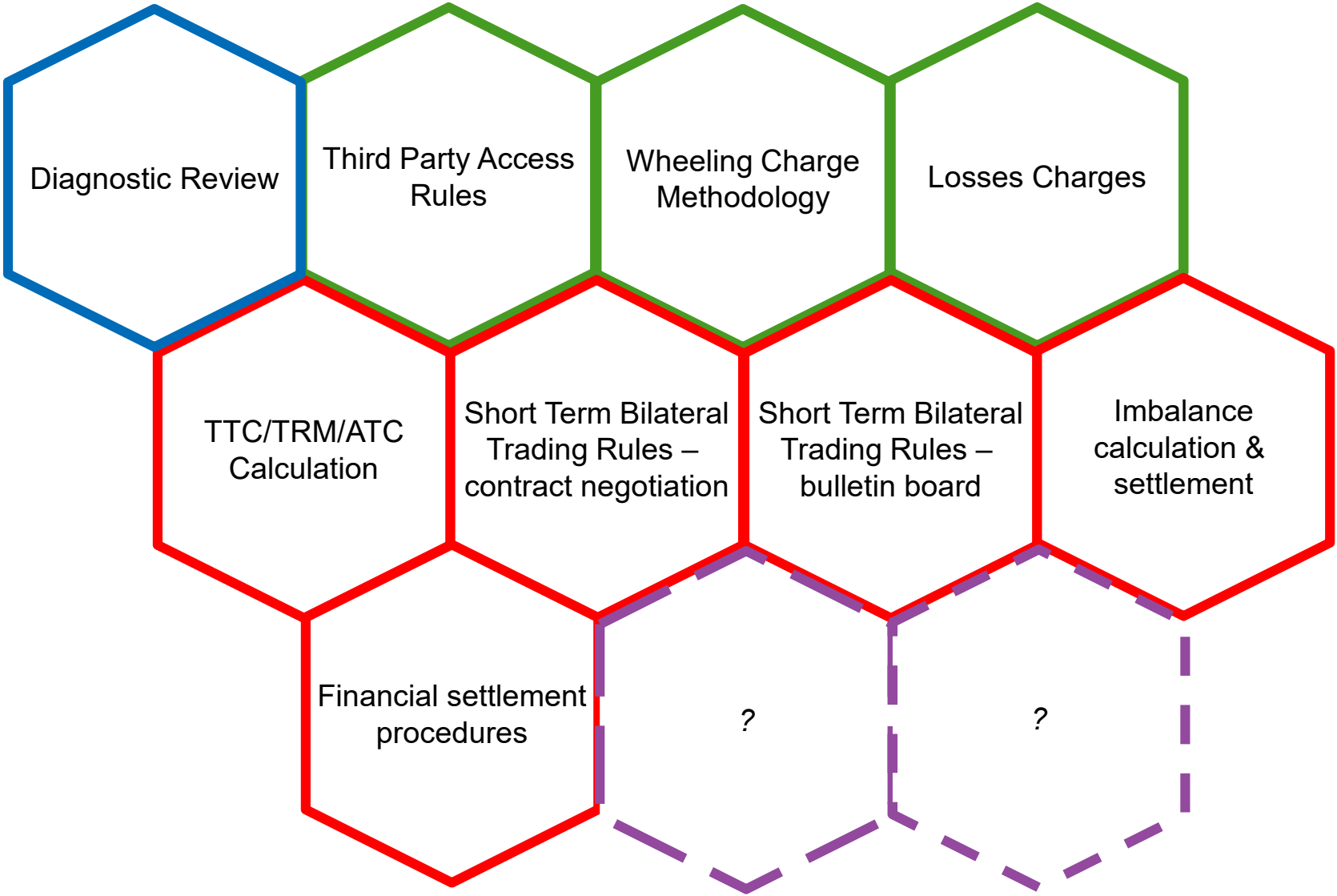
- National power sector/electricity market developments
- Current plans for developing cross-border trade
- What has changed in the last 4 years and what challenges remain?
- What do you think needs to be done to make a *regional market* operational?

3. Brainstorming: What should we do next?

- Consultant's suggestions
- Country proposals

Conclusion from our work to date...

- Many of the building blocks are now in place to enable trading to develop in the GMS...but **what is still missing** if trading is going to expand?



- Report 1
- Report 2
- Report 3



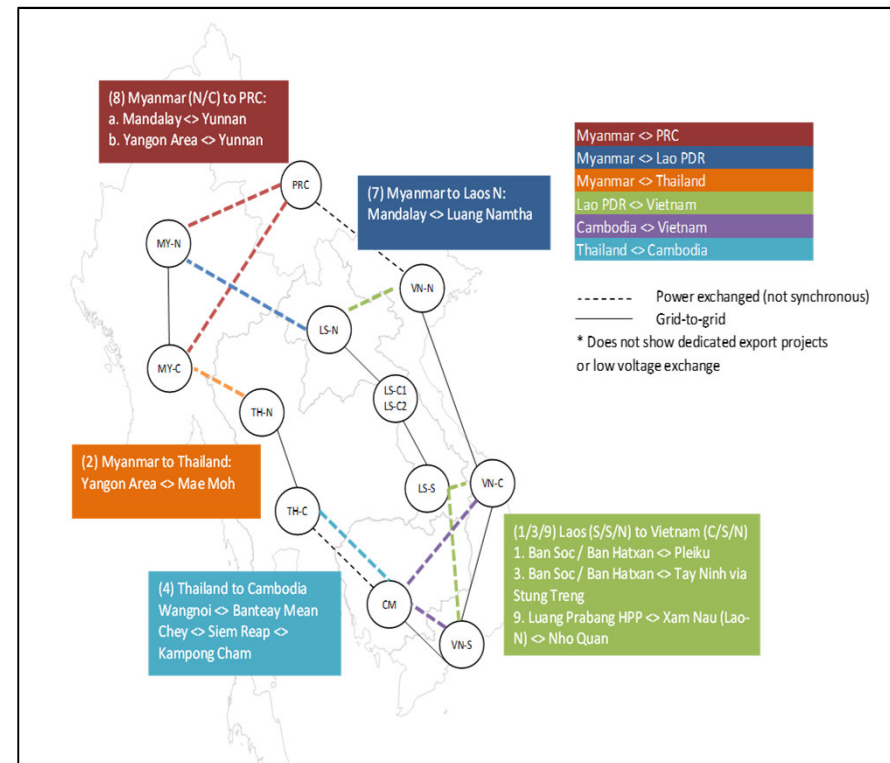
Country Knowledge Sharing – key themes

- **PDPs** continue to consider imports and exports, though reliance on imports is decreasing in some due to conflicting objectives and priorities
- **New bilateral contracts** continue to be planned and negotiated
 - 2400MW hydro/thermal export from Lao PDR to Cambodia by 2024/25
 - Increased export from Viet Nam to Cambodia from 200MW to 250MW this year
 - Exports from Lao PDR to Vietnam – MOU to increase to 5000MW by 2030
- Significant developments in **national power market models**
 - PRC: Inter-provincial short-term market (daily/weekly trading)
 - Viet Nam: introduction of the Wholesale Electricity Market this year
 - Thailand: National Energy Trading Platform
 - LTM-PIP project: 100MW being traded successfully, next phase → 300MW
- Varied experience with **unbundling** of vertically-integrated companies
 - Viet Nam has ring-fenced the System & Market Operator
 - Lao PDR investigating power sector restructuring and issues around asset transfers associated with Transco creation
- **Third Party Access** is essential to making progress



Possible next steps considered for development

- What needs to be done to make a *regional market* operational?
 - Negotiate more bilateral contracts?
 - Set up a Market Operator?
 - Set up a Regional Regulatory Authority?
 - Introduce a short-term market platform?
- Examine possible future trading scenarios
 - World Bank “Business Cases” study as an input?
 - Other scenarios could also be considered
- Consider the possibility of step-by-step system synchronisation as summarised in WB study
- Transcos: more work on institutional/regulatory aspects is required
- The creation of a Regional Regulatory Authority could be considered:
 - But does the RPTCC have the required legal authority to propose this?
- Revisit the question of a Regional Power Coordination Centre/Market Operator





Possible areas of future activity discussed

Market Platform developments

- Short Term Trading
- Balancing Mechanism

Business Case investigation

- Short-term trade examples
- With/without wheeling

Institutional changes

- “Champion” organisation
- Power Pool formation?
- Regulatory Authority?

Infrastructure development

- Integrated regional plan
- Transmission investment models

Regulatory harmonisation

- Template licences
- Template agreements

Wheeling charge calculations

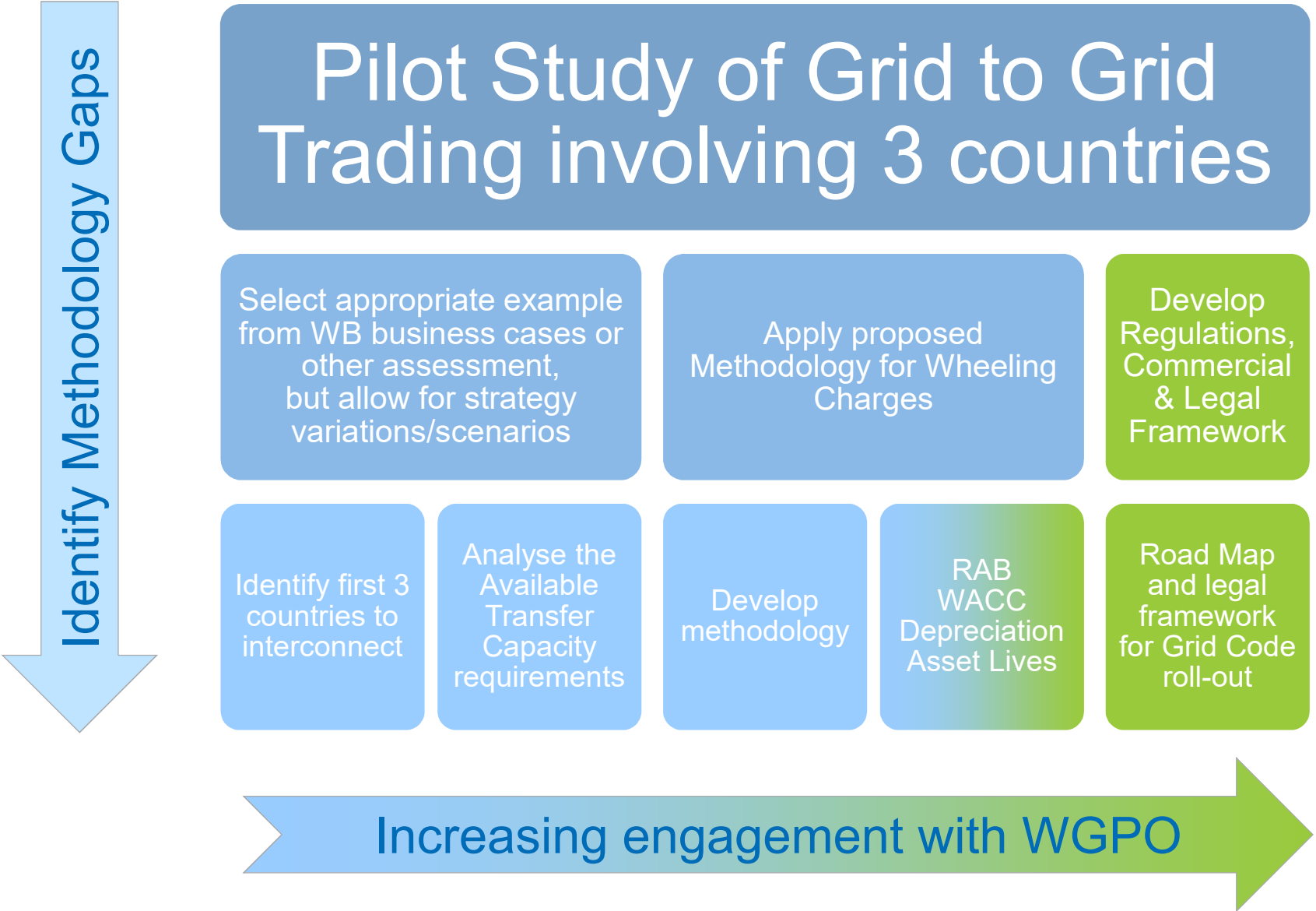
- Development of models
- Publication of schedule

Organisational reforms

- Transco creation
- Functional separation/ ring-fencing

Others?

Emphasis: what is going to make a real difference to opening up regional trade?





Specific Next Steps

Identify possible trade scenarios and develop a Pilot Study for Grid-Grid interconnection of 3 countries

Apply Methodology for Wheeling Charges

Agree Regulatory Asset Base, agree WACC, asset lives etc.

Identify practical problems in legal and regulatory structure and proposals for fixing them, including Regulatory Guidelines to assist GMS countries

Work closely with WGPO to implement third party access and related regulations to facilitate Grid-Grid trade



Thank you!