

**Greater Mekong Subregion  
Second Meeting of the Regional Power Trade Coordination Committee (RPTCC-2)  
Bangkok, Thailand  
1- 2 December 2004**

**Summary of Proceedings**

**Introduction**

1. The Second Meeting of the Regional Power Trade Coordination Committee (RPTCC-2) was held in Bangkok, Thailand on 1-2 December. The Meeting was co-organized by the Energy Policy and Planning Office (EPPO), Ministry of Energy (MOE) of the Kingdom of Thailand, and the Asian Development Bank (ADB).
2. The RPTCC-2 meeting discussed the following: (i) review of draft final report on the study for the Regional Power Trade Operating Agreement (PTOA); (ii) review of the draft PTOA agreement; (iii) review of inception report for the preparation of the GMS power interconnection project, Phase I; and (iv) finalization of the work plan of the RPTCC (based on discussions held in RPTCC-1). Attached, as Appendix 1, is the Agenda and Program of the Meeting.
3. The participants included delegations from the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam. Representatives from the Agence Francaise de Developpement (AFD), E7 Group, French Embassy, German Embassy, Japan Bank for International Cooperation (JBIC), Mekong River Commission Secretariat (MRCS), Swedish International Development Agency (SIDA), Advisory Panel (E7 Group), Soluziona (ADB Consultant), Tokyo Electric Power Company (TEPCO)/ Fichtner (ADB Consultant), World Bank and ADB also attended. The list of participants is attached as Appendix 2.

**I. Opening Session**

4. H. E. Mr. Viset Choopiban, Vice Minister for Energy, Royal Thai Government, warmly welcomed the delegates to the energy meetings and recalled the important discussions made at the RPTCC-1 meeting held in Guilin, PRC in July 2004, such as on adoption of the RPTCC guidelines and the review of the Interim report of the PTOA. For the second RPTCC meeting he looked forward to deliberations on the draft final report of the consultant and the draft PTOA, which will bring about transparent rules of regional power trade. He added that the meeting would review the inception report of the GMS Power Interconnection Phase I project, which will help increase power supply stability while decreasing generation costs and power reserve margins in GMS members. He said with rapid growth in Thailand's power demand, replacement of fossil fuel with hydropower will help reduce greenhouse gas emissions. He then noted that efforts to develop the policy/ institutional framework for power trade and to build the subregional grid infrastructure, will help improve connectivity and enhance competitiveness of GMS members consistent with the GMS strategy laid out by GMS Ministers in Dali, PRC. Given the high and fluctuating oil prices, he mentioned the Thai Government's pro-active energy policy to switch from being an energy buyer into an energy producer. He said Thailand is now focusing on renewable energy development, especially production of bio-fuels such as ethanol and bio-diesel, given the country's abundant biomass resources. He mentioned the Thai Government's

support for various measures to promote biofuel utilization, and to seek greater cooperation with other countries in the region and across regions, to exchange knowledge and expertise in biofuel development and utilization. He believed that such cooperation would not only alleviate the oil price impact, but also enhance sustainable development in the subregion. He said the meeting would present an opportunity to strengthen cooperative relations in the energy sector. He expressed his thanks to the participants and looked forward to a fruitful meeting outcome.

5. Mr. Wang Jun, Deputy Director General, Energy Bureau, National Development and Reform Commission (NDRC), PRC, and Chairperson of RPTCC, warmly welcomed the officials of GMS countries and representatives of ADB, WB, and development partners to the meeting. He recalled the achievements of the first RPTCC meeting last July, which symbolized the formal initiation of the RPTCC toward a more formal and operational mechanism for GMS power cooperation. He gave a preview of the program for the RPTCC-2 meeting, focusing on the draft final report and draft PTOA. He noted that PRC has actively responded to, and supports ADB's power cooperation initiatives in the GMS. He said PRC would give detailed suggestions for the final report of the PTOA and RPTCC work plan, and provide the progress of PRC's transmission project with Thailand and with Viet Nam and the GMS training project on rural electrification. He added that PRC has authorized the China Southern Power Grid Company (CSG) as executive unit for GMS power cooperation, whose cross-border interconnection experiences would actively promote GMS power market work. He expressed his belief that the RPTCC would provide a fair and concrete platform for subregional power trade and interconnection. He noted that the meeting representatives are leaders and experts in the energy/ power field and hoped for open exchanges toward agreements. He expressed his compliments to the host, the Thailand Government and EGAT, and ADB, and all representatives to the meeting. He congratulated the conference for a great success and wished RPTCC members long lasting cooperation and friendship.

6. Mr. Urooj Malik, Director, Infrastructure Division, Mekong Department, ADB, warmly welcomed participants to the RPTCC-2 meeting and noted that the last meeting agreed on organizational issues crucial to defining the policy/ institutional framework for power trade. He said the second meeting would now focus on PTOA, particularly the technical, commercial and regulatory aspects of power trade. The PTOA, as an integral component of the GMS flagship program on power interconnection, would contain among others, harmonized rules for technical coordination among members, and would play a very important role in providing the policy environment to attract private sector investments. He recalled that the first RPTCC meeting discussed the initial findings of the interim report on the PTOA study prepared by the consultant, Soluziona. He said that in session II of this meeting, Soluziona would present the draft Final report that incorporates earlier comments, and also the draft PTOA Agreement, whose features and key sections reflected earlier GMS members' concerns and their desired regional power market and trade arrangements. He added that the meeting would also discuss the Inception Report of the first truly multi-country transmission facility, the GMS Power Interconnection Project Phase I. He stressed that if successful the project would demonstrate the significant economic and environmental benefits from subregional power trade, such as reduced investments in power reserves, improved reliability of supply and reduced greenhouse gas emissions. He noted that for day 2, there would be discussions of the RPTCC work plan proposals to be finalized taking into account the necessity and priority of the proposals and other developments affecting work plan priorities. He stressed the need for guidance from the RPTCC members on the negotiation process and timetable for formulating the PTOA, and the RPTCC work plan priorities. He hoped for frank, open and substantive discussions and

concluded by thanking the Government of Thailand for the gracious hospitality and excellent meeting arrangements.

## **II. Study on Regional Power Trade Operating Agreement (PTOA)**

### **Presentation on Draft Final Report of PTOA**

7. Mr. Jorge Karacsonyi, Consultant, Soluziona, commenced by discussing the principles of energy trading in the GMS. He showed (in a figure) the core of the PTOA, with the PPA and Regional Dispatch at the center. He explained that cross border PPA and Regional Economic Dispatch are core transactions of the PTOA. He discussed the PTOA components comprising: general design; regional power trade operating agreements; regional institutions; recommendations on specific issues (such as best practices for PPA); general part (objectives, governance, glossary); grid code; and settlement code. He provided a description of the four stages of implementation of regional power trade: (i) stage 1, with only country to country trading; (ii) stage 2, with development of transmission facilities that allow every GMS country to trade with each other; (iii) stage 3, with enlarged cross border capacity; and (iv) stage 4, where countries move to competitive schemes. He gave the vision of the four stages with respect to the PTOA, operation security, regulator and planning. He stressed that rules would need to be developed for stages 1 and 2 only at this time. He then explained the elements, principles and practices for application of cross-border transmission tariffs. The latter refer to inter-TSO (Transmission System Operator) charges to compensate the Transmission Facilities Owner (TFO), when its facilities that are part of the Regional Transmission Network (RTN), are used to host power flows from one TSO to another. He added that the Regional Transactions Coordinator (RTC) would be in charge of the metering and other tariff application responsibilities.

8. Mr. Karacsonyi proceeded with the elements of stage 1, comprising the goals, trading rules, short-term bilateral power transactions, and recommendations for the PPA, for facilitating the construction of cross-border lines and for regional planning. He then provided the goals and described the following proposed features of stage 2: (i) regional transmission network (RTN); (ii) PTOA processes; (iii) opportunity transactions dispatch mechanism; (iv) regional economic dispatch mechanism; (v) real time operation; (vi) settlement of transactions; and (vii) preparation of offers-bids. He explained the dispatch model, emergency transactions principles, the total benefit (associated to economic dispatch) and the average price for distributing benefits. He then gave examples of opportunity transactions for stage 2, such as for dispatch and settlement, for which total benefits associated to economic dispatch was presented.

9. **Comments.** Dr. Thein Tun (Myanmar) requested clarification in cases under stage 2 where two differing bids-offers would use transmission facilities owned by different TFOs. Mr. Karacsonyi elaborated on the roles of the agent and other actors in such cases. Mr. Hotte (E7 Group and Advisor) considered Soluziona's approach to be generally sound; he noted however that performance standards as presented would not be sufficient to guaranty security, and that the RTN as defined it too limited in its extent to conduct proper system security analyses. He asked if trade between Thailand and Viet Nam would be possible in stage 1, with these two systems being interconnected. Mr. Karacsonyi clarified the differing standards for various stages; he added that it was desirable to carry out power trade as soon as the transmission facilities allow. Mr. Hotte however stressed the importance of having stringent standards for

stage 2. Mr. Malik enjoined RPTCC members to reflect on the aforementioned issues raised by Mr. Hotte.

10. Mr. Enrique Patino, Consultant, Soluziona, presented on the institutional framework for power trade. On the general institutional framework, he showed the organizational chart of the RPTCC in relation to the other power trade entities such as the Management Committee (MC), Regional Regulatory Board (RRB) and the Regional Transactions Coordinator (RTC). He proceeded with the composition, objectives, and functions for each entity, namely: RPTCC; MC; RRB; RTC; Planning Working Group (PWG); and other working groups. The RPTCC's first task, he noted, was to determine precisely the steps to establish and implement regional trade arrangements. He said the MC would be responsible for day-to-day management of the PTOA organization and establishment of working groups decided by the RPTCC. The RRB meanwhile, would promote actions to eliminate restrictive regulations and recommend modifications to ensure symmetry in regulations. The RTC would be organized in two (2) areas by type of functions: (i) Monitoring and Supervision Centre (MSC) and Dispatch Center (DC), with the former becoming Regional System Operator (RSO) for stage 3. He provided the proposed staffing of the RTC, and its main objectives, functions and products and services. He said the RTC would report to the RRB and RPTCC periodically, through the MC. He described the PWG, provided its relationship with the Regional Planning WG (RPWG) and Operational Planning WG (OPWG). He also enumerated the PWG's main functions and objectives, and discussed the activities of both the RPWG and OPWG. Finally, he noted the other working groups suggested such as: (i) Activity, Budget and Resource WG; (ii) Policy WG; (iii) Interconnection Facility Financing WG; and (iv) Financing WG.

11. **Comments.** Mr. Goran Haag (SIDA) asked about how the various bodies proposed would be staffed by skilled personnel. Mr. Patino explained the training efforts envisioned at various levels in the GMS member countries, but conceded that there are human resource limitations in these countries. Mr. Prutchai (Thailand) provided his general comment on the final report and specific comments on the final design of the PTOA, institutions of the PTOA, cross-border transmission pricing and on the grid code. Mr. Hotte observed that the institutional framework proposed is comprehensive, but asked whether this is necessary, given the state of the power sector in the GMS. Mr. Malik noted that the differences between the operation and regional planning WG would have to be more clearly delineated. Dr. Thein Tun asked on who would be the signatories to the PTOA. Mr. Kim replied that the choice of signatory is government's prerogative, but it is preferable that the utility representative be the signatory. Dr. Hung (Viet Nam) provided his expectations of stages 1 and 2 in terms of interconnection lines of Viet Nam with its neighboring countries. Mr. Shi Shengguang (PRC) noted that the proposed institutional structure appears reasonable, but indicated the need for a more permanent structure to start working immediately. He cautioned against having too many institutions meeting too often. He stressed need for better planning to advance to higher stages.

12. Mr. Patino observed that a common comment was the creation of too many institutions and personnel required to operate power trade. He noted however that one person could be tapped to serve two or more institutions, if such person is suitably qualified for the work demanded by such institutions. Mr. Malik observed that lack of qualified staff may hamper future staffing of the proposed institutions, and some countries would need more training/ capacity building in specific areas than say Thailand or PRC. He suggested maintaining the RPTCC structure at present, with representation from both the country's electric utility and supervising energy body. He noted that the proposed technical working group (TWG), later re-named

Technical Secretariat, could be tapped to implement the work plan of the RPTCC. Other organizations under RPTCC could then be created depending on the need. Mr. Houmphone (Lao PDR) raised the need for technical assistance to assist GMS members in studying their institutional involvement in GMS power trade development. Mr. Malik pointed out that the proposed RPTCC work plan includes elements of institutional development assistance to GMS members. Mr. Hotte distinguished between two critical functions- system development and operational planning- for which two distinct working groups should be created. On PPAs, Mr. Karacsonyi clarified that there is no plan to amend existing PPAs under the proposed institutional set up.

### **Presentation on Draft PTOA**

13. Mr. Karacsonyi (Soluziona) explained that the draft PTOA governs cross-border electricity transactions and structured his presentation along its governance, grid code and settlement code provisions. Under governance he discussed the solution of dispute and changes to the PTOA. For the grid code, he discussed the schedule of implementation under stages 1 and 2, and the objectives of the code. He then explained the organization (sections) of the code, the Regional Transmission Network (RTN) and the regional database. He also elaborated on the grid code's transmission and performance standards, metering and telecommunications system, operative and technical coordination of the RTN, and coordination of operation and service quality/ reliability of the code. He identified the needed ancillary services and transmission capacity, and the inter-TFO compensation mechanism. He discussed the code's regional transmission planning activities involving long term planning of RTN expansion and medium term diagnosis of the RTN. He added that the code's environmental management program was added to minimize environment impact from electricity transport. For the settlement code, he gave the schedule of implementation, its rules, organization and guarantees. He said that guarantees, if found needed for the RPTOA, could provide for procedure for calculation and specification of acceptable guarantees.

14. He asked for comments from the RPTCC members on any of the clauses of the PTOA draft, considering their knowledge of their particular power market conditions. He then expounded on the transition to stage 1 and on to progressive evolution to higher stages where a more competitive regional market exists. He listed the operative agreements, e.g., areas that parties should agree on in order to start trading. He said institutional agreements are also important to consider during transition. He mentioned the establishment of institutions such as the MC, RRB, and PWG, and their initial tasks. He noted that implementation of the grid code, which could start at once, should progress as necessary. He discussed the steps needed to make compatible regional operation with current national operation. He then listed what TSOs need to determine to coordinate regional planning and gave the schedule of implementation for the transition period.

15. **Comments.** Mr. Perera (ADB) proposed that the RPTCC consider whether arrangements should be finalized before proceeding with power trade or to agree only on the basic framework and then refine this based on the lessons learned as power trade progresses. He stressed the importance of determining the training/ institutional arrangements well as physical infrastructure required to commence trade, and the financing modalities for these requirements.

16. Mr. Malik suggested that RPTCC members review the first draft of the PTOA and provide comments within one month. He suggested the time frame for developing and disseminating the second draft of the PTOA by mid-February 2005, from which the RPTCC members could extract a “basic agreements” document by end March 2005, after the GMS countries have commented on the second draft of the PTOA (mid-March 2005). This document would provide an agreement on basic principles for the implementation of stage 1. This “basic agreement” document could be considered for signing by GMS members during the Second GMS Summit in July next year.

### **III. PPTA for GMS Power Interconnection Project Phase I**

#### **Presentation on Inception Report**

17. Mr. Peter Pintz, Consultant, Fichtner, first presented the project's background in relation to developments in the IGA signing/ ratification by GMS members, RPTCC establishment, preparation of the RPTOA, and the Indicative Master Plan study. He explained the project's connection with Nam Theun 2. He gave the project's approach and time frame for its two (2) phases, as well as the PPTA objectives and project activities for phase 1. He discussed the facts on power trade issues and conclusions arising from these, one of which was the shift in perception of interconnection from regional power pooling to power exchange between national power companies. He then discussed the elements of Lao PDR's liberal investment framework, the ongoing improvements in its framework for foreign investors, and its energy sector framework in relation to investment. Among conclusions on the investment framework is the broad range of possible approaches for financing projects. He showed a figure of the project's organization and explained the roles of the major players, e.g. Steering Committee, TEPCO, Fichtner, counterpart staff, etc. Finally, he enumerated the next steps for the project and their corresponding schedules. Among the important steps mentioned were: Evaluation Report (31 January 2005); Interim Report (31 July 2005); Draft Final Report (7 October 2005); and Final Report (7 November 2005).

18. Mr. Yasuhiro Yokosawa, Consultant, TEPCO, introduced the methodology and conditions for benefit calculation on the project. He noted the two part benefits from interconnection, namely: investment saving, due to harmonization of power development among interconnected systems; and fuel consumption saving, due to optimal system operation. He gave the method of calculating annual cost saving through simulation tools called RETICS (to estimate reduction in reserve capacity) and PDPAT II (to simulate optimal system operation). He added that quantitative evaluation would be done for both improvement of system reliability and reduction in reserve capacity. He then gave the loss of load expectations (LOLE) equation to determine the reserve margin. He noted that demand diversities among interconnected systems could help save investment in power generation by mutually utilizing peak supplies under the same reliability level. After arranging the power development, he moved to the simulation of balance between supply and demand in each system. He noted that system reliability and fuel cost saving would be conducted with revised data submitted by the countries, and added that economic evaluation of the project would be done using annual cost savings as revenue. He said the evaluation report would be submitted by end of January 2005, and gave the detailed reporting and meeting schedule for the study.

19. **Comments.** Mr. Kawano (ADB) noted the importance of the project in the sense of the first GMS mutual power trade project. He said that determining the investment modality

depends on the benefits to be derived from the project. He recalled the two types of benefits mentioned by the consultant, and the suitable investment modality to be examined by the consultant, such as government borrowing, public-private partnership or private investment. He commented on the time frame of the study, given what are the realizable milestones, as follows: (i) Phase I PPTA- examination of the project benefit and investment modality (February 2005); (ii) agreement on investment modality of Phase I, at least Steering Committee level (before Phase II commences June 2005); and (iii) start of Phase II PPTA (June 2005). He thanked for the related three countries' cooperation to the TA and requested the continuous support.

20. Mr. Malik enjoined the GMS members to get actively involved in the preparation of the project. He said this project would serve as a model for future GMS interconnection projects such as for the PRC-Thailand via Lao PDR interconnection, and poses special challenges in planning and implementing. He noted that one rationale for expanding cooperation to other energy forms is to be able to better manage environmental externalities, achieve more sustainable management of energy resources and to better meet international protocols on greenhouse gas emissions.

21. It was observed that peak demand changes as economies industrialize, and a concern expressed was whether the calculation of benefits from the diversity of demand between Thailand and Viet Nam, considered such peak demand changes. Mr. Yokosawa said that forecasts were made on how peak demand would evolve, but said benefits would be achievable as long as peak times between Viet Nam and Thailand are differently timed. He expounded on the benefits to be realized by all three countries involved in the project. Mr. Pintz discussed the various uses for the transmission line and said that in the future, this line could be used by IPPs to transport their power to prospective consumers. Mr. Hotte asked about the PPTA study's relationship with the GMS Regional Indicative Master Plan. Mr. Pintz clarified that the PPTA study would use TEPCO's own methodology and more recent data it collected. Mr. Kim added that the PPTA study would look more closely at the demand-supply situation of specific areas to be served by the line (Northeast Thailand and Northern Viet Nam). Mr. Malik noted the need to look at the updated situation on energy demand/ supply (i.e., more recent information than those presented in the 2002 Indication Master Plan). He also suggested that the economic analysis should look at the economic evaluation done by ADB/ WB for the Nam Theun 2 project, which takes into account both the stand-alone project benefits to Lao PDR plus an integrated analysis for both the Lao PDR and Thailand components of the project.

22. Mr. Wang Jun was pleased with the outcome of the discussions and closed the day 1 session.

### **Informal Meeting Between PRC, Lao PDR and Thailand on the GMS Transmission Project (PRC- Thailand via Lao PDR)**

23. An informal meeting was held between ADB and representatives of PRC, Lao PDR and Thailand on the captioned GMS transmission project, to discuss the next steps for the project. The summary of issues discussed and outcomes of the meeting is attached as Appendix 3.

## **DAY 2**

24. Mr. Wang Jun opened the day 2 session of RPTCC and requested Mr. Jong-Inn Kim of ADB to present on the RPTCC work plan.

### **IV. RPTCC Work Plan**

#### **Technical Secretariat of RPTCC (Terms of Reference, Representation)**

25. Mr. Jong-Inn Kim, Senior Operations Specialist, ADB, recalled the agreement at the RPTCC-1 meeting whereby a technical working group (TWG) would be set up immediately and other working groups would be further discussed. He showed an organization chart on the relationship of the TWG to the GMS Ministerial Conference, the EPF and the RPTCC. He explained the issues for discussion, namely: (i) the TWG as advisory or decision-making body; (ii) the TWG's membership (whether new members and their numbers); and (iii) the Chair's rotation and need for the Vice Chair. He introduced the main content of the terms of reference of the TWG, namely, introduction, objective/ main function, task/ work program, membership, chairperson, venue and frequency, other working groups, financing and other support, reporting, and revision. Mr. Kim proposed possible provisions for each content item mentioned. He requested the meeting for additional suggestions and modifications on the TWG proposal. He presented to the body, a handout of the terms of reference (TOR) of the TWG under the RPTCC and proceeded to discuss its different sections and fielded comments, suggestions and questions from the floor.

26. Based on the discussions of the issues by the body, Mr. Kim summarized the agreements concerning the TWG, re-named the Technical Secretariat (TS) of RPTCC and proceeded to finalize its TOR. The details of the final TOR are shown in Appendix 4. The following were among the major issues and concerns raised during discussions: (i) renaming the TWG into the Technical Secretariat (TS), to reflect its working/ technical nature; (ii) less emphasis on advisory/ decision-making role of TS; (iii) clarification of its tasks for operational planning and for systems development planning; (iv) avoiding creation of too many working groups, given the cost and coordination implications; (v) reporting/ endorsement of proposals/ agreements to higher bodies; (vi) flexibility of the organizational structure; (vii) the base or venue of the TWG; and (viii) preparation of the work plan of the Technical Secretariat (by next RPTCC meeting).

#### **Discussion on RPTCC Work Plan**

27. Mr. Jong-Inn Kim recalled the discussion on the RPTCC work plan during RPTCC-1 meeting, where it was agreed that the draft work plan would be discussed/ developed for finalization (with specific time frame) at the RPTCC-2 meeting. He briefly reviewed the individual country proposals for the work plan, as well as the World Bank's and ADB's proposals. He recalled the summary of the key aspects of power trade discussed in RPTCC-1 from which a draft RPTCC work plan was developed. Among the important work plan proposals included were: drafting/ adoption of PTOA (2004- 2005/06); creation of Technical Secretariat (formerly technical working group); establishment of platform/ database for information exchange and communication mechanism among GMS power industries; and establishment of GMS power website. Mr. Kim cited the three (3) important factors that could serve as criteria for preparation

of the RPTCC work plan, and these are: (i) four-stage recommendations by PTOA study, focusing on stage 1 and transition to stage 2; (ii) time frame of 2005-2007, and beyond 2008; and (iii) expectation of three-country interconnection in 2009-2010. He then reviewed the individual work plan items shown in the two-page draft RPTCC work plan, and invited comments/ suggestions from the floor.

### **Discussions/ Synthesis of Suggestions**

28. Mr. Perera suggested that the work plan consider the work involved in preparing the “basic agreement” document by the time of GMS Summit in July next year. Mr. Haag suggested clarifying the work plan activities to be performed by the two working groups (operational planning and systems development planning) under the Technical Secretariat (TS). Mr. Malik invited the development partners to devote more resources for developing and sharing best practices in power trade, and to support capacity building. He noted that the work plan has to be managed by the RPTCC Technical Secretariat. Mr. Morten Larsen noted that the World Bank has proposed to finance a “Study on Best Practice Guidelines for Bilateral Transactions”. The study would include: (i) valuation of hydropower; (ii) principles and pricing of transaction services; and (iii) provisions for future market-based power trade arrangements. The WB proposal would be discussed in more detail during Friday’s presentation. Mr. Alexis Bonnel, AFD, expressed possible financing support for some activities in the work plan relating to the development of regional regulatory mechanisms. Mr. Hotte expressed the difficulty of developing a detailed capacity building program, given the need to target specific groups to be the training recipients. Mr. Malik mentioned the usefulness of training needs assessment in developing the capacity building program.

### **Finalization of Work Plan of RPTCC**

29. After review of the revised work plan, the meeting therefore adopted the final RPTCC work plan (attached as Appendix 5) to guide activities of the RPTCC for 2005-2007 and beyond 2008.

### **Next Steps for RPTCC**

30. Mr. Malik reiterated that developing and disseminating the second draft of the PTOA is due by mid-February 2005. GMS countries are expected to comment on the second draft by mid-March 2005. The RPTCC members could then extract a “basic agreements” document from the second draft by end March 2005. This document would prescribe the initial steps for the transition to stage 1 and on to stage 2. In order to prepare this for signing by GMS members during the Second GMS Summit in July 2005, the RPTCC-3 meeting would be held in either late April or early May 2005. The RPTCC-3 meeting could also discuss further refinements to the RPTCC work plan.

## **V. Closing Session**

### **Consideration and Adoption of Proceedings**

31. The RPTCC members reviewed the draft minutes and after incorporation of suggested changes, the body therefore approved the minutes of the RPTCC-2 meeting.

### **Closing Remarks**

32. Mr. Wang Jun noted the successful conclusion of the RPTCC-2 meeting and congratulated and thanked the participants for their warmhearted support and attention. He noted that participants freely and openly expressed themselves and made constructive suggestions guided by the principles of open market, fair competition and mutual interest. Based on the revision of the final report of the PTOA, he expected the PTOA to be signed during the Second GMS Summit next year. The final agreement of the PTOA and the revised RPTCC work plan are expected to deeply promote development of the GMS power market and acceptable trade operating rules, and to settle business and technical problems. He promised, as Chairman, to promote smooth undertaking of GMS power cooperation and coordinate the relationship of PRC government with other GMS governments, such as in the following CSG initiatives: (i) study on how CSG takes part in GMS cooperation; (ii) assistance projects to LAO and MYA on development plans; (iii) 3000 MW power transmission between PRC and THA; and (iv) Sino- VIE power interconnections project. He expected closer and more realistic cooperation with ADB, WB, and all GMS members in the power sector. He expressed support to ADB for its contribution to GMS cooperation and China's participation in the GMS Program, and thanked Thailand Government for the warm hospitality and wonderful meeting preparation. He expressed China's intention to continue cooperation with other nations under the principles of reinforcing cooperation, mutual development and win-win solution.

33. Mr. Malik thanked the participants for their constructive contributions, which helped achieve the objectives of the RPTCC-2 meeting. He thanked the Chair, Mr. Wang Jun, for steering the substantive discussions on the PTOA and RPTCC work plan. He thanked the Secretariat for the logistics support and thanked his colleagues from ADB for their analytical comments. He also thanked the development partners for their active participation in the meeting and looked forward to expanded partnerships in future energy meetings. Lastly, he thanked the Government of Thailand for the excellent organization and hosting of the meeting.