

EGI

ELECTRICITY GOVERNANCE INITIATIVE

Newsletter

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Volume I, Issue 2

Dear EGI colleagues and friends,

Welcome to the Electricity Governance Initiative’s newsletter. With EGI Assessments now completed in four new countries -- Brazil, South Africa, Kyrgyzstan and Tajikistan -- we are pleased to share the assessments reports from each of these countries, as well as an overview of next steps we are taking to build on our findings. This issue of the newsletter also features a reports on two global forums in which EGI partners have been active participants, and links to selected news articles from around the world.

Best regards,

Electricity Governance Initiative

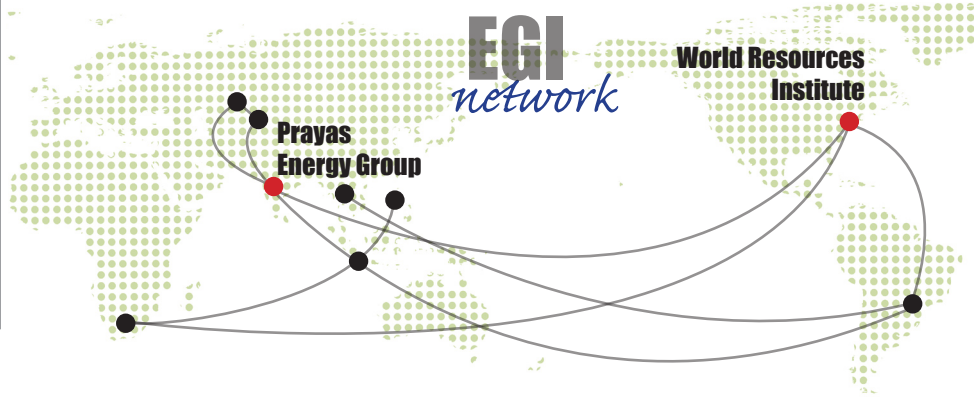
*The **Electricity Governance Initiative (EGI)** is a collaboration of the **World Resources Institute (WRI)** and **Prayas-Pune Energy Group** to promote better governance in the electricity sector.*

EGI creates a new dialogue and dynamic between sector officials and civil society groups. Our civil society partners complete assessments of electricity governance using the EGI toolkit in close consultation with an advisory panel that includes government, utility, and private-sector representatives.

We bring stakeholders who often talk past each other together to discuss how to advance positive change in the technically complex power sector.

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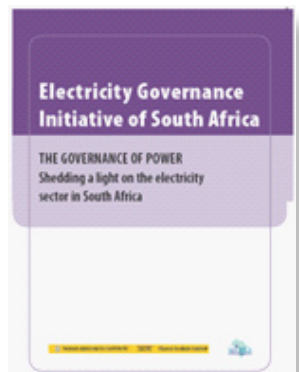


NEW ASSESSMENTS AND NEXT STEPS

The Governance of Power: Shedding Light on the Electricity Sector in South Africa

Electricity Governance Initiative in South Africa has released a groundbreaking report, “The Governance of Power: Shedding Light on the Electricity Sector in South Africa.” The report, coordinated by [Idasa](#), contains hard-hitting analysis of the governance challenges facing key national institutions, including the Department of Energy, the Electricity Supply Commission (Eskom), the National Energy Regulator of SA (NERSA) and the Department of Public Enterprises. “Secrecy, lack of consultation, confusion of roles and responsibilities, particularly for planning”, are some of the governance challenges before the sector,” noted Idasa’s Economic Governance Programme Director, Richard Calland.

Since the publication of the report, EGI South Africa has focused on improving the transparency and inclusiveness of the process by which the Department of Energy (DOE) is developing an Integrated Resource Plan (IRP2) for the sector. The IRP has been of particular importance because of new coal-fired power plants that are in the pipeline, including Medupi, a 4800 MW plant which was recently approved for World Bank



funding, and Kusile, a plant of similar size which is next in line. Among the outcomes to date, the Department of Energy has:

- Disclosed for public record the membership of the group of advisors that are assisting with the writing of the IRP 2 plan
- Held public hearings on the assumptions underpinning IRP 2
- Extended the deadline for comments from 10 working days to the minimum 30 days required by law under the Administrative Justice Act
- Set up a website portal through which they are sharing info on IRP 2
- Produced a written record of all of the comments received and how they have been addressed

In order to build civil society capacity to participate substantively in the public hearings, EGI-SA conducted workshops in Cape Town, Durban and Johannesburg, and helped arrange for DoE to brief the Energy Caucus, the only existing network of civil society and labour to engage on energy issues collectively. A workshop on international best practice in IRP laid the groundwork for producing an independent analysis of the IRP 2, which was submitted through DOE's consultation process.

Timelines for finalizing the IRP2 have now been extended through November 2010, to allow a more complete modeling exercise and consultative planning process.

Benchmarking Best Practice and Promoting Accountability in the Brazilian Electricity Sector



The Electricity Governance Initiative Brazil, led by the Brazilian [Institute for Consumer Defense](#) has released the report, [Benchmarking Best Practice and Promoting Accountability in the Electricity Sector](#). Using the EGI indicator toolkit the report assesses the relative strengths and weaknesses of the electricity policy and regulatory process in Brazil.

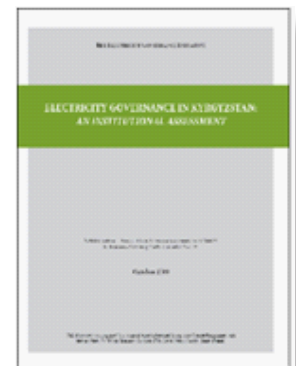
Building on this assessment, EGI Brazil is developing a focus on what has been described as “that low hanging-yet-hard-to-reach-fruit”: energy efficiency. Although energy efficiency would seem to be the simplest way to reduce carbon emissions, progress has been slow all over the world.

Hard data on energy NOT produced is difficult to come by, and thus including energy efficiency targets in capacity addition plans is problematic. Still, Brazil has at least partially solved one of the barriers to implementing energy efficiency programs: financing is raised through a wire charge levied on consumers through their electricity bills, and the funds are used to support energy efficiency and R&D programs. In Brazil, then the main problem is monitoring the effectiveness of these programs. To address this barrier, EGI plans to:

- Work with the Brazilian regulator -- the National Agency for Electrical Energy (ANEEL, in its Portuguese acronym) – to build its capacity to critically assess the evaluation reports submitted by the utilities and to improve governance of project selection and impact assessments;
- work with the Institute for Consumer Defense (IDEC) to build a constituency for energy efficiency;
- Empower ANEEL to proactively use the data it collects to inform national energy efficiency programs, long term planning, and the development of climate change action plans.

Electricity Governance in Kyrgyzstan: An Institutional Assessment

EGI Kyrgyzstan has released [Electricity Governance in Kyrgyzstan: An Institutional Assessment](#). The assessment evaluates policy-making and regulatory processes within the context of sector reforms that have been in progress for over a decade. Using a subset of 32 indicators from the EGI toolkit, the report traces the relationship between closed decision-making processes and

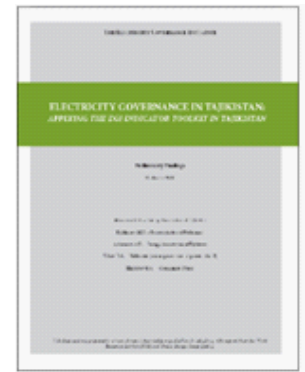


the continued poor performance of power sector enterprises.

In April 2010, the Kyrgyz government fell, triggered in part by poor management of the electricity sector. The EGI Kyrgyz team used its governance findings to provide input to new government. A recently signed decree explicitly commits to introducing transparency and public consultation into the management and regulation of the fuel and energy sector. The team will closely monitor implementation of the decree and work to build capacity across a broader range of civil society organizations to participate in consultations.

Electricity Governance in Tajikistan: Applying the EGI Indicator Toolkit to Tajikistan

EGI Tajikistan recently released [Electricity Governance Tajikistan: Applying the EGI Indicator Toolkit to Tajikistan](#). The EGI Tajikistan working group used a subset of 32 indicators from the EGI toolkit to assess governance strengths and weaknesses, with a special focus on the fragmented nature of regulatory processes and lack of transparency surrounding the tariff making process. The team is continuing its research in order to complete additional indicators. In August, once the report is complete, a multistakeholder working group will be formed to prepare a recommendation paper and promote improve governance in Tajikistan. The group will be tasked with preparing an activity plan and schedule of meetings.



RECENT ACTIVITIES

2010 Forum on Clean Energy, Good Governance, and Electricity Regulation

The Forum on Clean Energy, Good Governance and Electricity Regulation hosted by the World Resources Institute (USA), Idasa (South Africa) and Prayas Energy Group (India) on 19 -22 May 2010 created a unique platform for electricity regulators from India, South Africa, Brazil and Mexico to share their insights and experiences designing new programs to support energy efficiency and renewable energy as a way of meeting societal electricity needs. Regulators in each of these emerging economies face similar challenges with respect to developing clean energy options to support their efforts to secure adequate electricity to power economic development.. The regulators have taken important steps to design and implement clean energy programs, including energy efficiency (EE) and renewable energy (RE) within a very short period of time. In many cases, these programs have been prompted by their national government’s emerging efforts mitigate global climate change, which has enabled regulators to take bolder measures.

The regulators were invited to share their experiences promoting renewable energy and energy efficiency, and managing the politics and trade-offs associated with such programs. Civil society and industry stakeholders from the same countries shared their perspectives on these programs. Regulators and experts from the United States and Europe offered insights into the keys to the successful design and implementation of sustainable energy programs.



The forum built on the ongoing work of the WRI-Prayas Electricity Governance Initiative, and Idasa’s related efforts to draw attention to governance challenges in South Africa’s electricity sector.

A forum report and other materials are available [here](#).

The Asia Pacific Dialogue on Clean Energy Governance and Regulation

The Asia Pacific Dialogue on Clean Energy Governance and Regulation (June 21-22) brought together policy makers, regulators, private sector and civil society representatives to discuss and share approaches to regulating clean energy. The Dialogue, which was co-organized by ADB, USAID and WRI builds on previous work carried out by the EGI network in 2008. The dialogue included in depth sessions on the efforts and challenges confronted in Thailand, the Philippines and



Indonesia - three EGI countries in South-East Asia – to conduct integrated energy planning, promote renewable energy, and support energy efficiency respectively.

Topics discussed at the Dialogue included regulatory and policy options to implement clean energy as well as practical steps to promote energy efficiency and renewable energy. These included presentations on developing enabling policy frameworks, feed in tariffs, EE and RE certificates, and reallocating subsidies for RE. EGI partners from Indonesia, India, Thailand and the Philippines as well as Brazil participated in the Dialogue and shared their experiences addressing governance challenges in their respective countries in this context.

The Dialogue was followed by Asia Pacific Clean Energy Forum (June 23-25) which had over 1,000 registered participants, in which the key themes from the regulatory dialogue were show-cased. As a result of WRI's ongoing engagement with the ADB, since 2009, the ACEF meetings have increasingly emphasized issues of policy and governance . ACEF sessions reflected on the demands of 'meeting the technology transfer challenge' . and convened key players in clean energy technology, financing and policy making in Asia.

Additional materials on the Dialogue can be found on the EGI website: <http://www.cleanenergyasia.net/events/asia-pacific-dialogue-clean-energy-governance-and-regulation>

EGI IN THE NEWS

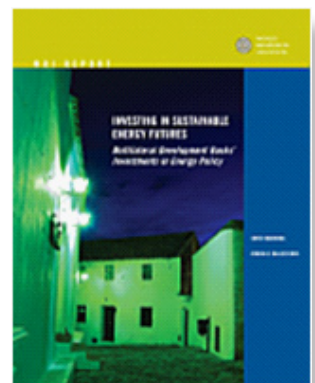
- [Left in the Dark, the public could pay a heavy price for decades](#) by Richard Calland & Gary Pienaar (*Idasa*)
- [Tackling the elephant](#) by Richard Calland, Saliem Fakir and Leonard Gentle (*Idasa, WWF-SA, ILRIG*)
- [The World Bank Eskom Support Program](#) by Smita Nakhooda (*WRI*)
- [Breaking news on electricity in Kyrgyzstan](#) by the *Unison Project Team*
- [Electricity Plays Key Role in Kyrgyzstan Uprising: Q&A by Davida Wood](#) (*WRI*)
- [Prayas's 10 points to MSEDCL to ensure power for all](#) by Prayas Energy Group
- [Booklet for consumers on electricity services](#) by Prayas Energy Group
- [Optimism based on paradigm shift: Quo Vadis Indonesia?](#) by Ami Indriyanto (*IIEE*)
- [State of Truth in the Nation](#) by Antonio La Viña (*Ateneo School of Government*)

NEW PUBLICATION

Investing in Sustainable Energy Futures: Multilateral Development Banks' Investments in Energy Policy

[This report](#) reviews loans provided by Multilateral Development Banks (MDBs) to developing countries for electricity policy from 2006–2008. It examines those policies, regulations, and institutional capacities in the electricity sector that will direct both public and private investment in sustainable energy options.

The report highlights MDB interventions in the energy sector that address issues of sustainability and governance. These interventions represent important examples of how the MDBs can bring expertise, networks, and finance to help align investment in the electricity sector with sustainable, low-carbon development. By placing a greater emphasis on issues of governance in the context of prescribing technical solutions to energy challenges, MDBs may be able to help countries develop more effective sustainable energy programs that respond to national circumstances.





UPCOMING EVENTS

14th International Anti-Corruption Conference (IACC) 2010

EGI has secured a slot at the 14th IACC Conference to be held in Bangkok on November 10-13, 2010. The theme of the conference is “Restoring Trust: Global Action for Transparency”. The EGI slot is in the Fuelling Transparency and Accountability in the Natural Resources and Energy Markets stream. EGI partners will address various aspects of corruption in the electricity sector, including in sector planning and procurement.

The Third Global Gathering of The Access Initiative (TAI)

EGI will host two sessions at the Third TAI Global Gathering. The meeting will take place in Kampala-Uganda in October 27-29, 2010. TAI, another initiative housed in WRI, is the world’s largest network of civil society organizations working to ensure that citizens have the right and ability to influence decisions about the environment and natural resources that sustain their communities. The Kampala 2010 TAI Global Gathering will be organized around the theme: Access Rights, Poverty and Environmental Democracy Worldwide. The theme will provide an opportunity for civil society partners to build capacity and share lessons on the complex relationship between efforts to promote access rights, alleviate poverty and to meet environmental objectives.

The EGI team will introduce the EGI toolkit and explain the areas in which it can be used, and the methods that EGI uses to affect change. These presentations and discussions will foster new partnerships between EGI and TAI partners, as well as create new opportunities for engagement on electricity governance.

FUNDING

Update on Funding from REEEP and OSI

The Electricity Governance received additional funding this year from the Renewable Energy & Energy Efficiency Partnership and the Open Society Institute. The Renewable Energy & Energy Efficiency Partnership is supporting analysis of how good regulatory governance can support RE/EE through the regulatory process in India, with a particular focus on creating sustainable demand for RE/EE programs. The Open Society Institute is supporting continued work in Central Asia as well as core EGI activities.

NEW HIRE

EGI Welcomes New Senior Associate

The Electricity Governance Initiative is pleased to welcome Bharath Jairaj as a new Senior Associate. Bharath will lead EGI’s work with South Asian and Southeast Asian country partners to improve governance processes in the energy sector.



Bharath has 15 years of experience with environmental and consumer advocacy groups in India, including WWF-India, Toxics Link, and Citizen consumer and civic Action Group (CAG). While serving as Director of CAG, he participated as a partner of WRI’s Electricity Governance Initiative and implemented the EGI toolkit in India. He also developed a follow-up program linking environmental and energy regulators in Tamil Nadu, a state in the southern part of the country. In addition, he served on a range of Indian government committees and state agencies, and has written on various aspects of Indian environmental law.

He holds two Master’s degrees from the National University of Singapore: one in public policy from the Lee Kuan Yew School of Public Policy, where he wrote a thesis on the role of disclosure-based regulation in improving Indian corporate responses to climate change; and a second degree in law, with a focus on comparative constitutional and environmental law.

PARTNERS

World Resources Institute and the Prayas Energy Group serve as the Secretariat for the Electricity Governance Initiative

World Resources Institute (WRI)

The [World Resources Institute](http://www.wri.org/) is an environmental think tank that goes beyond research to find practical ways to protect the Earth and improve people's lives. Our mission is to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations. Because people are inspired by ideas, empowered by knowledge, and moved to change by greater understanding, WRI provides—and helps other institutions provide—objective information and practical proposals for policy and institutional change that will foster environmentally sound, socially equitable development.



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Prayas Energy Group

[Prayas](http://www.prayasenergygroup.org/) is a registered charitable trust based in Pune, India. Its activities cover four substantive areas: health, energy, learning and parenthood, and resources and livelihoods. Prayas engages in policy analysis and advocacy in the electricity sector and capability-building of institutions in civil society. Its past work includes an analysis of the power purchase agreement between Dabhol Power Company (DPC) and the Maharashtra State Electricity Board (MSEB); development of a least-cost integrated resource plan (IRP) for the state of Maharashtra, India; an analysis of agricultural power consumption and subsidy; a study of the regulatory aspects of the Orissa (India) model of power sector reforms, and a critique of the activities of, and lending by, multilateral development banks for the energy sector in India.



आरोग्य, ऊर्जा, शिक्षण आणि पालकत्व
या विषयांतील विशेष प्रयत्न

Lead Organizations in Partner Countries

INDIA	Centre for Policy Research (CPR)
INDONESIA	Indonesian Institute for Energy Economics (IIEE)
THAILAND	Healthy Public Policy Foundation
PHILIPPINES	Ateneo School of Government
BRAZIL	International Energy Initiative (IEI)
SOUTH AFRICA	Idasa - Economic Governance Programme
KYRGYZSTAN	Civic Environmental Foundation UNISON
TAJIKISTAN	Public Association Consumers Union



See our full list of partners [here](#).

Photo Credits: (Flickr) Paul Keller, light bulb; Thomas Hawk, grass.