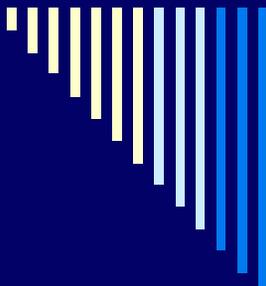


USAID Energy Programs in Europe and Eurasia

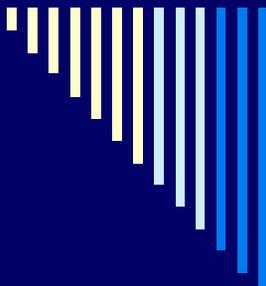
Dr. Robert F. Ichord, Jr.
Chief, Energy and Infrastructure
Bureau for Europe and Eurasia
US Agency for International Development
Washington, D.C. 20523

NARUC Committee on International Relations,
February 12, 2006



Policy Context

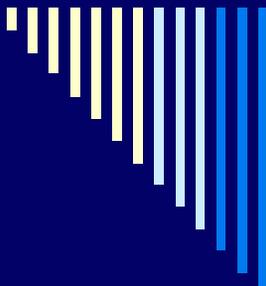
- ❑ President's Energy Security Call
 - ❑ Secretary's Initiative on Foreign Assistance
 - ❑ Concerns over Security of Gas Supplies to Europe
 - ❑ G-8 Summit in Russia and Energy Security
 - ❑ Central Asian Infrastructure Integration Initiative
 - ❑ Treaty for Energy Community in Southeast Europe
 - ❑ Growing Attention to Black Sea Region
 - ❑ Kosovo and Status Negotiations
-



Strategic Program Directions

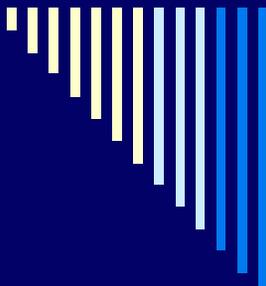
- Regulatory and Market Development
- Regional Energy Trade and Markets
- Municipal Utility Efficiency and Financial Improvement

*Presidential Initiatives and
Congressional Earmark in Energy
Efficiency and Clean Energy*



Project Highlights -- 1

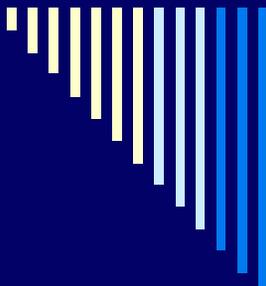
- Regulatory and Market Development
 - Regulatory Commission Assistance and Partnerships
 - Benchmarking (Authority, Autonomy, Accountability)
 - Market Monitoring and Anti-Corruption
 - Social Safety Net and Low Income Assistance
-



Project Highlights -- 2

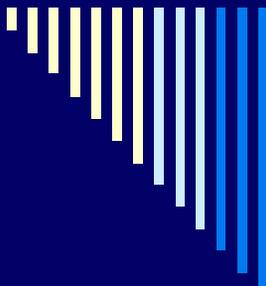
□ Regional Trade and Markets

- SEE Energy Community –legal and regulatory development; market design, utility restructuring and commercialization, and market implementation, energy demand planning, social impact, transmission interconnections
 - Black Sea – Regional Electricity Transmission Planning; Black Sea Energy Conference ; BSEC
 - Central Asia – New REMAP program to support regional market development, transmission system improvement, and exports to Afghanistan and Pakistan
-



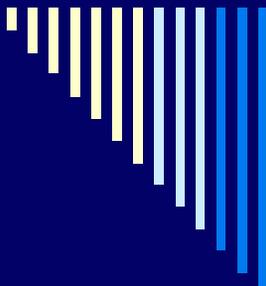
Project Highlights -- 3

- Municipal Utility Efficiency and Financial Improvement
 - Urban Heating and Affordability Strategy
 - Revolving Funds and Pooled Finance
 - PEPSE Facility in Sofia
 - Infrastructure Assessments and Water Utility Improvement
 - Landfill, Coal Bed Methane and Gas Pipeline Projects in Russia and Ukraine
-



Key Role of Regulators

- Market Design
 - Tariff Methodologies
 - Uniform National Tariffs
 - Formal monitoring role
 - Market Implementation
 - Guidelines for Unbundling, Authorities vis-à-vis market rules, incentive mechanisms, capacity reservation and trading
 - Market Monitoring
 - Roles and Responsibilities
 - Oversight/licensing of traders and congestion management
 - Systems and authorities for data collection; issues of confidentiality of data and public release criteria
-



Key Challenges for 2006

- ERRA Sustainability
 - Energy Security and Diversification of Supplies
 - Ratification and Implementation of ECSEE Treaty
 - Involvement of Ukraine and Moldova in SEE Energy Community
 - Impact of High Energy Prices on Economy and Social Sectors
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