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SHEBERGHAN GAS GENERATION ACTIVITY (SGGA)

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Monthly Report

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Acronyms and Abbreviations

AEAI	Advanced Engineering Associates International Inc.
AEIC	Afghan Energy Information Center
AGS	Afghan Geological Survey
ANSF	Afghan National Security Force
ARDS	Afghanistan Reconstruction and Development Service
COO	Chief Operating Officer
DABS	Da Afghanistan Breshna Sherkat
DG	Director General
E&P	Exploration and Production
IL	Implementation Letter
KESIP	Kabul Electricity Service Improvement Project
kWh	Kilowatt Hour
LPG	Liquefied Petroleum Gas
LTA	Legal Transaction Advisors
MEW	Ministry of Energy and Water
MoM	Ministry of Mines
MW	Megawatt
NDS	Non-Developmental Software
NEPS	North East Power System
PMT	Project Management Team
Q&A	Question and Answer
RFP	Request for Proposal
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
SLD	Single Line Diagram
SoW	Scope of Work
USAID	United States Agency for International Development

1 GAS WORKSTREAM (MOM LIAISON, DRILLING, ENVIRONMENTAL)

1.1 Achievements / Activities

- Assisted Ministry of Mines to organize and conduct bidders' conference for Sheberghan drilling tender.
- Prepared press release on bidder's conference for Ministry.
- Completed responses to questions from potential bidders on Sheberghan drilling tender and deliver to Ministry for publication.
- Completed letter to Ministry chief counsel on tax and customs exemptions for Ministry non-Afghan contractors under SGDP.
- Completed and delivered to USAID Deliverable 2-8, Final Terms of Reference for Environmental Assessment / Environmental Scoping Study; completed Dari translation and delivered both English and Dari versions to Ministry Completed terms of reference for Ministry Request for Proposals for petroleum engineering services.
- Prepared petroleum engineering training.
- Completed 5 two-hour training sessions for the Petroleum Engineering Course.
- Letter sent to Ministry of Mines describing closing requirements for execution of drilling contract for Juma/Bashikurd Field.
- Deliver compilation of key documents related to drilling contract tender and proposed operations.
- Complete documents for Ministry of Mines engineering consulting services request for proposal.

1.2 Meetings

- 7 Jan 13, Sheberghan drilling tender bidders' conference.
- 16 Jan 13, Sheberghan Working Group.
- 21 Jan 13, Ministry Chief Counsel and his staff and discussed inclusion of health, safety, and environmental requirements in re-entry drilling contract.

1.3 Challenges

- The Ministry does not have the funds for salaries of employees of the Gas Business Unit; therefore it is requested for USAID to have SGGA pay for such salaries until program completion.

1.4 Plans for Next Month

- Sheberghan drilling tender bid submission deadline and bid opening on 16 February.
- Complete issuance of Ministry's RFP for petroleum engineering services.
- Issue Ministry, USAID and SGGA checklist for Drilling Services contract award to insure all prerequisites for executing the contract by the Ministry and USAID are met.

2 ENERGY AND POWER WORKSTREAM (DABS and MEW)

2.1 Achievements / Activities

- Inclusion of internal comments to the objectives and working plan for the technical and commercial assessment in Mazar-e-Shariff.
- The Scope of Work (SoW) for "POWER SYSTEM ANALYSIS - Connection and Operation of Sheberghan 200 MW Power Plant" was prepared.

- Inclusion of DABS Khwaja Mohammad Masood - Head of Planning & Controlling comments to the objectives and working plan for the technical and commercial assessment in Mazar-e-Shariff.
- Compiled information from the power system studies done for Afghanistan to prepare the annexes to the SoW – Power System Analysis Connection and Operation of Sheberghan 200MW Power Plant”.
- Prepared of SoW summary of Kabul Electricity Service Improvement Program (KESIP) to be used as a model for Mazar-e-Sharif Assessment.
- Reviewed Fichtner Master Plan with its SLD's Annexes preparing more questions for DABS COO Shekeeb Nessar for him to address these questions to Fichtner during their meeting in Stuttgart, Germany.
- Gathered information corresponding to the commercial Data for the NorthWest Provinces, information to be validated during our visit to those provinces (bulk energy, number of customers, kWh billed, and billing).
- Made initial contact with Independent Consultant to discuss the SoW – Power System Analysis for the Connection to the Grid and operation of Sheberghan 200 MW power plant.
- Working Plan, definition of the objectives, activities and questionnaires for the North West Provinces Assessment.

2.2 Meetings

- We had Meeting with Afghan Energy Information Center (AEIC) team to coordinate the assessment to be done in Mazar-e-Sharif, including possible budget support from SGGA.
- Met with MEW Policy Director – Eng. Malalai to discuss the PMT Agreement to be signed with MEW. She gave us the comments that her area had to the document and expecting the ones from Deputy Minister Eng. Faruq who will be the signature person.
- Met with DABS Eng. Wali Oriak from Operation and Eng. Fasatulla from the commercial area to discuss the PMT Agreement to be signed with DABS.
- We had Meeting with Eng. Kohistani MEW - Energy Programming Director to discuss about Fichtner Master Plan. During this meeting the key Annex were handled over from MEW to SGGA.
- Met with DABS Khwaja Mohammad Masood - Head of Planning & Controlling to discuss about the technical and commercial assessment in DABS Mazar-e-Sharif.
- Met with DABS CCO Mr. Alami to assist him in the preparation of DABS presentation to SGW Meeting.
- Met with DABS COO Shekeeb Nessar to explain the Fichtner Master Plan and the two sets of questions under the objective of preparing him for his meeting in Stuttgart, Germany.
- Held an introductory meeting on Gas to Power Economic Model with DABS Khwaja Mohammad Masood - Head of Planning & Controlling.

2.3 Challenges

- DABS do not have the funds for salaries of employees of the Project Management Team; therefore it is requested for USAID to have SGGA pay for such salaries until program completion.

2.4 Plans for Next Month

- Complete evaluation of potential bidders to perform the Power System Analysis for the Connection to the Grid and operation of Sheberghan 200 MW Power Plant. The final goal is to have starting with the analysis in February
- Operation and Commercial assessment to be conducted for/from Mazar-e-Sharif.

- To start DABS Capacity Building Program. Goal: One seminar in February – System Operation having NEPS as examples.

3 CAPACITY BUILDING (DABS & MOM, ECONOMICS, TRAINING)

3.1 Achievements / Activities

- Developed and presented the full training course for the On-Site Field Representative at MoM, including the Dari translation of the training materials.
- Prepared more plans and arrangements for Oil and Gas Basic Training program for MoM personnel.
- Began and continued planning for the DABS and MEW Capacity Building program.

3.2 Meetings

- Had a meeting with SGGA colleagues in Sheberghan to design the training course for the On-site Field Representatives.
- 15 Jan 13, Presented results of the Joint Report on Capability and Needs Assessment of MoM and the Three-Year Joint Capacity Enhancement, Training, and Mentoring Program with Expat to Afghan Transition Plan to the Sheberghan Working Group.
- 19 Jan 13, Held a meeting at MoM, regarding the Capacity Building Plan. We explained our ideas and he told us more about their needs, which we are working to address.

3.3 Challenges

- None.

3.4 Plans for Next Month

- Finalize the course materials and present the Capacity Building on Economic modeling of E&P investments.
- Prepare the course materials and arrangements for the next set of Capacity Building courses for MoM.
- Finalize the planning for the DABS and MEW Capacity Building program.

4 RISK MANAGEMENT AND TRANSACTION ADVISOR WORKSTREAM

4.1 Achievements Activities

- We continued to pursue local legal assistance to support both the project finance efforts and related capacity building courses.
- We refined the introductory presentation materials for economic modeling of the integrated gas to power projects.

4.2 Meetings

- We presented the introductory presentation materials for economic modeling of the integrated gas to power projects to Khwaja Massod, the Head of Planning and Controlling at DABS.
- We met with Commerce Department capacity building representative and attorneys to identify potential local legal support for capacity building and addressing portions of the suggested scope of work for the LTAs.

4.3 Challenges

- None.

4.4 Plans for Next Month

- To further refine and then present the economic model and introductory presentation materials for economic modeling of the integrated gas to power projects to MoM and possibly MEW.

5 PROCUREMENT WORKSTREAM

5.1 Achievements / Activities

- Executed Pre-Bid Conference general session in Kabul, Part 1 of 2.
- Executed Pre-Bid Conference visit to gas field in Sheberghan, Part 2 of 2.
- Completed end of conference critique based upon surveys, sign-in documents, and attendee statistics; assisted with the meeting minutes.
- Developed a “likely bidder” assessment based upon interaction with industry during the Pre-Bid Conference, and their participation in questions and Sheberghan site visit.
- Completed Deliverable 2-2, Report on Completed and Issued Drilling Contract Tendering Documents.
- Prepared first session of Bid Evaluation Committee training materials; completed binders full of tender and regulatory information to provide to committee members during next month's training.
- Developed a third bid evaluation committee training package utilizing ARDS bid evaluation forms to instruct committee on how to document their evaluation proceedings.
- Wrote letter for MoM to delegate IL response to USAID authority to DG Jumriany.
- Executed tender amendment and processed it through Minister of Mines and ARDS; forwarded to USAID for review/approval on 15 Jan 13.
- Prepared for, attended, and briefed at Sheberghan Working Group meeting.
- Issued Clarification #4 to drilling tender through ARDS.
- Researched and developed a supplemental list of potential worldwide petroleum engineering firms and distributed the ARDS expression of interest in hopes of increasing interest within the industry to participate.
- Compiled 4 Weekly Reports.
- Compiled Monthly Report.
- Compiled Quarterly Report.

5.2 Meetings

- 5 Jan 13, Met with Jalil and Eng Zamir to review their attendance, opening comments, and discuss Pre-Bid Conference sequencing.
- 6 Jan 13, Traveled to AGS to review room prep progress for the Pre-Bid Conference.
- 7 Jan 13, Pre-Bid Conference at AGS.
- 12 Jan 13, Met with USAID and discussed Pre-Bid Conference data and submitted another tender deliverable, 2-2.
- 15 Jan 13, Met with ARDS to post amendment and Pre-Bid Conference Q&A.
- 16 Jan 13, Met with Eng. Zamir to finalize tender modification package and secure Minister's letter to USAID.
- 16 Jan 13, Attended and briefed at the Sheberghan Working Group.
- 20 Jan 13, Met with ARDS to research next step on the two current tenders, as far as bid evaluation training and shortlisting.
- 21 Jan 13, Met with Eng. Zamir to provide a information package of pre-bid conference materials for a prospective bidder that missed the pre-bid conference.

- 26 Jan 13, Met with Eng. Zamir and discussed bid evaluation committees and training; Eng. Zamir indicated he would ensure bid evaluation committee appointment.
- 27 Jan 13, Met with Eng. Zamir and Jalil and discussed protocol for responding to additional industry tender interest; basically, recommended referring them to the online tender and ARDS website site only.

5.3 Challenges

- Preparing the Ministry for the critical bid opening and bid evaluation stages of the drilling tender, while backing off to an “arm’s length” distance for execution.

5.4 Plans for Next Month

- Prepare the Ministry for the drilling tender bid opening, 16 Feb 13.
- Train the bid evaluation committee on Afghan procurement steps and forms.
- Assist Ministry as needed with petroleum engineering services shortlisting.
- Assist Ministry with release of petroleum engineering services tender.

6 GAS MARKET WORKSTREAM

6.1 Achievements / Activities

- We completed and submitted the Report on Current State of Natural Gas Sector deliverable to USAID.
- We reviewed the Sofregaz Gas Market study and other relevant documents for perspective to prepare the Final Feasibility Report on Industrial Development and Natural Gas Market Development in Afghanistan.

6.2 Meetings

- We met with the owners of some LPG stations in Kabul to learn more about the oil derivatives market in Afghanistan.

6.3 Challenges

- None

6.4 Plans for Next Month

- To continue collecting and analyzing data for the Final Feasibility Report on Industrial Development and Natural Gas Market Development in Afghanistan.
- Prepare the travel to Sheberghan to analyze the possible future natural gas consumers.
- Use the economic model to analyze the different options for the natural gas from Sheberghan.

7 SECURITY

- Retraining of the APPF guard force assigned to AEAI/SGGA facilities in Kabul has been completed.
- Movement restrictions were imposed on AEAI international personnel on 16 and 21 Jan 13 due to complex attacks on NDS and ANSF facilities in Kabul City.

8 PROJECT SCHEDULE AS OF DECEMBER 2012

Note: Revised on December 22, 2012

