

PRIVATE SECTOR ENERGY DEVELOPMENT PROGRAM
QUARTERLY STATUS REPORT
SEVENTH QUARTER: APRIL - JUNE 1993

Submitted by:

K&M ENGINEERING AND CONSULTING CORPORATION
201 L Street, NW, Suite 500
Washington, DC 20036

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I. INTRODUCTION

K&M Engineering and Consulting Corporation was awarded a three-year contract on September 24, 1991, to act as the prime contractor for the Office of Energy and Infrastructure's Private Sector Energy Development Project (PSED).

The purpose of the PSED Project is to assist in creating a favorable environment to encourage the private ownership, financing, and operation of energy facilities, and their related infrastructure, in selected developing countries, concentrating on the electric power sector. The three main objectives of the PSED Project are to:

- induce policy reform and institutional development supportive of private participation in the energy sectors of developing countries;
- assist in private energy project and infrastructure development and promote export of U.S. goods and services, especially in the electric power sector; and
- improve coordination and use of U.S. government resources by the private firms seeking involvement with the energy and power systems of developing countries.

To achieve these objectives, the PSED Project provides a variety of information dissemination, technical assistance and project development assistance to developing country governments, utilities and the private sector in support of private energy and power projects. Specific activities accomplished or underway are listed in Section III-Statement of Work.

II. K&M/PSED STAFF

K&M/PSED has assembled a core staff to manage and administer the PSED Project for the Office of Energy and Infrastructure consisting of: Jeffrey Humber-Project Director; Mark I. Croke-Deputy Director; Jack Adelman-Financial/Legal Specialist; Anil Mishra-Research/Project Manager; Maria C. Alessandri-Research Associate; M. Lorea Garamendi-Research Associate; Rocio R. Rabie-Management Assistant and Ana Torres (formerly Pereyra)-Secretary.

During this Quarter, PSED underwent a re-organization: Messrs. Croke and Adelman left PSED to return to the private sector; Mr. Mishra was promoted to Deputy Director, Mr. Michael Jackowski was transferred from K&M headquarters to serve as the Financial/Legal Specialist, and Ms. Alessandri was promoted to Research/Project Manager.

III. STATEMENT OF WORK

A. Administration, Management and Coordination

K&M/PSED is responsible for the overall coordination and implementation of the PSED Project, including management of all tasks associated with the Project. K&M/PSED is also responsible for coordinating the PSED Project activities with other A.I.D. Bureaus and Missions and the private sector. In addition, K&M/PSED may coordinate activities with other A.I.D. projects, such as the Energy Technology Innovation Project (ETIP) and the Energy Training Project (ETP), as related to private sector energy development. In addition, an ongoing activity of the PSED Project is to provide R&D/E&I with technical assistance as identified in Section J - R&D/E&I Technical Assistance.

K&M/PSED Activities this Quarter

1. Miscellaneous Reports

During this Quarter, five contractually required reports were prepared, namely: the Quarter 6 Status, Quarter 6 Financial, Semi-Annual Level of Effort, Semi-Annual Buy-In, and Mid-Project Reports. In addition, K&M/PSED prepared for its Accomplishments Portfolio Review.

2. Promotion

K&M/PSED commits significant resources to responding to requests for information on a variety of private sector issues and assists R&D/E&I with basic technical assistance. On average, approximately ten requests for publications are received and filled every day, with particular interest being shown in Mexico, Latin America, and Asia. K&M/PSED acts as an information distribution center on behalf of R&D/E&I concerning privatization and private investors and developers, the general public, and other government agencies. Requests for information cover issues concerning electric power systems, international regulatory policies, international private investment climates, and energy project development funding.

The Business Focus Series (BFS), published by R&D/E&I and made available to the public through the PSED office, generates significant interest. In all, close to nine hundred (900) publications have been sent out by K&M/PSED over the last three months alone - 200 to the Embassy of Mexico and 150 to an environment and energy conference conducted in California. In the past two years, ten BFS publications have been written by various contractors. The BFS published to date are:

- Private Power Business Opportunities: Central America
- Private Power Business Opportunities: South America

- Private Power Business Opportunities: Caribbean
- Energy and Environment Market Conditions in Mexico
- Environmental Market Conditions and Business Opportunities in Key Latin American Countries
- ASEAN Electric Power Generation Markets: Opportunities for U.S. Companies
- Sources of Finance for Private Power Projects in Asia
- Cogeneration In Argentina
- Cogeneration in Brazil
- ASEAN Wastewater Treatment Market Assessment: Opportunities for U.S. Businesses

B. COORDINATION OF ENERGY PROJECT DEVELOPMENT FUND (EPDF)

To reduce the risk and cost of private power project development, the Office of Energy and Infrastructure established an Energy Project Development Fund (EPDF) as part of the PSED Project. The EPDF shares with eligible private power developers the cost of pre-feasibility, feasibility, and other project development activities for private energy and power projects in A.I.D.-assisted countries. These studies can include analysis of the technical, legal, financial, engineering, environmental, and other aspects of private energy and power projects. The EPDF is administered by the Feasibility Study Fund Contractor (EPDF Contractor), under the guidance of the R&D/E&I Project Officer. K&M/PSED works closely with the EPDF Contractor in any activities related to the Private Sector Windows of the EPDF.

K&M/PSED Activities this Quarter

1. Technical Review of Applications

During this quarter, two technical reviews of applications took place: 1) a 25 MW Belize cogeneration project, and 2) an 8-14 MW waste-to-energy Guatemalan project. Responses to several dozen requests for information regarding the Fund were sent out, and meetings with ten potential applicants were scheduled.

C. EXPERTISE SOURCING AND TECHNICAL ASSISTANCE

As many A.I.D.-assisted countries generally lack the infrastructure, management, policies and guidelines necessary for private participation in their energy sectors, the PSED Project provides the technical assistance to help these countries establish infrastructure and policies to support private power development. As coordinator of the PSED Project, K&M/PSED is responsible for the selection, management, and dispatch of these technical assistance teams.

CORE	
1. Nigeria:	Rehabilitation and O&M of Hydroelectric Plant
2. Mongolia:	Assessment of Electric System and District Heating Plants
3. US-Asia Environmental Partnership:	Planning and Conceptualization
4. Dominican Republic:	Privatization Issues
5. Panama:	Requirements/Procedures for Private Power
6. India:	Technical Assistance
7. New Independent States (NIS):	Definitional Mission
BUY-INS	
1. USAID/New Delhi:	Development and Management Training
2. USAID/Manila:	Cost Structure and Transfer Pricing in the Petroleum Industry
3. USAID/Cairo:	Policy Reform and Institutional Development Assessment for Competitive Market Adaptation of the Egyptian Power Sector
4. NIS/Task Force:	Private Sector Opportunities Structuring for the New independent States
5. NIS/Task Force:	Conventional Power/Cogeneration Performance Improvement for the New Independent States

K&M/PSED Activities this Quarter

1. India

This seventh quarter was distinguished by the India Private Power Initiative (IPPI), the culmination of a year-long effort by R&D/E&I and K&M/PSED to assist in the development of the Indian power sector. During May and June, three teams of experts in various capacities were sent by K&M/PSED to provide some immediate technical

support and assistance to USAID/New Delhi and the Government of India (GOI). This support was provided by a fuel supply specialist, a legal/regulatory specialist, a financial analyst/modeler, and a private power developer.

Over the past year, K&M/PSED has worked at analyzing the local situation with respect to the various state-run utilities in order to assess the best possible way to pursue the IPPI. Before detailing the specifics of the technical assistance provided to the GOI, the following is a brief summary of the background which formed the basis of the three-team May/June trip and the June training program conducted by the Energy Training Program (ETP).

During the three team mission in May and June, the specialists had separate meeting agendas to cover as much ground as possible. The Fuel Supply Specialist met with representatives of various GOI agencies, including the Investment Promotion Cell (IPC), Central Electric Authority (CEA), Oil and Natural Gas Commission (ONGC), Gas Authority of India Limited (GAIL), Railways, Coal of India, and several electric utilities. Current practices in India regarding fuel contracting, supply, transportation, and use were reviewed and evaluated. Typical practices and requirements currently in use in international private power projects were reviewed in depth. Typical contracting requirements for coal and gas supply were made available to Coal of India and GAIL at their request. (Coal of India is currently modifying its contracting supply practices to accommodate private power developers' needs.) Coal and gas supply contracting requirements were reviewed in depth with the IPC. Sample agreements were made available.

The Legal/Regulatory Specialist met with representatives of the IPC, CEA, two State Electricity Boards (SEB), and local private attorneys. Typical contract requirements for Power Purchase Agreements were reviewed and made available. Specific areas that should be concentrated on during negotiations were reviewed. Additionally, because of the probable need for GOI "Guarantees" as back-up for Power Purchase Agreements, the Legal/Regulatory Specialist reviewed with the IPC various approaches to providing those guarantees, and also reviewed the requirements which would probably be included in any Implementation Agreement. A draft Implementation Agreement outlining typical requirements was made available.

The Financial Analyst/Modeler visited with representatives of the IPC and CEA. He reviewed the financial aspects which are typically required to evaluate internationally financed private power projects. In addition, the Financial Analyst/Modeler began developing a computer-based financial analysis program to evaluate individual utilities' cost-of-service (e.g. unit cost of electricity bought from developers), based on the GOI's two-part tariff, various international financing methods, and various project agreements including power purchase, fuel supply, construction, and O&M.

The following material provides summaries and background on the various Indian entities and discussions held during the past 3 months.

Investment Promotion Cell (IPC)

The Investment Promotion Cell (IPC) is a section of the Indian Department of Power which is responsible for interfacing directly with prospective private enterprise entrants to the electricity sector in India. The IPC will also assist in helping those potential entrants get the clearances necessary for beginning an energy project in India.

Central Electricity Authority (CEA)

CEA provides checks and balances on state proposals by reviewing various parameters such as total capital costs, cost of power generation per kWh, technology mixes, fuel costs, and O&M costs based on the national and world averages. Due to a lack of full understanding of the federal power project requirements and varying levels of experience and skill existing at the State Electricity Boards (SEB), CEA has been providing guidance and advisory services to the SEBs in the planning of the states' power development programs and ensuring effective utilization of available fuel resources. CEA has also acted as consultant to SEBs in performing pre-feasibility studies, selecting sites, and ensuring compliance to various statutory requirements.

The concept of the Independent Private Power (IPP) projects is new to CEA. In order to meet this need, CEA has recently created a new department to review private power proposals. For the private power projects, CEA's main role is to approve capital cost estimates at the beginning of the proposed private power project; thereafter, it monitors developers' compliance with agreed costs, including capital equipment and construction costs. CEA also evaluates and approves total project costs at the end of the project construction which ultimately determines project tariffs.

State Electricity Boards (SEB)

SEBs are concerned with the reasonableness of proposed project costs and are looking for suggestions to address this concern. There are discussions between the SEBs, IPC, and CEA to do away with the two-part tariff structure and institute a single tariff based on generation and capital costs. The SEBs are concerned that foreign lenders may be asking for all the guarantees possible whereas no such guarantees are required by the same lenders for the funding of large industrial projects of similar size elsewhere. Therefore, SEBs want to learn about the minimum acceptable financing requirements from the lender's point of view and develop a checklist of their requirements.

BUY-INS

1. Philippines

At the request of USAID/Manila, K&M/PSED conducted a study on the cost structure and transfer pricing of the petroleum industry in the Philippines. The main objectives of the study were to determine the appropriate oil policy guidelines, evaluate the current costs and regulatory conditions, analyze the capabilities of the oil refinery industry, and identify the present alternative approaches to the current Philippines oil industry pricing mechanisms.

K&M/PSED arranged to send consultants to the Philippines to undertake tasks delineated under the delivery order. Several missions were dispatched to gather data and make contact with the three refineries that make up the petroleum sector in the Philippines: Petron, Caltex, and Shell. The participants gave a preliminary report on results and information obtained during the visit and suggested possible policies for the future to USAID/Manila, the Philippines Office of Energy Affairs, and the Energy Regulatory Board.

The final draft of this study was submitted to USAID/Manila in February 1993. In March, USAID/Manila requested K&M/PSED modify the final report which K&M/PSED did during this quarter. The final report includes chapters on: the background of world oil markets; oil product production costs and pricing; refining facilities and efficiency; taxes on petroleum, refining, and marketing returns, profitability, and margins; distribution and dealer margins of futures' use in setting prices; oil price stabilization; economic impact of different petroleum pricing regulation; summary and recommendations; control versus de-control of oil product pricing; privatization, regulation, energy policy, commodity taxation, and price controls; and implementation of the oil price de-control.

2. Egypt

During this quarter, a large percentage of the assessment of the Egyptian power sector was completed. The assessment is being conducted in two phases: Phase I which includes a general sector assessment and identification of preliminary findings; and Phase II which includes a focus on key issues and completion of the study.

During this quarter, Phase I of the assessment was concluded. In May, a preliminary findings report was presented to USAID/Cairo, R&D/E&I, and the Egyptian Electricity Authority (EEA). Major issues and observations discussed in the May presentation include: generation plants are well-operated, though obsolete plants are still utilized; modern plants are operated below rated levels; there is excess labor running the plants; and retirement of low efficiency plants together with refurbishment of existing plants would increase efficiency levels.

In early June, a draft report of the preliminary findings was written (in two volumes) and distributed. This report provided greater detail on the assessment and the May findings. Topics covered include: review of existing laws, policies, procedures and regulations, technical and financial information, energy pricing (tariffs), ownership issues, accounting procedures and systems, organizational structures and operations, recommendations, methodology, and performance schedule.

Phase II of the assessment is currently underway and is expected to be completed next quarter.

3. New Independent States (NIS)

a. Armenia

In its current state, Armenia is facing critical energy shortfalls. Prior to the earthquake of 1988, Armenia had 3,300 MW of installed capacity to meet peak load demand requirements of 2,800 MW. After the earthquake, Armenia was forced to shut down its 2x440 MW nuclear station, plus severely curtail use of the 550 MW Lake Savan hydro station due to declining water levels. Today, Armenia possesses only 2,200 MW of available capacity comprised of approximately 1,700 MW thermal and 500 MW of dispersed hydro capacity. As a result of the economic blockade, fuel supplies are problematic at best, causing an almost complete shutdown of fossil fuel facilities. Put into perspective, to maintain industrial production at 80 percent and meet normal heating and lighting requirements, Armenia needs to produce 2,500-2,600 MW. However, maximum daily generating capacity on-line has not exceeded 1,200 MW since 1988. Indeed, in early May 1993, Armenia's actual on-line capacity averaged 450 MW primarily from dispersed hydro and mini-hydro sources. All present fuel sources are imported with the exception of indigenous hydro. A wind energy resource assessment is currently underway and Armenia is presently demonstrating a 150 kWh wind energy conversion.

From March 1993 (when K&M/PSED was awarded this Buy-In) to the present, near-term work is being performed in support of the Accelerated Energy Assistance Program, designed to analyze a broad array of Armenian energy supply and demand options. The results of the work include European Bank of Reconstruction and Development (EBRD) approval of a US \$57.4 million loan package to complete Hazardan Unit #5 and generate electricity in an environmentally clean manner. K&M/PSED helped provide inputs to the IBRD/EBRD Pre-Consultative Group planning process including project and program packages, cost estimates, and evaluative criteria for the energy matrix to be utilized at this donor coordinating meeting.

During this quarter, K&M/PSED dispatched six specialists to Armenia. Some of these specialists participated in an extended definitional mission to inspect the Yerevan and Hazardan thermal-fired power station in order to identify possible improvements in overall operating efficiency.

The team completed a detailed listing of necessary spare parts and equipment including the establishment of requirements and needs with Armenia counterparts, establishing source and order status and verifying current costs in both rubles and dollars. K&M/PSED also completed a field survey of potential mini-hydro privatization opportunities and prepared a draft concept paper for a mini-hydro project development fund on a privatized basis in support of the PCG Meeting held in Paris, May 25-26, 1993.

b. Ukraine

In February 1993, the American Embassy in Kiev asked the NIS Task Force to advise the USAID Mission Director in Kiev of K&M/PSED's availability in initiating a review of energy industry privatization opportunities in Ukraine and requested that such an initiative be coordinated with the Action Plan Initiative on Privatization being organized by Walter Coles of USAID's NIS/TF/PSI office.

K&M/PSED has held two meetings with Walter Coles to insure that K&M/PSED's proposed assessment with the broader activities intended to be performed under the Action Plan Initiative on Privatization complements the Action Plan as well as avoids any duplication of work effort and scope. In addition, K&M/PSED staff members had an opportunity to meet with several key energy sector officials in the Ukrainian government during a recent visit to the United States. K&M/PSED is also aware of ongoing activities presently being performed by RMA as well as the status of discussions with the USEA and plans to select a U.S. architectural and engineering firm to undertake an energy efficiency assessment of six refineries in Ukraine.

In performing this assignment, K&M/PSED will focus on the following key tasking activities: 1) identification of near-term energy sector project opportunities for possible private sector participation; 2) conducting formal presentations for selected counterparts designed to familiarize them with privatized approaches to project development; 3) review and assess potential institutional constraints for private sector involvement in the Ukrainian energy sector; and 4) develop appropriate financing mechanisms and structures for achieving implementation of privatized energy sector projects in Ukraine.

In carrying out these key tasking activities, K&M/PSED will undertake to prepare a draft task plan and estimated budget for review by appropriate NIS Task Force and USAID Office of Energy & Infrastructure officials and to meet with designated USAID regional official and the NIS Task Force to obtain all relevant background information, reports, and data pertaining to the Ukrainian energy sector during mid-June.

c. Belarus

During this quarter, K&M/PSED was requested to assist and advise the Ministry of Energy in Belarus in a Power Sector Rehabilitation Project which would enable the Ministry to purchase equipment for the rehabilitation of one or more power stations and upgrade an existing plant through the installation of a gas turbine. K&M/PSED's assistance consisted of the following tasks: 1) assess current efforts to rehabilitate the power system and improve environmental performance; 2) assist and advise the Ministry in preparing an investment proposal to be used by the EBRD in determining financing of this project; 3) assist in the development of a procurement plan and implementation schedule for this project; and 4) indicate any further technical assistance for successful implementation of the first 3 steps.

4. Dominican Republic

In June 1993, K&M/PSED received an RFP for a Buy-In to provide technical assistance to USAID/Santo Domingo. This marks the sixth Buy-In to the PSED Contract under K&M/PSED's management. The objective of the Buy-In is to assist the Government of the Dominican Republic (GODR) in developing an appropriate plan and strategy to resolve the persistent electric power shortages that plague the country. This plan will include the coordinated efforts of USAID, the World Bank, and the IDB. This Buy-In specifically calls for the preparation of private power bidding documents and the completion of a fuel pricing study. Work is expected to begin (pending contract approval of the proposal) in August 1993.

D. STUDY TOURS

Study tours to the U.S. are designed to provide technical programs that focus on enhancing the skills of developing country officials on the strategies and techniques of private sector energy development. Simultaneously, study tours provide these officials with an opportunity to interface with U.S. executives and other specialists who play a significant role in implementing viable private enterprise projects and activities. K&M/PSED is responsible for sponsoring study tours in the U.S.

Previous Quarter's Activities:

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|--------------------------|
| 1. India Study Tour (Q3) |
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K&M/PSED Activities this Quarter

Andhra Pradesh

As part of the India Private Power Initiative (IPPI) effort, K&M/PSED sponsored a study tour for two officials from Andhra Pradesh from April 23, 1993, through May 2, 1993. This study tour consisted of spending one week in Washington, D.C. where the delegation participated as guests of USEA in the International Private Power Forum. The next few days were spent traveling to Detroit and Los Angeles where meetings with CMS Generation and Mission Energy (two companies negotiating projects in Andhra Pradesh) were scheduled.

E. SEMINARS/WORKSHOPS/CONFERENCES

The concept of private participation in the energy sector is new to many developing countries. This is particularly true in the power sector where public utilities have had a monopoly on power generation for decades. In addition, there is a general lack of information and experience in these areas. It is therefore necessary to explain the benefits of private participation and the steps that developing countries need to take to encourage the private sector to participate.

Under the PSED Project, K&M/PSED is to organize seminars, workshops and conferences in developing countries to familiarize key government officials, state utility officials and private sector representatives on private participation in the energy sector.

Previous Quarter's Activities:

1. Brazil/USA Seminar on Electric Power Development (Q3)
2. Private Investment Opportunities in India (Q3)
3. First International Trade Conference for Wind Energy - Argentina (Q3)
4. Energia '92 - Mexico (Q4)
5. The Power Sector in Central America (Q4)
6. Private Sector Power in Asia - Malaysia (Q5)
7. Windpower '92 - Seattle, Washington (Q5)
8. Powergen - Orlando, Florida (Q5)
9. Cuenca del Caribe en Miami - Miami, Florida (Q5)
10. Private Power in the Pacific Rim - Los Angeles (Q6)
11. OPIC Investment Mission - India, Sri Lanka (Q6)

K&M/PSED Activities this Quarter

Private Power Conference

Planning for a potential Spring 1994 regional conference on environmentally sound energy projects began this quarter. A draft concept paper was written, which included conference objectives, potential sponsors and participants, and preliminary agenda. This conference is still in its conceptualization stage.

F. COUNTRY ASSESSMENTS

Although common conditions prevail throughout developing countries, the specific environment for private energy and power development is unique in each country. Therefore, K&M/PSED must conduct country assessments to determine the legal, regulatory, economic, financial, institutional and technical conditions which will impede or promote private enterprise involvement in the energy and power sector.

K&M/PSED Activities this Quarter

Country assessments are usually performed in conjunction with technical assistance. For example, the Philippine oil pricing study has necessitated an examination of the petroleum industry and the present pricing structure in the Philippines. In addition, technical assistance provided to the Government of India has resulted in an assessment of the present private power situation in the country.

G. SPECIAL STUDIES

The promotion and development of private participation in the energy and power sector is a complex undertaking due to the great variety of issues and forces at work in the dynamics of privatization. In light of this, it is necessary for K&M/PSED to undertake special studies in a broad variety of issues to address specific problems and/or questions raised.

Previous Quarter's Activities:

1. Compendium Study - under review
2. Sources of Finance for Private Power Projects in Asia
3. World Bank Guidelines

K&M/PSED Activities this Quarter

1. Uruguay

During this quarter, K&M/PSED began an investigation into the possibility of bringing natural gas to Uruguay from Argentina. K&M/PSED sent a two-man team to Uruguay on May 4-11, 1993, with the objective of investigating the feasibility of private power generation in Uruguay and a proposed gas pipeline project between Uruguay and Argentina. During the trip, the team members met with USAID Mission and U.S. Embassy officials, the Uruguayan Minister of Industry and Energy (along with other officials of the Ministry), and various officials of the energy sector, primarily UTE, the national utility. The viability of bringing natural gas to Uruguay was widely explored in numerous meetings as where possibilities of financing such a project and potential for private sector investment. A draft report on this subject was written during June. Included in the report are assessments of the electricity markets and of the natural gas market in both countries as well as an identification of regulatory issues and recommendations. The draft report is presently under review by USAID/Montevideo, R&D/E&I, and UTE.

H. TRAINING COURSES AND INTERNSHIPS

Training courses and internships help promote greater understanding of private sector energy developments by focusing on the opportunities for and barriers to private energy and power development and financing. K&M/PSED is responsible for sponsoring formal training courses for senior-level policymakers from developing countries. In addition, K&M/PSED is to sponsor internships for senior-level and mid-level managers from developing countries and provide them with the opportunity for on-the-job training with U.S. private companies, utilities, and utility regulatory commissions.

K&M/PSED Activities this Quarter

1. India Training Program

In June, the Energy Training Program (ETP) conducted a two-week training course in New Delhi. This training course was part of the overall short-term IPPI effort. K&M/PSED provided assistance to ETP by outlining many of the topics that needed to be addressed. Consultants who participated in the IPPI effort for K&M/PSED were able to identify many of the problem areas faced by the Government of India in establishing private power projects. Two consultants remained in New Delhi and participated in the training program.

I. PRIVATE POWER REPORTER AND DATA BASE

The *Private Power Reporter* (PPR), a quarterly publication of the Office of Energy and Infrastructure, is instrumental in keeping the public-at-large, and the energy and power community in particular, informed on the status of privatization and private sector involvement in developing countries. The Private Power Data Base contains information on private energy and power activities in developing countries, including information on project opportunities, pertinent laws and regulations for selected countries, and listings of U.S. vendors of power and co-generation technologies.

K&M/PSED is responsible for the quarterly publication of the *Private Power Reporter* and for the maintenance of the Data Base.

Previous Quarter's Activities:

1. Published November 1991 issue
2. Published March 1992 issue
3. Published June 1992 issue with India Supplement
4. Published March 1993 issue - "Focus on Asia"

1. PPR - June 1993 Issue: "Focus on the NIS"

During this quarter, the June 1993 issue of the PPR was written and distributed. In the last couple of issues, the PPR has tried to focus on one area of the world that concerns the PPR readership. The current issue focused on the NIS, the federation of states which has taken the place of the former Soviet Union. While the lead article focused on the NIS as a whole, there were several articles highlighting specific countries such as Russia, Armenia, Ukraine, and Kazakhstan. In this issue of the PPR, a new feature debuted. This new feature is a Guest Column in which K&M/PSED will provide a private developer or government official the opportunity to inform the PPR readership on issues relating to the regional focus. In the June issue, a private developer discussed the current business climate of the NIS.

J. R&D/E&I TECHNICAL ASSISTANCE

During this quarter, K&M/PSED conducted research for several R&D/E&I presentations. In May, K&M/PSED provided input for a presentation of NIS activities for R&D/E&I's staff meeting. In June, two speeches with overhead displays and slides were prepared by R&D/E&I with key issues being identified by K&M/PSED.

Also during this quarter, K&M/PSED prepared Performance Targets and Indicators for an evaluator from the NIS. K&M/PSED also conducted research for an R&D/E&I presentation on ASEAN electricity demands.