

<b>Concept Paper</b>		
<b>Training for Professionals of Afghanistan Public Private Partnership Unit and Afghanistan Electricity Regulatory Authority on Power Regulatory System</b>		
<b>Special Project</b>	<b>PRG-168/2019/POSIT</b>	<b>Islamabad, Pakistan</b>

**Background:**

Decades of war has badly affected the electricity supply infrastructure of Afghanistan. The gigantic tasks of overhauling the fragile grid network, alleviating the demand supply gap and improving the electricity access are indeed big challenges. A sound regulatory planning at this stage can enable Afghanistan to capitalize the indigenous resources better, attract strong public/private energy cooperation, build strong institutional structures and facilitate the national energy policies effectively. A comprehensively planned power regulatory regime plays a key role in achieving cost efficiency. With time, regulatory approaches have evolved as a result of experience-based learnings of front runner countries in this domain. Thus, it is of paramount importance to learn from the experiences of those countries.

In this context, Afghan Ministry of Energy and Water requested SEC to conduct on-job training for professionals belonging to Afghanistan Public Private Partnership (PPP) Unit and Afghanistan Electricity Regulatory Authority with National Power Regulators of Pakistan or India. The countries, India and Pakistan, operate a comparatively large electricity system with robust regulatory oversight in place. Such training will deliver the much-needed exposure and expertise to Afghan professionals to capitalize the experience gained by two front running South Asian countries in the domain of power system regulation. Furthermore, India/Pakistan’s regulatory system is pragmatically well suited for Afghanistan to explore its strengths and improve upon its weaknesses.

**Introduction:**

In year 2019, SEC, under its thematic area of “Program for Successful Implementation of Technology Transfer (POSIT)”, proposes to conduct a five (5) day **“Training for Professionals of Afghanistan Public Private Partnership (PPP) Unit and Afghanistan Electricity Regulatory Authority on Power Regulatory System in Pakistan”**. The proposed activity will provide an executive exchange opportunity by bringing 5-8 delegates from the stated organizations of Afghanistan to Islamabad, Pakistan, to receive a comprehensive training from working professionals having expertise and background in Pakistan’s power regulatory sector.

The training will be conducted in three stages. In first stage, a hired field expert will deliver lectures to participants covering the overview of country’s power sector and theory of modern regulatory tools in the domain of electricity Generation, Transmission, Distribution and Retail. In second stage, the participant will be given a comprehensive training by National Power Regulator to gain insights on its departmental roles, functions and procedures. In third state, participants will visit key power sector institution such as Power Purchaser or Power

Dispatch Controller etc. to gain practical knowledge on regulatory compliance operations undertaken by these institutes.

The selection and nomination of training delegates will be performed by the relevant Ministries of Afghanistan with consultation and support of SEC's GB Member from Afghanistan. A prior consent of host State institutions i.e. Ministry of Power, National Power Regulator, Power Dispatch Controller and/or Power Purchaser will also be furnished accordingly.

### **Objectives:**

The training Workshop will be an invaluable opportunity for the professionals of Afghanistan to get field exposure in the critical domain of Power System Regulation. SEC envisages accomplishing the following objectives through the proposed intervention:

- 1) Capacity building of the energy Professionals from Afghanistan Public Private Partnership (PPP) Unit and Afghanistan Electricity Regulatory Authority to carry out a comprehensive regulatory planning for modernization and rehabilitation of Afghanistan's electricity sector
- 2) Sharing the experience of a front running SAARC Member State with the participants in the domain of Power System Regulations
- 3) Interaction of field professionals of Afghanistan with distinguished energy professionals of host Member State to build productive liaison networks and enhance energy cooperation in the SAARC region.

### **Major Aspects to be covered by the Special Project:**

The workshop will cover, but is not limited to the following broad contents:

- 1) Transmission/Distribution tariff mechanisms and regulatory tools to improve efficiency
- 2) Performance standards, grid codes and evaluation
- 3) Generation Tariff setting, Upfront regimes, RE Auctions, Net-metering etc.
- 4) Transition to modern power markets, market rules, oversight and grid access issues
- 5) Licensing mechanisms and roles of Central or Distributed Generators, Transmission, Distribution and Retail companies
- 6) Regulatory facilitation for public-private partnership

### **Relevance, Coherence and Sustainability:**

The training will relate the SEC's efforts to promote the modern, efficient and effective power regulatory practices in Afghanistan. In coherence with SEC's thematic program for successful implementation of technology transfer, the training will serve the purpose of capacity building of Afghanistan's professionals to facilitate them in modernization of the regulatory landscape of country's power sector. In line with SEC's sustainability objectives, the training will promote the cross-border cooperation of energy institutions of SAARC region and SEC will synergize these efforts by undertaking necessary interventions in future.