# Technical Workshop

#  “Perspectives and Challenges of Regional Electricity Markets: Harnessing Trade and Investment Opportunities”

**Jointly organised by the Economic Cooperation Organization (ECO) Secretariat and the Energy Charter Secretariat**

# Wednesday, 14 October 2020

# Zoom Webinar

**Overview and Background**

Energy cooperation and trade may be seen as a win-win opportunity for broader regional cooperation, particularly if driven by political will and mutual confidence. Bilateral electricity trade is an important element of regional cooperation; however, multilateral arrangements are required to make use of full regional potential and to benefit from economies of scale. In addition to that, considerable investments are needed to develop interconnections and expand generating capacities, paying special attention to clean and sustainable energy sources. Regional energy integration and cross-border electricity trade will have a positive impact on the energy security and sustainable development.

Economic Cooperation Organization (ECO) has been mandated by its Member States to promote electricity trade in the ECO Region and undertake the project on establishment of ECO Regional Electricity Market (ECO REM) together with its Member States. It is widely recognized that the location of the ECO Region at the crossroads between the emerging Eurasian and European electricity markets creates lucrative opportunities for cross-border trade and provides incentives for enhanced transmission network on regional and interregional levels.

Notwithstanding their huge potential, some ECO countries have relatively low energy demand and others, in contrast, enjoy high and ever growing energy demand, even though their indigenous supply options are comparatively limited. In some ECO Member States energy demand growth is far outstripping domestic supply, and in the foreseeable future, the demand-supply gap will become even wider unless the domestic supplies are supplemented by imports. Enhancement of national energy security depends on complex factors, including but not limited with the diversification of energy forms and supply sources, and the cost-efficiency of energy supplies.

Currently, there are fragmented developments in the ECO region in terms of power trade when countries mainly rely on bilateral contracts to meet their immediate energy needs. However, recent developments on CASA-1000, TAP-500 and TUTAP projects could be seen as a step forward towards market integration of Central and South Asia. These developments along with existing and potential bilateral arrangements provide ample opportunities in terms of complementing and substituting one another. Dynamic growth of electricity consumption in the ECO Region over the past years triggers the development of an effective, integrated electricity market, which may offer multiple benefits, notably the efficient utilization of local resources, gas-to-power deployment, more cost-effective integration of variable renewable generation, technological advancement and others.

International Energy Charter has been supporting the Task force on regional energy cooperation in Central and South Asia since 2007 as platform to facilitate knowledge sharing, exchange of best practices and lessons learnt on energy security and sustainable energy. In 2015 the Energy Charter Secretariat has also launched an initiative on regional electricity cooperation in the South Caucasus to foster electricity trade and facilitate investments into regional energy infrastructure along two transport corridors - East–West and North-South.

**Objectives**

The main objective of the event is to provide a platform for countries of the ECO Region to discuss the best practices and lessons learnt on integration of electricity markets across the globe. The discussions will inspire the participants to embrace successful models in pursuit of diverse and resilient energy architecture in the ECO Region. The event would also help the ECO Secretariat to identify major issues and challenges related to its future roadmap on establishment of ECO REM. Specific objectives of the webinar are as follows:

• Facilitate knowledge sharing and capacity building on multilateral power trade, infrastructure projects and market integration;

* Discuss perspectives and barriers related to power trade, including supply-demand balances, cross-border energy infrastructure and investment requirements;

• Seek inputs and positions of the ECO Member States on draft Terms of Reference to develop a study on establishment of ECO REM.

**Target Audience**

The event will bring together policy makers and technical experts from ECO Member States, including governments, TSOs and regulatory authorities, as well as representatives of international and regional organisations.

**Provisional Programme**

**Wednesday, 14 October 2020** (Central European Time)

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| **09:00 – 09:15** | **Welcoming Remarks:** * Dr. Hadi Soleimanpour, Secretary General of the ECO Secretariat,
* Dr. Urban Rusnák, Secretary General of the International Energy Charter.
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| **09:15-10:00** | **Session 1: Best practices and lessons learnt in integrating electricity market** Technical and regulatory aspects of integrating electricity markets: * Experience of the European Union, representative of the European Commission (tbc);
* Experience of ECOWAS / SIEPAC (tbc);
* Q&A
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| 10:00 - 10:15 | Break |
| **10:15 - 10:45** | **Session 2: Challenges and opportunities of integrating energy markets in the regions of:*** Central Asia, Representative of Coordination and dispatch centre “Energiya”;
* South Asia, Representative of South Asian Association for Regional Co-operation (SAARC) Energy Centre;
* Q&A.
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| **10:45 - 11:30** | **Session 2: Investment Environment for Cross-border Infrastructure** * Recent developments on CASA-1000 project, Representative of the WB (tbc) ;
* Progress on TUTAP connectivity project, Representative of ADB (tbc);
* Q&A.
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| **11:30 – 11:45** | Break |
| **11:45 – 12:45** | **Session 3: Study on ECO REM – country views**• Presentation of the draft ToR on establishment of ECO REM, Rovshan Mirzayev, Director of Energy, Minerals and Environment Directory; ECO Secretariat; • Followed by the interventions by the ECO Member States. |
| **12:45**  | **Concluding remarks – Way forward and the next steps**  |