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Report Release Workshop “Economic Benefits from Bangladesh– India Electricity Trade”

Date: 11 January 2018

Venue: Regal Hall, Hotel The Royal Plaza, New Delhi

Inaugural address and report release by:



**Dr. Rajiv Kumar,
Vice Chairman, NITI Aayog**

Purpose of the workshop

IRADe is the implementing partner of USAID's flagship program, South Asian Regional Initiative for Energy Integration (SARI/EI) since 2012. The program aims to advance energy cooperation, regional energy integration and to promote/facilitate Cross Border Electricity Trade (CBET) in the eight South Asian countries (Afghanistan, Bangladesh, Bhutan, India, Pakistan, Nepal, Sri Lanka and the Maldives). Under SARI/EI Program, IRADe has taken various initiatives such as development of Regional Regulatory Guidelines, suggested changes/amendments in each country's laws/policies, harmonization of grid codes, operating procedures for integration of power system, model PPA and TSA, transmission pricing mechanism, investment framework, framework for open access and trading licences etc.

To showcase the benefits of CBET, IRADe carried out a modelling exercise for the first time to work out the macro economic benefits of CBET between India and Bangladesh. The study has been now finalized after taking valuable suggestion/inputs of various stakeholder including key stakeholders in India and Bangladesh such as Central Electricity Authority (CEA), NITI Aayog, Bangladesh Power Development Board (BPDB), Planning Commission of Bangladesh etc. In past, IRADe had concluded similar study to quantify India-Nepal Power trade and its macro-economic benefits.

The purpose of this workshop is to discuss the findings of the India-Bangladesh study with various stakeholders and experts. The study seeks to outline the benefits of trade to a wide range of stakeholders from the power sector like Ministry of Power, CEA and Power System Operation Corporation Limited, National policy makers like NITI Aayog, Ministry of Finance, Central Electricity Regulatory Commission (CERC), and Ministry of External Affairs (MoEA) and finally private and public investors like Indian Energy Exchange, Power Exchange India Limited, PTC India and power project developers, etc.

Given the importance of the subject Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, has kindly given his consent to inaugurate the workshop and release of the report.

Background

The Bangladesh-India Power Trade study explores the following questions that would help policy makers/ planners/ decision makers of Bangladesh and India:

- When to Trade? At what time period of the day? And How much to Trade?
- What would be the power supply strategies (capacity, generation, technology, import/export, investment, fuel, power supply cost and so on) in Bangladesh as well as in India with different levels of power trade?
- What are the macroeconomic implications to Bangladesh and India in terms of growth of GDP, investment (in power sector and the rest of the economy) fuelled by the impact from electricity trade?

Answers to the following questions are also explored which would be of interest to the stakeholders:

- What would be the optimal level of trading to both buyer and seller?
- What would be the impact on living standard measured through per capita consumption levels?
- How would per capita electricity use change?
- What are the consequential environmental costs and benefits?

Consultation Process

October 18-20, 2016

A mission to Bangladesh to collect data, presenting the study objectives to stakeholders and discussing scenarios



Dhaka, February 2, 2017

February 2, 2017



Dhaka, May 17, 2017

May 17, 2017

August 31, 2017

Stakeholders' meeting, Dhaka:

To present and discuss the study, approach, scenarios and draft outcomes; validation of parameters and results

Second Stakeholder Meeting, Dhaka:

Presenting and discussing final results on India-Bangladesh electricity trade and its economic impacts and received their feedback.

Expert Group Consultation Meeting, CEA, New Delhi:

Presentations of results India-Bangladesh study; macro model results showing the economic impact of electricity trade on India and Bangladesh's economy



New Delhi, Aug 31, 2017

Draft Agenda

11.00 am - 11.30 am	Registration and Tea, Coffee
11.30 am - 11.35 am	Welcome and introduction by Dr. Jyoti Parikh, ED, IRADe
11.35 am - 11.45 am	Address by Mark A. White, Mission Director, USAID/India (TBC)
11.45 am - 11.50 am	Address by H.E. Mr. Sayed Muazzem Ali, High Commissioner, Bangladesh High Commission, New Delhi
11.50 am - 11.55 am	Address by Ms. Sripriya Ranganathan, Joint Secretary, MEA, New Delhi (TBC)
11.55 am - 12:05 am	Report Summary by Dr. Kirit Parikh, Chairman IRADe
12.05 am - 12.15 am	Inaugural address & Release of the Report on "Economic Benefits from Bangladesh-India Electricity Trade" by Honourable Vice Chairman, Dr. Rajiv Kumar, NITI Ayog.
12.15 am - 12.20 am	Vote of thanks by Mr V. K. Kharbanda, Project Director, SARI/EI program
12.20 am - 12.50 pm	Technical Presentation on the report Impact of Electricity Trade on the Power systems of Bangladesh and India – By Mr. Vinay Saini, Senior Research Analyst, IRADe Economic benefits of Electricity Trade – Dr. Probal Pratap Ghosh, Head Modelling, IRADe
12.50 pm - 1.30 pm	Panel Discussion of the Report- Moderator: Dr. Kirit Parikh Co-Chair- Mr. Junaid Ahmad, Country Director for India, World Bank (TBC) Mr. Len George, Energy Specialist, South Asia Energy Division, Asian Development Bank Mr. R V Shahi, Chairman, Energy Infratech Private Limited (TBC) Mr Sagar Parsai, Country Representative, The Asia Foundation Mr. Pradeep Mehta, Secretary General, CUTS International (TBC) Prof. Sachin Chaturvedi, Director General, RIS (TBC) Conclusion on Benefits to India by Dr. Kirit Parikh
01.30 pm onwards	Lunch

About SARI/EI

Over the past decade, USAID's South Asia Regional Initiative/Energy (SARI/E) has been advocating energy cooperation in South Asia via regional energy integration and cross border electricity trade in eight South Asian countries (Afghanistan, Bangladesh, Bhutan, India, Pakistan, Nepal, Sri Lanka and the Maldives). This fourth and the final phase, titled South Asia Regional Initiative for Energy Integration (SARI/EI), was launched in 2012 and is implemented in partnership with Integrated Research and Action for Development (IRADe) through a cooperative agreement with USAID. SARI/EI addresses policy, legal and regulatory issues related to cross border electricity trade in the region, promote transmission interconnections and works toward establishing a regional market exchange for electricity.

About USAID

The United States Agency for International Development (USAID) is an independent government agency that provides economic, development, and humanitarian assistance around the world in support of the foreign policy goals of the United States. USAID's mission is to advance broad-based economic growth, democracy, and human progress in developing countries and emerging economies. To do so, it is partnering with governments and other actors, making innovative use of science, technology, and human capital to bring the most profound results to a greatest number of people.

About IRADe

IRADe is a fully autonomous advanced research institute, which aims to conduct research and policy analysis and connect various stakeholders including government, non-governmental organizations (NGOs), corporations, and academic and financial institutions. Its research covers many areas such as energy and power systems, urban development, climate change and environment, poverty alleviation and gender, food security and agriculture, as well as the policies that affect these areas.

