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Regulatory and Energy Assistance

Regulatory and Energy Assistance Project in Bosnia and Herzegovina (BiH) – REAP BiH

IQC Contract # EPP-I-00-03-00004-00

Task Order # 05

Annual Work Plan 2009-2010

April 22, 2009

Submitted to:

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This report is made possible by support from the American People sponsored by the United States Agency for International Development (USAID). The contents are the sole responsibility of the author/s and do not necessarily reflect the views of USAID or the United States Government.

WORK PLAN 2009-2010

Introduction

In this Work Plan for 2009-2010, REAP describes how the task order has been adjusted to accommodate circumstances that have developed since the commencement of the project in March 2007: (i) a shift in the political climate to one that resists rather than promotes reform, something that is particularly strong in the gas sector; (ii) strong and direct political opposition to certain facets of the project, such as unification of the regulators; (iii) the extremely slow pace of reform that places the sequenced timing of certain reforms so far in the future as to be far beyond the timeframe of REAP; (iv) political opposition to State institutions, particularly the Transmission Company, which has a far-reaching effect on market design and already-accomplished reform; and (v) the restrained activities of the employees in the State bodies, such as the Ministry of Foreign Trade and Economic Relations, Independent System Operator, State Electricity Regulatory Commission and the Transmission Company, mostly due to the political environment and the individuals' uncertainties about their positions.

During the course of the first two years of the project, REAP remained flexible in its approach to addressing the task objectives, so that when the political landscape shifted, REAP could switch gears to facilitate meeting objectives through other actors or via alternate means. The same flexibility will be maintained for the remainder of the project so that if the pace of reform picks up or becomes more complicated, further adjustments can be made.

This 2009-2010 Work Plan consists of several parts:

- An explanation of the proposed adjustments to the project objectives;
- A Work Plan that reviews the work planned for 2009-2010;
- The REAP Revised Activity Plan, Attachment A.
- Accomplishments in the First Two Contract Years 2007-2009, Attachment B.

Proposed Adjustments to the Project

Task Objective (TO) 1. BiH Energy Sector Fully Integrated Into the Regional Market and the EU.

TO 1, Key Result Area (KRA) 1, Creation of Legal and Regulatory Framework for Gas. Notwithstanding the fact that a Statement by the State, Federation and RS Ministers responsible for energy, dated 7-13-07, articulated a commitment to restructure the gas sector, and the Agreement on Energy Principles by the three Prime Ministers, dated 11-6-08, which committed to issue a State Gas Law, the reform of the gas sector has been quite blocked. As a result, REAP has adjusted this KRA so that only the drafting and passage of a State Gas Law remains, removing the development of secondary legislation and conducting the first tariff and license proceedings, because there are only two years left in

the project. It is hoped that the events in the last six months of the project – (i) the EU accession BiH Progress Report in 11-5-08, specifically addresses the lack of progress in restructuring the gas sector; (ii) DG TREN’s having participated in a meeting of the Expert Gas Group recently, along with the EC Mission representatives and a representative of the Secretariat, quite specifically laying out the requirements for the contents of a State Law; and (iii) the development of the ownership and regulation of the Gas Ring, which requires that BiH restructure the gas sector before it can participate in a meaningful way – will work towards an agreement on the State Gas Law before the expiration of REAP’s term.

TO 1, KRA 2, Address pre-conditions for market design and initial steps of market opening. The title of this KRA was changed to “Definition of Market Design” from “Transformation of ISO into a full MO after the Transition Phases of the Internal BiH Market.” First, the competencies of the ISO in the ISO Law do not include being a “Market Operator.” Additionally, because of the current political refusal to delegate any jurisdiction to the State by the RS, there is more challenge to define a unified market design. Even if cooperation by the Entities develops, REAP’s Reform Implementation Schedule that accompanied the Internal Action Plan indicated that if work on market design had commenced the first quarter of 2008, implementation of the balancing market would not commence until the third quarter of 2010 to be completed at the end of the third quarter of 2013. Thus, because of delays during the first two years of the project, the entire market design process is now substantially delayed. To make matters worse, the dysfunctionality of and future uncertainty for the Transmission Company, which results in uncertainty with regard to the entire wholesale market, makes the planned definitive, formally-government-approved market design less likely during the term of this project. Thus, the original scope of work has been adjusted to reflect the effect of the current political situation on the market. The title of this KRA was changed to reflect what is possible; those items that are not possible without a settled transmission/wholesale market were deleted. What remains are the items on Grid Code and Market Rules, and labeling sources of electricity. The new items are advising the Informal Regulatory Working Group on Market Opening, the informal group that was formed by the regulators themselves to begin to examine the preconditions for opening the market, and Advising the ISO.

TO 1, KRA 3, Advise Regulators. The unification of the regulators, the title of the previous KRA, became politically inadvisable. As a result, this KRA title has been adjusted to “Advise Regulators.” With the EC Project, Technical Assistance to the Energy Regulation System of BiH (EnReg), closing its project in May, REAP will be the only technical assistance available to assist the three regulators.

TO 1, KRA 4, Advise Ministries. This item is a new KRA that is inserted because of the amount of REAP’s time that has been spent advising the Ministries on legislation and policy in the first half of the project and the anticipated continuation of this effort. REAP has described its assistance to the two Entity Ministries with less detail than for the Ministry of Foreign Trade and Economic Relations (MOFTER) Energy Department, the activities for which have been described in more detail.

TO 1, KRA 5, Advise Parliamentarians. This item has been added to build on the Sector presentations and lobbying efforts in the Federation and State Parliaments from the last year. REAP wishes to make the legislative bodies more aware of sector reform so that they are supportive when legislation is needed. Of course, REAP will offer to provide the same information to all three legislative legislative bodies.

TO 2 Restructured and Commercialized Energy Companies

TO 2, KRA 1. Advise and Assist to Implement Internal Action Plan. Previously, this section was entitled “Implementation of the Action Plans,” which referred to Action Plans formulated by PA Consulting and approved by the Federation Parliament on 5-19-05 and by the Republika Srpska National Assembly on 8-23-03. However, since that time, BiH has become a Contracting Party to the Treaty Establishing the Energy Community. In connection to the Treaty, the Energy Community Secretariat proposed a Road Map for Bosnia and Herzegovina, based on which REAP developed an Internal Action Plan that elaborated on the Secretariat Road Map and specified what each item means, its current status, what steps need to be taken, the obstacles to fulfilling the item, and who should be responsible for implementing it. It is this Road Map that the Secretariat focuses on, which basically incorporates the items addressed in the Entity Action Plans, except extensive detail is provided. Since fully cost-based tariffs is the foundation of market development and vulnerable customer plans, REAP will continue to work on this item.

TO 2, KRA 2. Advise EPs on Reform. REAP has developed relationships with the EPs, stakeholders that have basically been left out of the ongoing reform process. The Federation EPs allegedly were waiting for the passage of amendments to the Public Company Law that would allow public companies to form holding companies by the Federation Parliament, such amendments were passed in December, 2008, and no unbundling has been accomplished as of yet. However, EPHZHB has installed a SAP accounting Financial Management Information System (FMIS) and is now accounting unbundled. All three EPs have requested that they be kept informed as regional and internal reform developments occur, and REAP has been asked to advise the EPs on regulatory matters. Finally, REAP will offer to contribute to in-house EP training and provide some input into training with regard to market reform, which ties in with the Informal Regulatory Working Group’s intention to be in communication with the EPs on this issue.

TO 2, KRA 3. Construction of New Generation. The process in the Federation Ministry and Parliament with regard to the authorisation and construction of new generation capacity indicates that there are few who understand what the authorisation process for generation capacity should be. REAP intends to develop this information and provide it to all stakeholders.

TO 2, KRA 4. Advise on Transco as Requested. This area has been added to the project and purposefully left open. What occurs with regard to Transco will determine the path of the entire electricity sector in BiH; REAP plans to stand ready to assist as requested.

Work Plan for REAP's Third Contract Year 2009-2010.

All of the above issues, and the ongoing development of the BiH political environment, create the backdrop for the Project's Third Annual Plan for 2009-2010.

The following detailed discussion of the major topics under the Work Plan is also reflected in the Activity Timetable (**Attachment A**). It should be noted that while REAP took the most realistic point of view in setting out the timelines for the Activity Timetable; but if any of the proposed activities occur faster (or slower) than indicated, then REAP activities will increase or decrease speed as appropriate. Further, REAP has listed the accomplishments of Contract Years 1 and 2 of the project on **Attachment B**.

Gas Law. USAID/REAP will assist with the work of the Expert Working Group assembled by the Ministry of Foreign Trade and Economic Relations (MOFTER). The positions of the representatives from both Entities are polarized in their positions, with the Federation wanting a single regulator for transportation/transmission on the State level with one System Operator (presumably BH Gas). In contrast, the RS Ministry representatives' position promotes the very minimum possible, with no delegation of authority to the State but rather two coordination bodies, one for regulation (comprised of the two Entity regulators) and one for collaboration on system operation (comprised of the multiple TSOs). The General Director of BH Gas is a representative of the Federation (along with two Federation Ministry Staff); as a result, the General Directors of the three RS companies involved in transportation also attend expert group meetings. Compromise has proved to be difficult.

- a. REAP will continue to participate in the Expert Gas Group to assist and facilitate the design of the structure of the gas sector, in particular the role of the state.
- b. When the Expert Gas Group agrees on the structure of the regulator and the system operator, then REAP will complete the drafting of the gas law, which is anticipated to be an iterative process.
- c. In cooperation with MOFTER, REAP will develop a lobby plan on the Gas Law after its introduction into the Parliamentary procedure for individual Parliamentarians, Parties and Committees.
- d. If necessary, REAP will assist and advise on additional amendments that will need to be made to the RS Gas Law and Energy Law and the State Law of the Act on Transmission of Electric Power, Regulator and Independent System Operator of Bosnia and Herzegovina (hereinafter Act on Transmission), which is the law that authorized the formation of SERC.
- e. REAP will assist and/or advise the Federation on the drafting of the Federation Gas Law.

- f. REAP will work to assure that all laws on the gas structure are harmonized.
- g. *Quarters One through Four (3-12-09 to 3-12-10)*. (i) USAID/REAP will participate in the State Expert Gas Group to advise and facilitate the development of the State Gas Law; and (ii) REAP will continue to encourage the Federation to draft and issue a Federation Gas Law;
- h. *Quarter Three (9-12-09 to 12-12-09)*. While in fact, REAP anticipates that it will take the remainder of the project for the three Ministries to agree on the structure of the gas sector to be written into the State Gas Law, which would leave the activities in this paragraph h. and i. below to be implemented in another project as indicated on the Activity Timetable, if there is immediate unexpected agreement among the Expert Gas Group, then REAP will kick into high gear to complete as much as possible. The activities are properly listed in the Activity Plan: (i) REAP will complete the initial draft based on the structure agreed by the gas expert group and assist in the iterative revision process; (ii) REAP will assist in the passage of the State Gas Law through the BiH Parliament; (iii) REAP will assist the Federation in drafting its Gas Law in harmonization with the State law; (iv). REAP will advise and assist the RS in amending its Gas Law and Energy Law; and (v) REAP will advise and assist MOFTER in amending the Act on Transmission.
- i. *Quarter Four (12-12-09 to 3-12-10)*. Assuming the work in Item h. occurs, then REAP will assist (i) to introduce the State Gas Law and any amendments to the Act on Transmission into the BiH Parliamentary procedure; (ii) to introduce the FBiH Gas Law into the FBiH Parliamentary procedure; (iii) to introduce an amended/harmonized RS Gas Law and RS Energy Law into the RS Parliamentary procedure; and (iv) as requested by the relevant Ministries or as necessary, organize and conduct one-on-one meetings and group presentations/roundtables for parliamentarians and committees related to the draft gas laws and amendments.

Market Design. The earlier conceived process for market design became unworkable when politics preempted the plan. Thus, REAP has shifted its plan to take a more informal approach, have been invited to work with the Informal Regulatory Working Group (IRWG) that informally organized itself, and the EPs. It is hoped that this grass roots work will percolate up through the Ministries and eventually evolve into a formal market design that is approved by Governments and legislative bodies. Part of this work will address the Federation internal market issues, the resolution of which must occur to bring the Federation into parity with Republika Srpska. Only then can the Entities move forward together on the same level. At the same time, REAP has determined that it will take another stab at proactive interaction with the ISO, which will be necessary to make progress on the capacity allocation/congestion management issues and implementing the requirements for security of supply and the Annex to Rule 1228 of the Energy Community.

- a. REAP intends to work on the market design, starting with the efforts of the Informal Regulator Working Group (IRWG) and its work with the EPs, and then

- move to be further inclusive by including other stakeholders and eventually policy makers.
- b. The first step is to collaboratively with the IRWG prepare the list of issues that will be addressed by the IRWG and thereafter, submit a proposal to the IRWG with regard to the process that should be followed by the IRWG members in working collaboratively with the EPs in data gathering. Further, the proposal will address the development of a framework within which the participants can address the specific issues in the BiH market in the context of the region and different types of market design. REAP will identify for discussion Federation internal market issues that need to be resolved to bring the Federation into parity with the Republika Srpska level of market development: whether the discussion will take place within the entire group or whether a separate group will be formed for the Federation-only issues remains undecided.
 - c. To thoroughly explain the results of the IRWG, within the framework described in paragraph b., which will undoubtedly require an iterative process, REAP will work with the IRWG to develop a document that proposes a market design or alternative market designs and creates a road map to reach its goal. However, this activity is anticipated to occur in the last year of the process, although it may be that market design activities move faster than expected.
 - d. Concomitant with the work with the IRWG, REAP intends to proactively work with the ISO on various issues, such as the Grid Code and Market Rules, assisting in congestion management and capacity allocation, security of supply, working collaboratively with other participants in the market, and tracking international obligations.
 - e. *Quarter One (3-12-09 to 6-12-09)*. During the first quarter, REAP plans to assist the IRWG to clarify the issues that are necessary to address so that there is clarity of purpose in the group.
 - f. *Quarters One through Two (3-12-09 to 9-12-09)*. REAP will prepare and disseminate a paper on labeling to stakeholders in the sector.
 - g. *Quarters One through Three (3-12-09 to 12-12-09)*. REAP intends to proactively consult with the ISO on capacity allocation and congestion management, which will proceed along the same timeframe in which REAP is assisting the SERC with the same issues (see below).
 - h. *Quarters One through Four (3-12-09 to 3-12-10)* Over the entire contract year, REAP's goal is to work through the issues which the effort on market design will address, creating a proposal for gathering data, an approach framework that will discipline the process in addressing all market issues, including those issues that are specific to the Federation. Further, REAP will assist the IRWG to collaborate with the EPs and the ISO and perhaps, as events develop, the Ministries. Although REAP has indicated the development of a proposed market design document for the following contract year, if events proceed at a faster pace, the development of such document may take place in the current contract year. During this time period, REAP intends to address security of supply with the ISO, as the Energy Community Treaty requires that regulations with regard thereto be completed by the end of 2009. Additionally, even though it is expected that the following activities will run through the end of the project, REAP intends to work with the

ISO on the Grid Code and Market Rules (although this is dependent on the work the ISO has done on these documents), assist the ISO to work collaboratively within the sector, actually seeking comments from all parties, and track and implement international obligations.

Assistance to Regulators. During the first part of the project, the EC Project, EnReg, was tasked with assisting the regulators, but EnReg will close in May, REAP intends to assist the regulators in a hands-on manner in a variety of areas. All three of the regulators have requested that we interact with the politicians on their behalf to facilitate mutual understanding. In addition, there are some specific issues with which both SERC and FERC need assistance, whereas RSERC has requested ongoing mutual communication.

- a. SERC specifically requested assistance on its difficulty in reaching a decision on capacity allocation and congestion management, and REAP will additionally assist on decision making where necessary, along with encouraging redesign of the tariff to remove the export fee. It is hoped that SERC can be encouraged to implement its arbitration rules when necessary.
- b. FERC requests ongoing assistance on its day-to-day activities, and since the Federation Electricity Law requires that the FERC's statute be revised within 60 days of passage of the Law and compliance with the policy within 12 months of its issuance, REAP will be responsive to FERC's needs. In addition, REAP will specifically offer assistance to FERC on calculating its all-in-cost-based tariff that will be its target price after a vulnerable customer plan is in place, as described in the section on Implementing the Internal Action Plan.
- c. REAP will, of course, respond to RSERC as requested.
- d. *Quarters One through Three (3-12-09 to 12-12-09).* REAP intends to assist SERC specifically during this period to render a decision on capacity allocation and congestion.
- e. *Quarters Two through Four (6-12-09 to 3-12-10).* During this period, REAP will encourage, and assist if appropriate, for SERC to redesign the transmission tariff to remove the export fee.
- f. *Quarters Three through Four (9-12-09 to 3-12-10).* REAP will assist FERC to implement the Government's energy and regulatory policy, although this item has two preconditions – passage of the Federation Electricity Law by the Federation Parliament and the issuance of the policy by the Ministry.
- g. *Quarters One through Four (3-12-09 to 3-12-10).* Throughout the contract year, REAP will work to facilitate decision making by the SERC, facilitate FERC's decision-making as requested and, of course, be available to RSERC on request.

Ministries. Over the first two years REAP spent a substantial period of time helping the Ministries, although the RS Ministry requested and accepted assistance only through the first year. Because assistance to the Ministries waxes and wanes depending on politics, REAP has only specifically identified assistance to MOFTER and the Federation Ministry in the Work Plan because assistance can be defined with some sense of

certainty. At the same time, there are always issues that require REAP's interaction with the Ministries, and REAP will remain flexible to respond as needed.

- a. Preparing a kick-off document for the sector on security of supply and the Regulation 1228 Annex will assist MOFTER to coordinate meeting requirements from the Energy Community process on those topics. Preparing a communication plan for implementation when it requests information from the sector will facilitate these processes. Also, at MOFTER's request, REAP has agreed to assist in accumulating proposed transposition requirements in the energy sector.
- b. Previously the Federation Ministry requested REAP's assistance with regard to drafting the energy policy and interim regulatory policy that is described in the Federation Electricity Law. Whereas the Federation Electricity Law has not yet been passed, REAP will submit to the Ministry "go-by's" of both the electricity policy and interim regulatory policy.
- c. The RS Ministry has consistently requested assistance from REAP on oil and gas but has intermittently worked with REAP with regard to electricity. In any event, REAP will respond any time the RS Ministry requests assistance, and, as always, REAP shall share its work product with all Ministries on a nondiscriminatory basis.
- d. *Quarters One through Three (3-12-09 to 12-12-09)*. REAP will provide MOFTER with kick-off documents outlining actions needed to comply with the Energy Community Ministerial decisions on security of supply and compliance with the Annex to Regulation 1228 (on cross-border transactions). Once MOFTER accepts these documents, REAP will do what it can to encourage their implementation throughout the sector.
- e. *Quarters Two through Four (6-12-09 to 3-12-10)*. REAP will design a communication plan so that when MOFTER requests information from the sector for regional activities, it filters the final product back down through those that provided information so that the stakeholders who have provided information to MOFTER know what their information was used for. This is a way to reinforce cooperation. In addition, throughout this period REAP will assist to identify and accumulate changes that are necessary to legislation resulting from new Ministerial decisions, Directives and other EU primary or secondary legislation, like the Third Liberalisation Package. This activity will most likely run through the end of the project.
- f. *Quarters One through Four (3-12-09 to 3-12-10)*. REAP will assist the two Entity Ministries as requested on those issues that are important to them. It is anticipated that REAP will be responsive to the Federation Ministry with regard to the electricity policy and interim regulatory policy, assuming the Federation Electricity Law passes. REAP will also assist the RS Ministry with its requests on electricity and gas.

Parliamentarians. In the past two years, the REAP project has made sector presentations in the three parliaments and has worked extensively in the Federation Parliament lobbying for the Federation Electricity Law. For the remainder of the project, as and where appropriate, REAP plans to continue to cultivate its legislative relationships

so that Parliamentarians can be updated on reform with the goal to be better-informed decision makers.

- a. *Quarters One through Four (3-12-09 to 3-12-10)*. REAP will meet with Parliamentarians on a regular basis to provide updates on reform issues. Through the process of updating Parliamentarians on reform, REAP will lobby for the resumption of all activities needed to resume reform. Further, it is important that Parliamentarians be aware of their activities, as monitoring and control of implementation processes by stakeholders, governments and regulators by the legislative bodies is needed.

Internal Action Plan. During the last contract year, REAP provided the sector with an Internal Action Plan that explained in detail the steps necessary to comply with the *acquis communautaire*. Since that time, even though certain parties have not specifically commented on the document (the RS Ministry, EPRS and RSERC, along with Transco and the SERC), the sector has used this as its reform reference document. REAP will follow the developments in the Energy Community with regard to new obligations of the Contracting Parties, based on the Ministerial Council decisions, and will update and circulate the document as required. When the political environment shifts, REAP will facilitate input into the plan from all remaining stakeholders, coordinate revisions and encourage adoption and approval by the Ministries, together and separately. Further, fully cost-based tariffs are the cornerstone of the reform effort, so REAP will assist the regulators, particularly FERC, to work on further developing their tariffs to include all costs, remove cross-subsidies and include an appropriate rate of return.

- a. REAP will work to obtain specific comments from the RS Ministry, which Deputy Minister Glamocic has been prepared to share for some time.
- b. The Internal Action Plan will be circulated widely to the remaining stakeholders for comments.
- c. REAP will attempt to harmonize the comments so that there is one agreed draft.
- d. REAP will encourage implementation where possible.
- e. *Quarter One (3-12-09 to 6-12-09)*. Receive RS Ministry comments and circulate Internal Action Plan to remaining RS stakeholders and others who have yet to comment. Thereafter, REAP will meet with as many stakeholders as possible.
- f. *Quarter Two (6-12-09 to 9-12-09)*. REAP will consolidate and process comments from stakeholders.
- g. *Quarter Two through Quarter Four (6-12-09 to 3-12-10)*. REAP will provide short-term assistance to the regulators to further develop their tariff models, with the goal of calculating what the all-in-cost-based tariff actually is. The reform effort will be targeted towards raising generation prices to the point that eligible customers are theoretically indifferent as to their source of supply.
- h. *Quarter Three (9-12-09 to 12-12-09)*. Because of anticipated conflicting interests, REAP will continue to work to obtain consensus on responsible parties and the order of implementation, and a presentation will be prepared for the

Parliamentarians and committees, expecting either the Ministry or REAP to give the presentation.

- i. *Quarter Four (12-12-09 to 3-12-10)*. REAP will promote the Internal Action Plan as the new Action Plan for BiH and will brief journalists and Parliamentarians on the content.

Power Utilities. The EPs have not been involved enough in the regional electricity market activities within the framework of the Energy Community, such as the Coordinated Auction Office project, the Regional Balancing Market project and the Inter-TSO Compensation (ITC) Mechanism. Since the EPs are all affected by regional activities, particularly their generation, it is important that they remain informed and involved in the process. To that end, REAP will prepare and present to all of the EPs a presentation that updates them on the current status of regional activities, with some emphasis on the export fee that BiH imposes on exporters and the capacity allocation and congestion management mechanisms. Another area where REAP intends to assist the EPs is in the regulatory area. It is REAP's opinion that where the EPs have interests in common, they should join together in filings for amendments to or creation of rules, complaints, and the like. Further, REAP thinks that the EPs should, through the technical hearing process, advise the regulators on operational matters and the operational and actual financial effects of their rules. Finally, REAP has been requested to assist in EPBiH's training program and will suggest to the other EPs that, if they like, the same trainings could be arranged for them.

- a. REAP will arrange meetings on a regular basis with the EPs, to update and present pertinent issues.
- b. REAP will advise the EPs on regulatory matters and urge cooperation.
- c. REAP will participate in planning training for EPBiH and offer the same to the other two.
- d. *Quarter One (3-12-09 to 6-12-09)*. REAP will meet with all EPs and bring them up-to-date on regional activities, with special emphasis on capacity allocation/congestion management and the export fee.
- e. *Quarter Two through Four (6-12-09 to 3-12-10)*. REAP will work with the EPs to plan trainings that will provide information on the regional context of reform, the regulators and the market. As part of the training and on an ongoing basis, REAP will advise the EPs on regulatory matters and various effective approaches.

Construction of Generation. There has been an inordinate amount of discussion throughout BiH of the need to construct new generation. Whereas the need is genuine and planning should start immediately, events in the press and in particular the Federation Parliament indicate that the public and decision-makers do not really understand what the Directive's provisions for authorisation of new capacity actually mean. REAP will conduct a survey of what the concept of authorization actually means as opposed to a tender, and how the process proceeds in other countries. Thereafter, presentations and roundtables will be planned to inform decision makers and the EPs what is meant by these concepts.

- a. REAP will conduct a survey on the authorisation and tender procedure prescribed by the EU Electricity Directive.
- b. A presentation and discussion paper will be prepared thereon.
- c. Various informative meetings and roundtables will be arranged and held.
- d. *Quarters One through Four (3-12-09 to 3-12-10)*. During this period REAP will perform the extensive research required, prepare the paper and presentations, schedule the meetings and roundtables and conduct them as scheduled.

Transco. The crisis with regard to the dysfunctionality of Transco is ongoing. REAP has been available to USAID to advise on an ongoing basis with regard to possible solutions, responses and tactics on this problem, and will remain available and to assist as requested during the period 3-12-09 to 3-12-10.