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SHEBERGHAN GAS GENERATION ACTIVITY (SGGA)

Contract No. EPP-I-00-03-00004-00, Task Order No. AID-306-TO-12-00002

Monthly Report

Period: June 1 – June 30, 2013

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Acronyms and Abbreviations

ADB	Asian Development Bank
AEAI	Advanced Engineering Associates International Inc.
APPF	Afghan Public Protection Force
ARDS	Afghanistan Reconstruction and Development Service
CLDP	Commercial Law Development Program
CNG	Compressed Natural Gas
COO	Chief Operating Officer
DABS	Da Afghanistan Brishna Sherkat
EQUALS	Engineering Quality Assurance and Logistical Support
GPS	Global Positioning System
IL	Implementation Letter
IPP	Independent Power Plant
IRR	Internal Rate of Return
kW	Kilowatt
LSP	Legal Services Provider
M/F	Male/Female
MEW	Ministry of Energy and Water
MoF	Ministry of Finance
MoMP	Ministry of Mines and Petroleum
MW	Megawatt
NAPWA	National Action Plan for Women in Afghanistan
NEPA	National Environmental Protection Agency
NEPS	North East Power System
NW	North West
OFR	On-Sight Field Representative
OPIC	Overseas Private Investment Corporation
PGI	Privatization Group International
PMC	Project Management Consulting
PMO	Project Management Office
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
TPAO	Türkiye Petrolleri Anonim Ortaklığı (Turkish Petroleum)
USAID	United States Agency for International Development

1 GAS WORKSTREAM (MoMP LIAISON, DRILLING, ENVIRONMENTAL)

1.1 Achievements / Activities

- Assisted MoMP Bid Evaluation Committee in review and evaluation report and documentation of bids submitted for Juma/Bashikurd drilling/re-entry tender.
- Completed update of USAID and Afghan legal requirements for execution of drilling/re-entry contract by MoMP and provided to Weis Sherdel.
- Worked with USAID to complete requirements for formal approval of re-tender by Mission Director.
- Prepared summary of pending required actions by MoMP, pre and post contract execution for submission to MoMP following completion of bid evaluation.
- Prepared memorandum to MoMP regarding tender compliance issues, especially compliance with bid security requirements.
- Reviewed one bidder's technical proposal for items requiring clarification.
- Delivered draft application for environmental compliance certificate, which included the environmental management plan for Juma/Bashikurd drilling and re-entry program to Weis Sherdel, SGDP project manager, and S. Z. Hashemi, chief counsel, MoMP, for review and filing with National Environmental Protection Agency.
- Completed MoMP-requested comments and edits for drilling/re-entry tender evaluation and delivered to Mr. Sherdel.
- Completed MoMP-requested due diligence report on low bidder for Juma/Bashikurd drilling/re-entry tender and delivered to Mr. Sherdel.

1.2 Meetings

- 1 - 5 Jun 13, Met with MoMP Bid Evaluation Committee.
- 12 Jun 13, Met with Weis Sherdel, MoMP SGDP director, to review project status and discuss further actions.
- 17 Jun 13, Met with Mr. Sherdel to discuss NEPA application, bid evaluation documents, and options for obtaining petroleum engineering services for Juma/Bashikurd operations.
- 24 Jun - 2 Jul 13, Legal and Regulatory Director attended Commerce Department CLDP oil and gas contracts short course in Doha, Qatar for SGDP application/use.

1.3 Challenges

- Determining exact scope of authority of new MoMP liaison, and working out mutually acceptable communications channels.
- Extensive background and bid research continued to be required for bond surety identity and relationships among firms submitting low bid for drilling/re-entry tender.

1.4 Plans for Next Month

- Assist drilling tender submission and with USAID and ARDS.
- Assist with contract development between MoMP and the selected bidder.

2 ENERGY AND POWER WORKSTREAM (DABS and MEW)

2.1 Achievements / Activities

- Performed field assessment of Breshna Jowzjan and Mazar from 9-12 Jun 13.
- Drafted single line diagrams for the Tajikistan interconnection.

- Forecasted Mazar's industrial demand.
- Visited Chemtala Substation, collected data to plan training program.
- Updated Breshna Mazar Assessment Report.
- Analyzed Breshna Mazar's and Jowzjan's billing cycle, commercial, and cash collection data.
- Visited to Mazar-e-Sharif substation; noted summer demand and additional load from the city's new airport terminal.
- Trained Sheberghan personnel how to use GPS devices to mark gas gathering system and pipeline coordinates for the new gas processing plant.
- Conducted working sessions with Breshna Jowzjan Director. Discussed: 1) the update to the Sheberghan Gas To Power Activity Project; 2) the facilities included in the expansion plan for the interconnection with Turkmenistan (substations and transmission line); 3) location of the future 220/110/20 kV substation in Sheberghan; 4) the costs and benefits of rehabilitating the transmission line interconnecting Mazar and Sheberghan substations; 5) Breshna Jowzjan's organizational chart and functions and its participation in SGDP.
- Presented the study to the Jowzjan Director which will define the grid investments required for the power plant's proper operation.
- Conducted a working session with Breshna Jowzjan's Billing Department, which went over team reporting, adding new customers to the billing system, revenue protection, and disconnection policies.
- Revised the Northeast substations' electrical single line diagrams and exchanged the diagrams with donor agencies.
- Compared Breshna Mazar and Breshna Jowzjan's average consumption data across customer groups to determine load forecast, tariff structure, and other relevant performance indicators.
- Continued negotiations with Siemens to clarify their proposal to execute capacity building and power system studies in support of installing the 200 MW power plant.
- Prepared the training materials for the course Power Systems Basic Concepts, which SGGA will deliver to DABS.
- Analyzed Mazar's transformation capacity, evaluating the maximum power that can be transported through DABS' planned reconstruction of the 110kV transmission line between Mazar and Sheberghan.

2.2 Meetings

- 2 Jun 13, Met with Kabul Breshna Director and discussed the status of NEPS.
- 3 Jun 13, Met with the head of Chemtala Substation.
- 16 Jun 13, Met with DABS COO Eng. Shekeeb to 1) provide an update regarding the MoMP drilling tender and the corresponding SGGA schedule for the power plant; 2) discuss DABS schedule to rebuild the transmission line between Mazar-e-Sharif and Sheberghan substations to improve electricity supply to Sheberghan and Sar-e-Pul; 3) discuss plans for adding new customers in Sheberghan City, Mazar-e-Sharif, and other localities.
- 19 Jun 13, Met with DABS Head of Planning & Controlling, Khwaja Mohammad Masood to provide an update on the drilling tender and exchange data from Breshna Mazar and Jowzjan.
- 25 Jun 13, Conducted conference call with Siemens Industries for NW power island for IPP regarding job site visit, on the job training and potential upgrades.

2.3 Challenges

- None.

2.4 Plans for Next Month

- Continue analyzing and comparing commercial data between Breshna Jowzjan and Breshna Mazar.
- Prepare Economic Dispatch Training material.
- Continue sub-contract development with Siemens for power study.

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

3.1 Achievements / Activities

- Delivered Natural Gas Economics Training from 9-12 June in Sheberghan. Trainees included 40 staff (30% women and 70% men) from Afghan Gas Enterprise, Oil and Gas Survey and instructors from Jowzjan University, whom SGGA obtained approval from MoMP to attend.
- Researched study tour options for MoMP, MoF, DABS, and MEW.
- Conducted meetings with specialized petroleum trainers NExT/Schlumberger, and PetroSkills. Each organization expressed interest in offering trainings at their facilities in Dubai, or Bahrain.
- Presented National Action Plan for Women in Afghanistan (NAPWA) Training for MoMP.
- Delivered Natural Gas Economics Training to MoMP in Kabul from 29-30 June.
- Drafted update for USAID Option Period Deliverable #2, Revised Annual Work and Staffing Plan.
- Drafted update for USAID Option Period Deliverable #4, MoMP Capability and Needs Assessment.

3.2 Meetings

- 1 June 13, Met with Mr. Mahmuda Khan to coordinate and support the NAPWA Training for MoMP.
- 9-12 Jun. 13, Met with the economic faculty of Jowzjan University to discuss potential future collaboration.
- 19 Jun 13, Met with NExT/Schlumberger in Dubai about their training courses.
- 20 Jun 13, Met with PetroSkills in Bahrain about their training courses.

3.3 Challenges

- Specialized petroleum course trainers stated unwillingness to come to Afghanistan.
- Insurgent attack on 25 June forced postponement of the Natural Gas Economics Training.

3.4 Plans for Next Month

- Obtain proposals from Next/Schlumberger and Petro Skills for On-site Field Representative Training.

4 RISK MANAGEMENT AND TRANSACTION ADVISOR WORKSTREAM

4.1 Achievements /Activities

- Notified the first and second choice local attorneys of the SGGA decision for the Local Legal Services Provider (LSP).
- Submitted the sub-contract documentation for the LSP to USAID.

4.2 Meetings

- None.

4.3 Challenges

- None.

4.4 Plans for Next Month

- Coordinate with USAID as requested to begin working with the LSP.

5 PROCUREMENT WORKSTREAM

5.1 Achievements / Activities

- Completed Bid Evaluation Committee Training.
- Assisted MoMP in conducting bid evaluations.
- Developed tracker spreadsheet to monitor and forecast drilling contract evaluation, completion, reviews & approvals, award, contractor mobilization, and work start.
- Reviewed preliminary MoMP Bid Evaluation Committee findings.
- Developed clarifications for MoMP to distribute to bidders.
- Completed letter to USAID outlining the entire drilling tendering process and results from start to completion of the bid evaluation process.
- Developed payment instructions, directional flow, and schedule for SGDP drilling contractor.
- Researched and vetted bidder PMC and its affiliated companies.
- Advised drafting of MoMP's final bid evaluation report and cover letter for the Minister.
- Created binder of drilling contract template and assorted evaluation documents for USAID official review.
- Created binder for the Professional Engineering Services Tender and delivered to Weis Sherdel.
- Assisted MoMP Bid Evaluation Committee to finalize the Well Drilling Bid Evaluation Report.
- Researched and briefed the Bid Evaluation Committee on confidentiality issues.
- Produced a bid evaluation report binder for USAID and MoMP.
- Drafted update for USAID Option Period Deliverable #2, MoMP SGDP/IL Advice and Support Action Plan with Schedule.

5.2 Meetings

- 1 Jun 13, Provided final bid evaluation Training to MoMP's Bid Evaluation Committee, including review of 58 point bid evaluation checklist SGGA developed for MoMP.
- 3 Jun 13, Met with MoMP Bid Evaluation Committee for bid evaluation kickoff; answered numerous checklist questions to assist MoMP in using the checklist for the first time.
- 4 Jun 14, Met with ARDS to discuss how to proceed with bidder clarifications.
- 4 Jun 13, Met with MoMP Bid Evaluation Committee and answered their tender responsiveness questions; reviewed all bid securities.
- 5 Jun 13, Met with MoMP Bid Evaluation Committee and began documenting their findings into a preliminary bid evaluation report.
- 8 Jun 13, Met with MoMP Bid Evaluation Committee and provided technical assistance, such as answering questions and verifying interpretations.
- 10 Jun 13, Met with MoMP/PMO to outline the payment process implemented for the ADB drilling project.
- 12 Jun 13, Met with MoMP, Weis Sherdel, and briefed him on the petroleum engineering requirement, selected issues among the conditions precedent, and other topics such as environmental issues.

- 15 Jun 13, Met with USAID and provided an update on the status of bid evaluation progress and a draft document that they'll see as soon as the contract comes over from MoMP for final USAID review and approval.
- 15 Jun 13, Met with ARDS for their review of the draft bid evaluation report; made updates to the detailed examination portion based upon their feedback.
- 16 Jun 13, Delivered materials to MoMP legal and Weis Sherdel.
- 17 Jun 13, Met with Weis Sherdel to discuss his proposed edits to the bid evaluation report and cover letter.
- 18 Jun 13, Met with Weis Sherdel to discuss about the Professional Engineering Services Tender.
- 22 Jun 13, Met with USAID to discuss the bid evaluation report status.
- 23 Jun 13, Met with Weis Sherdel to discuss TPAO's clarifications.
- 24 Jun 13, Met with Weis Sherdel to discuss and finalize the bid evaluation report.
- 29 Jun 13, Met with USAID to brief bid evaluation report, discuss EQUALS compliance and the proposed Study Tour.
- 30 Jun 13, Met with USAID to deliver SGGA's letter of concurrence pertaining to the bid evaluation process.

5.3 Challenges

- Expedite MoMP bid evaluation work as much as possible without intervening in their work or progressing beyond their capabilities.

5.4 Plans for Next Month

- Continue to assist MoMP in developing Petroleum Engineering Services Tender.
- Support MoMP to finalize the bid evaluation report and deliver it to USAID.
- Continue to advise MoMP on payment options for the drilling contractor.

6 GAS MARKET WORKSTREAM

6.1 Achievements / Activities

- Shared the Gas Market Survey with MoMP staff.
- Prepared paragraphs to respond to OPIC and the IPP's concerns regarding gas pricing and the power plant's projected IRR.

6.2 Meetings

- 1 Jun 13, Met with USAID to address the Gas Market Survey's results.
- 2 Jun 13, Met with Mr. Rahel from MoMP to discuss the CNG part of the Natural Gas Market Survey.

6.3 Challenges

- None.

6.4 Plans for Next Month

- Continue working on the Natural Gas Market Survey, resolving minor problems.

7 SECURITY

The following Security result and activities were completed:

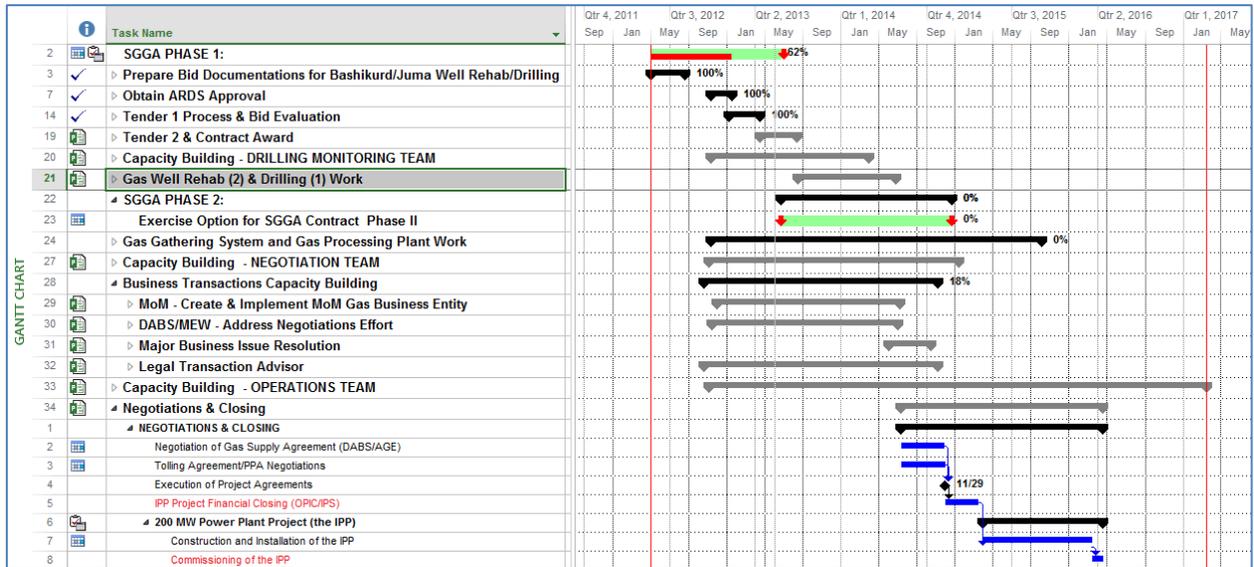
- USAID approved the APPF security contract vetting request on 6 June 2013.
- AEAI capacity building team travelled to Sheberghan from 8 June to 13 June 2013 to provide training for concerned Ministry of Mine's personnel in Sheberghan. In addition site visit was conducted by Power Team who surveyed different sub stations in Sheberghan.
- Movement restrictions were imposed on AEAI on June 25, 2013 during a massive attack on eastern gate of presidential palace that took place around 6:30AM. The movements around Shashdarak area were banded and AEAI office was under complete lock-down.

Negotiated AEAI vehicle to park on street with Shashdarak Security officials

- New uniforms issued to both AEAI's Kabul and Sheberghan security personnel where the new uniforms were distributed to all Kabul office's security personnel.
- The request letter for security personnel contract required in AEAI Sheberghan field office submitted to APPF on June 2013 and it is in process.

8 PROJECT SCHEDULE AS OF JUNE 4, 2013

Note: Revised on June 4, 2013



9 PMP Data

SGGA PGI Performance Monitoring Plan Indicators			
Milestones			
Capacity Building - MoMP, DABS, MEW	Prior	Current	
Capacity Assessments	0	0	
Training Courses	0	2	
Evaluations	0	2	
Tenders	Prior	Current	
1. Advertising	3	4	
2. Award	0	0	
3. Mobilization	0	0	
4. Activity work	0	0	
5. Completion	0	0	
Indicators			
Capacity Building - MoMP, DABS, MEW	Prior M/F	Current M/F	Indicator Code
# of Assessed people	200/10	0/0	I1/I2
# of Afghan prof. trained – "F" indicator	56/13	56/12	I3/I4
# of Afghan prof. evaluated	0/0	56/12	I5/I6
<i>M = Male F = Female</i>			
Tenders	Prior	Current	
# of Rehab. & Drilled Wells	0	0	I7
# of Gas Plants constructed	0	0	I8
Prof. Engineers for Drilling hired	0	0	I9
Prof. Engineer Proc. Plant hired	0	0	I10