



Proceedings - ACEF 2020 Side Event on Cross Border Power Trade and Future Energy Markets

On June 16, 2020, the United States Agency for International Development (USAID) organized a virtual side event for the year's Asia Clean Energy Forum (ACEF), one of Asia's leading clean energy events held each June. The virtual side event was focused on the theme "Cross Border Power Trade and Future Energy Markets". Its purpose was to facilitate discussion and insight sharing on the barriers and opportunities to promote bilateral and multilateral power trade and develop power markets in South East and South Asia. More than 300 energy experts from 33 countries representing USAID; International Energy Agency (IEA); United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP); Central Electricity Regulatory Commission (CERC), Government of India; Indian Energy Exchange Limited (IEX); South Asia Regional Initiative for Energy Integration (SARI/EI) program; Greening the Grid (GTG)-Renewable Integration and Sustainable Energy (RISE) initiative, and other stakeholders from Asia and worldwide joined the discussion.

The tone for discussion was set by Michael Satin, Director, Clean Energy and Environment Office in USAID/India, who in his opening address highlighted the critical role cross-border electricity trade can play to secure reliable, affordable, and clean power for the people of Asia. The webinar commenced with presentation of three case studies—by Randi Kristiansen (IEA), Rajiv Ratna Panda (SARI/EI), and Anish Mandal (GTG-RISE)—that gave insights on overcoming political, institutional, and technical barriers to power trade and regional power markets in South East Asia; approaches to increase bilateral and multilateral power trade; and designing of power markets to enable large scale renewable energy (RE) integration.

The insightful presentations set the context for an detailed panel discussion, featuring reputed energy sector stakeholders who deliberated on the lessons learned in South East and South Asia and the path ahead. The eminent panel comprised Dr. S.K. Chatterjee, Chief of Regulatory Affairs, CERC; Matthew Wittenstein, Chief of Section, Energy Connectivity, UN ESCAP; Rajesh Mediratta, Director, IEX; Peerapat Vithayasrichareon, System Integration of Renewables, IEA; and Shubhranshu Patnaik, Senior Advisor, USAID GTG-RISE and Partner, Power & Utilities Consulting, Deloitte India.

The panelists brought to play their vast experience in the power sector as they discussed the imperatives and opportunities for increased bilateral and multilateral power trade in Asia and for developing and harnessing RE. Robust infrastructure, supportive regulatory and institutional mechanisms, and political consensus were recognized as critical enablers for regional power trade. Real time markets will play a major role in driving multilateral trade by allowing voluntary participation, discovery of real market prices, and balancing of renewables intermittencies. The recent introduction of real-time electricity market by Government of India was lauded as a major step toward an efficient power market not only for the country



but also for South Asia. Speaking about the far-reaching initiative, Dr. Chatterjee (CERC) expressed confidence that the “real-time market will lead to improved efficiency and economy of power generation and distribution companies and help integrate mainstream with renewables.” He also highlighted the need for learning from international experience but developing indigenous market designs that address the unique constraints of a country and the needs and expectations of its stakeholders.

The huge potential cross-border multilateral trade holds for increasing the share of RE was well recognized, as also the role it can play to lower prices and ensure affordable and reliable power and economic benefit for all. Crucially, preparing regional markets for RE would require concerted effort toward elimination of out-of-market incentives to ensure fair pricing for RE, dispatchability of renewables, and valuing flexibility are some of the key aspects highlighted by Mr. Patnaik.

The webinar ended with a brief address by Scott Bartos, Senior Energy Advisor at USAID Regional Development Mission for Asia, who communicated the need for all stakeholders, including the private sector, to come together, invest in, and deploy innovative technology solutions to catalyze Asia’s energy sector and leverage its huge RE resources.

The webinar’s proceedings and presentation can be accessed [here](#)