INTER-GOVERNMENTAL MEMORANDUM OF UNDERSTANDING FOR THE ESTABLISHMENT OF THE REGIONAL POWER COORDINATION CENTRE IN THE GREATER MEKONG SUBREGION
PREAMBLE

The Governments of the Greater Mekong Subregion, hereafter referred to as GMS, namely; the Kingdom of Cambodia, the People’s Republic of China, the Lao People’s Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam, hereafter referred to as the “Parties”,

MINDFUL of the paramount importance of regional power trade as an essential catalyst for their national development, since power trade will help the GMS countries take advantage of abundant energy resources in the subregion and realize numerous benefits such as reducing investments in power reserves to meet peak demand, reducing operational costs, achieving more reliable supply, and harnessing low-cost and low-carbon emitting power sources available, which will eventually improve the competitiveness, efficiency and sustainability of the GMS economies;

NOTING that the new GMS Strategic Framework, 2012-2022, endorsed by the Fourth GMS Summit in December 2011, called for greater progress in the development of the GMS regional power market, as among second-generation initiatives that GMS countries would pursue to achieve the GMS’s development, anchored on the economic corridor development approach, as the GMS enters the third decade of cooperation;

RECOGNIZING the vital role of the private sector in promoting and implementing energy investments, and intent on ensuring a favourable institutional framework for economically viable investment in energy infrastructure and the need for capacity building of members to enable regional power trade;

UNDERSTANDING that sustaining the environment is an essential component of all phases of development and trade in the power sector;

CONSIDERING that, by signing the Inter-Governmental Agreement on Regional Power Trade in the GMS in November 2002, stipulating that their relationship is based on cooperation, gradualism and environmentally sustainable development, the GMS Member States have committed to establishing the framework to advance regional trade in electricity in the GMS, and entering into the necessary agreements to regulate the establishment and operation of regional power trade;

CONVINCED that there is a need to synchronize power system operation and to harmonize the regulatory framework governing the electricity sector within the GMS;

CONVINCED that, as the GMS power market transitions to more advanced stages of power trade, there is a need for a regional organisation that would: (i) facilitate better coordination and cooperation in the development and synchronization of their power systems; (ii) ensure full recovery of their costs and equitable sharing of the benefits resulting from power trade; and (iii) provide reliable and economic electricity supply service to the customers of each Party;
CONVINCED that, to achieve this objective, the regional power trade organisation shall perform its activities in collaboration with the national Transmission System Operators, national Power Authorities and national Power Utilities of the GMS, which may be able to provide financial and technical support; and

NOW THEREFORE, through their duly authorized representatives who are the signatories of this Inter-Governmental Memorandum of Understanding for the Establishment of the Regional Power Coordination Centre, hereafter referred to as the "Inter-Governmental MOU",

HAVE AGREED AS FOLLOWS:

ARTICLE 1: DEFINITIONS

For the purpose of this Inter-Governmental MOU, the following definitions apply:

1. "Annex(es)" mean(s) the attachment(s) to this Inter-Governmental MOU, which form an integral part of this Inter-Governmental MOU.

2. "Board of RPCC" or "Board" means the governing body of the RPCC, established under the provisions of Article 8 of this Inter-Governmental MOU.

3. "Executive Director" means the RPCC's legal Representative before court and third parties appointed according to Article 9 of this Inter-Governmental MOU.

4. "Greater Mekong Subregion (GMS)" means the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam.

5. "GMS Ministerial Meeting" means the annual Ministerial Meeting of GMS Members held as part of the GMS Program to coordinate sub-regional cooperation and provide overall guidance and support.

6. "Inter-Governmental Memorandum of Understanding for the Establishment of the RPCC" or "this MOU" means this Inter-Governmental MOU, together with its Annexes.

7. "Inter-Governmental Agreement on Regional Power Trade" or "IGA" means the Inter-Governmental Agreement on regional power trade in the GMS, together with its Annexes, signed on 3rd November 2002, among the Governments of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam.

8. "Members" means the GMS Countries, which are the Members of the RPCC.

9. "MOU-1" means the Memorandum of Understanding on the Guidelines for the Implementation of the Regional Power Trade Operating Agreement, signed on 5 July 2005 and consecutive to the IGA.
10. "MOU-2" means the Memorandum of Understanding on the Road Map for Implementing the GMS Cross Border Power Trading, signed on 31 March 2008 and consecutive to the IGA and MOU-1.

11. "Party or Parties" means one or the Governments of the Greater Mekong Subregion, namely: the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam, which are already signatories of the Inter-Governmental Agreement on Regional Power Trade (IGA).

12. "RPCC" means the Regional Power Coordination Centre established by this Inter-Governmental MOU.

13. "RPCC Administration" means the RPCC Administration established under the provisions of Article 11 of this Inter-Governmental MOU.

14. "Regional Power Trade Coordination Committee" or "RPTCC" means the GMS Regional Power Trade Coordination Committee, established to coordinate the implementation of regional power trade pursuant to the IGA.

15. "Regional Power Trade Operating Agreement" or "PTOA" means the technical and commercial operating agreement for implementation and operation of regional power trade under the IGA, which will be drafted under the management of the RPCC.

16. "Technical Groups" means the Technical Groups established under the provisions of Article 10 of this Inter-Governmental MOU.

ARTICLE 2: ESTABLISHMENT OF THE RPCC

1. The Parties, signatories of this Inter-Governmental Memorandum of Understanding, hereinafter establish the Regional Power Coordination Centre in the GMS with the vision, objective and functions set out below.

2. The RPCC is an independent and neutral organisation with legal personality.

ARTICLE 3: OBJECTIVES

The RPCC shall promote the synchronized operation of the national power system operations towards a unified, fair and transparent regional electricity market with the ultimate goal of providing the GMS Countries with stable and reliable electricity supply at the most economic costs. This will be enhanced by facilitating the balanced development of the diverse energy resources of the GMS Countries for their mutual benefit, long-term cooperation in the power sector, uninterrupted electricity transit, and increased cross-border power trade.

ARTICLE 4: FUNCTIONS

1. To coordinate the implementation of the proper regulatory and technical framework in a phased approach and represent the common interests of the Member Countries on matters relating to power trade, the RPCC functions are:
   a. establish and update a regional data base containing historical and other data to be used for planning and system operation purposes;
b. develop and maintain an information system in order to monitor the activities of power trade in the GMS;

c. develop and conduct necessary capacity building of Members to advance regional power trade;

d. assist the Members in the resolution of conflicts;

e. promote cooperation between the RPCC and other organisations; and

f. recommend measures to strengthen environmentally and socially sustainable development of power trade in the GMS.

2. Another function of the RPCC is to encourage and monitor all participating national Transmission System Operators (TSOs), national Power Authorities or Power Utilities in the GMS Countries in:

a. preparing common criteria for coordinated system planning, common technical standards for operational reliability and quality of supply in the GMS interconnected transmission system, and any proposed principles and procedures;

b. facilitating implementation of the GMS priority transmission projects, development of measurable standards to harmonize electricity planning and operation of the interconnected GMS power systems;

c. ensuring effective implementation and compliance with mandatory standards, and effective communication and information sharing in order to improve cross-border and reliable flows of electricity in the GMS; and

d. developing a common and shared position to progressively implement power exchange and move towards an agreed final market model.

ARTICLE 5: HIERARCHY OF THE DOCUMENTS GOVERNING THE RPCC

Unless otherwise approved by the Ministerial Meeting, the following documents, listed in order of hierarchy, shall govern the establishment and administration of the RPCC:

a. The Inter-Governmental Agreement on Regional Power Trade of 3 November 2002;

b. This Inter-Governmental MOU for the Establishment of the RPCC;

c. The Guidelines for the Regional Power Trade Coordination Committee, adopted on 14 July 2004, at the first meeting of the Regional Power Trade Coordination Committee;

d. The Memorandum of Understanding on the Guidelines for the Implementation of the Regional Power Trade Operating Agreement – Stage #1 of 5 July 2006;

e. The Memorandum of Understanding on the Road Map for Implementing the Greater Mekong Subregion Cross Border Power Trading of 31 March 2008;

f. The regional Power Trade Operating Agreement; and

g. Any other approved guidelines.
ARTICLE 6: MEMBERSHIP

1. This Inter-Governmental MOU is open for signature by all GMS Governments.
2. The Parties of this Inter-Governmental MOU are the Members of the RPCC.

ARTICLE 7: GOVERNANCE STRUCTURE OF THE RPCC

1. The governance structure of the RPCC is composed of the following Bodies:
   a. The Board of RPCC;
   b. The Executive Director;
   c. The Technical Groups; and
   d. The RPCC Administration.
2. The governance structure is specified in Annex 1 to this Inter-Governmental MOU. The composition and operation of the bodies shall be stipulated in the Articles of Association of the RPCC, which will be adopted by the Board of RPCC at its first Board Meeting.

ARTICLE 8: THE BOARD OF RPCC

1. The Board is composed of:
   a. One designated representative from the Government or the national Transmission System Operators (TSOs) or national Power Authority or national Power Utility per Member Country; and
   b. the Executive Director of RPCC as a non-voting member.
2. The representatives, Members of the Board, shall have sufficient capability in their own institutions and a full mandate to make all relevant decisions.
3. The functions of the Board are:
   a. to adopt the Articles of Association and the internal rules and regulations of the RPCC;
   b. to appoint and dismiss the Executive Director from her/his position;
   c. to establish Technical Groups and adopt any other changes in organisational arrangement deemed necessary and to oversee the work and decide on the recommendations of the Technical Groups and the RPCC Administration;
   d. to adopt the long term strategic vision and monitor the implementation of the strategic action programmes that will allow achieving the objectives of the strategic vision;
   e. to approve the RPCC budget and its annual accounts, and determine the fees and payments to be made by the Members; and
   f. to report and submit recommendations for validation and adoption on policy and regulatory issues by the RPTCC.

ARTICLE 9: THE EXECUTIVE DIRECTOR
1. The Executive Director of the RPCC is appointed by the Board for a term of three (3) years, renewable only once (1), and, if necessary, can be dismissed from her/his position.

2. The Executive Director is the legal representative of the RPCC and is responsible for the management of the RPCC Administration.

3. The Executive Director is responsible for:
   a. the day-to-day management of the RPCC within the approved budget and in line with the approved guidelines;
   b. executing the Board decisions, coordinating and monitoring the implementation of any strategic action programme and reporting to the Board on the management and activities of the RPCC;
   c. coordinating the activities of the Technical Groups;
   d. controlling and monitoring the budget of the RPCC; and
   e. representing the GMS power trade organisation to national and international institutions for all matters related to the development of the GMS power trade.

ARTICLE 10: TECHNICAL GROUPS

1. When deemed necessary, the Board shall establish Technical Groups.

2. The Technical Groups are responsible for:
   a. providing technical support to the Board in order to fulfill its missions;
   b. organising professional co-operation;
   c. making decisions on relevant operative issues; and
   d. co-ordinating regional activities in the GMS interest.

ARTICLE 11: THE RPCC ADMINISTRATION

1. The RPCC Administration is responsible for:
   a. assisting and supporting the bodies and the processes of the RPCC;
   b. communication with external stakeholders under the guidelines set by the Board;
   c. drafting proposals for decision making; and
   d. informing the bodies and Members on RPCC activities.

2. The RPCC Administration performs the secretariat function for all meetings of the Technical Groups.

3. The RPCC Administration is composed of experts provided by the Members or recruited directly, as well as technical and administrative staff necessary to accomplish its missions and to perform its functions.

4. Senior Executives with the rank of Director are selected and appointed and, if necessary, can be dismissed from their position by the Executive Director. One of the Directors replaces the Executive Director in his absence or incapacity.
5. The location of the RPCC Administration shall be decided by the RPTCC. A Headquarters Agreement shall be negotiated and entered into with the host government.

ARTICLE 12: FINANCING
The budget of the RPCC shall consist of contributions from Members. In addition, the RPCC may receive contributions from donors and other sources for its operation, investment programs and studies. Such donation shall not allow the influence of donors or other contributors on any decision making process of the RPCC.

ARTICLE 13: PRIVILEGES AND IMMUNITIES
1. The RPCC has the statute of an inter-governmental organisation.
2. The organisation, the Executive Director and the staff of the RPCC shall enjoy such privileges and immunities as are necessary in the independent exercise of their functions or in connection with the RPCC.
3. The legal capacity, privileges and immunities referred in this Article are defined in the Headquarters Agreement with the host government.

ARTICLE 14: SETTLEMENT OF DISPUTE
Any dispute concerning the interpretation or implementation of this Inter-Governmental MOU, especially in relation with the compliance to the technical rules issued by the RPCC shall be settled amicably, by negotiation and consultation, by the Board of RPCC.

ARTICLE 15: AGREEMENTS WITH NON-MEMBERS
This Inter-Governmental MOU shall not restrict any Member Country from having power trade agreements with Non-Member Countries, provided such agreement(s) do not create obligations upon other Member Countries that are not party to such agreement(s), and that such agreement(s) shall not impair Members from fulfilling their obligations under this Inter-Governmental MOU.

ARTICLE 16: PRE-EXISTING AGREEMENTS
This Inter-Governmental MOU shall not affect the rights and obligations of the Parties under any existing contracts or agreements to which they are also Parties.

ARTICLE 17: REVIEW AND AMENDMENTS
The provisions of this Inter-Governmental MOU may be reviewed at five-year intervals or earlier, as requested by at least one-third of the Parties, and amended, if required, by consent of all Parties to this MOU.
ARTICLE 18: RATIFICATION AND ENTRY INTO FORCE

1. This Inter-Governmental MOU is subject to ratification or acceptance by the Parties in accordance with their national procedures. Each Party shall notify its ratification or acceptance to the other Parties.

2. This Inter-Governmental MOU shall enter into force between and among the Parties that have ratified or accepted this Inter-Governmental MOU upon the date of issuance of the four (4th) certified instrument of ratification or acceptance.

ARTICLE 19: DURATION OF THIS MOU

This Inter-Governmental MOU shall remain in effect until revised or terminated by all Parties.

ARTICLE 20: TERMINATION AND DISSOLUTION

1. The Parties expect to continue their cooperation for regional power trade within the RPCC. However, any Party may, by giving one (1) year written notice to the Board of RPCC, terminate its participation in the RPCC and withdraw from this Inter-Governmental MOU after the expiration of two (2) years from the date of entry into force of this Inter-Governmental MOU or any time thereafter.

2. The termination shall take effect one year after receipt of the notification by the Board of RPCC during which the withdrawing Party shall continue to comply with the provision of this Inter-Governmental MOU.

3. Any unfulfilled duties including financial obligations existing as a result of the RPCC at the date of termination, shall continue in full force until such duties and obligations have been fulfilled.

4. The RPCC shall cease to exist at any time decided by all its Members with consent of their respective Parties. Any assets remaining after the land, buildings and fixtures have been disposed of, after the balance of any donated funds that have not been used has been returned to the respective donors, and after all obligations have been met, shall be distributed among the Parties at the time of the dissolution, in proportion to the contributions that they paid for the year preceding the year of the dissolution.
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Inter-Governmental Memorandum of Understanding for the Establishment of the Regional Power Coordination Centre.

DONE in duplicate in Nanning, People’s Republic of China, on this 12th day of December 2012 in the English language.

For the Royal Government of Cambodia

His Excellency Sok Chenda Sophea
Minister Attached to the Prime Minister
Secretary General of the Council for the Development of Cambodia
GMS National Coordinator

For the Government of the People’s Republic of China

His Excellency Zhang Yuqing
Deputy Administrator of National Energy Administration

For the Government of the Lao People’s Democratic Republic

His Excellency Noulin Sinbandith
Minister of National Resources and Environment and Minister of GMS

For the Government of Socialist Republic of Viet Nam

His Excellency Le Duong Quang
Vice Minister, Ministry of Industry and Trade
DONE in duplicate in Nay Pyi Taw, Myanmar, on this 7th day of June 2013.

For the Government of the Republic of the Union of Myanmar

[Signature]

His Excellency Khin Maung Soe
Minister
Ministry of Electric Power

DONE in duplicate in Bangkok, Thailand, on this 11th day of December 2013.

For the Government of the Kingdom of Thailand

[Signature]

His Excellency Pongsak Ruktaponpisal
Minister
Ministry of Energy
ANNEX 1

GOVERNANCE STRUCTURE OF THE RPCC

RPTCC

BOARD OF RPCC

EXECUTIVE DIRECTOR

TECHNICAL GROUPS

RPCC ADMINISTRATION