

Energy Technology Innovation Project

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Suite 914 • 1601 North Kent Street • Arlington, VA 22209 • Tel. (703) 528-4488 • Fax (703) 528-2280  
Bechtel Corporation, Prime Contractor

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**MEMORANDUM**

July 13, 1993

TO: R&D/EI, Samuel Schweitzer  
FROM: ETIP, Frederick Karlson   
SUBJECT: Contract No. DHR-5741-C-00-1061-00, Monthly Report  
Activities in June 1993

Attached for your review and consideration are five copies of the monthly report detailing ETIP activities as required in Section 2d(2) of the subject contract.

Please advise if additional information is needed.

**Distribution**

FA/OP/B/LA, Jay Bergman (Contracting Officer - 3 copies)  
POL/CDIE/DI, Acquisitions, Room 303, SA-18, A.I.D., Washington,  
D.C. 20523 (2 copies)  
R&D/EI, Shirley Toth (Program Analyst - 1 copy)

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
ENERGY TECHNOLOGY INNOVATION PROJECT (ETIP)**

**JUNE 1993**

**1.0 NIS.** ETIP sent a preliminary study team consisting of the project manager, gas distribution engineer, district heat/industrial specialist, and two gas demand forecast specialists to Russia as a part of the Four Cities Natural Gas Distribution Systems Rehabilitation Loan Preparation Project. The goal of the two-week visit was to develop the Project

ETIP is a U.S. Agency for International Development (A.I.D.) technical assistance project under USAID's Bureau for Research and Development, Office of Energy and Infrastructure (EI). This report is prepared by ETIP's Washington, D.C. Project Office (WPO).

Workplan and select one city for an in-depth evaluation of its distribution system. A draft Workplan was forwarded to NIS/TF/EET on July 2. The in-depth evaluation is scheduled to start in early July. Preparations are underway to reach full project staffing by late July. The project is being done under a \$1.72 million buy-in (Delivery Order No. 4) from the NIS Task Force Office of Energy, Environment and Technology (NIS/TF/EET). Potential distribution systems investments to be considered by the World Bank may total approximately \$200 million for the four cities. This project will provide critical inputs into the development of strategies for reconstruction of the gas distribution industry in Russia over the next five (5) years. The four cities are Ryazan, Voronezh, Saratov and Volgograd.

ETIP sent a team of technical specialists to identify and assess energy needs in the Republic of Georgia. The team's objectives include assessing the Mozdok-Red Bridge natural gas pipeline system, rail lines, Batumi port facility, petroleum refinery, and other priorities identified by the Government of Georgia. The expected results include identifying environmentally acceptable priorities, costs, schedule, and benefits for the energy sector. Georgia which relies heavily upon seasonal hydropower for its electricity is faced with entering the upcoming winter with uncertain fuel supplies. Funding for this effort is from an NIS/TF/EET buy-in (Delivery Order No. 3).



ETIP presented a recommendation to supply dedicated fuels to reduce Armenia's energy shortage for the 1993-94 winter at the World Bank Pre-Consultative Group (PCG) Meeting recently held in Paris. The fuels identified would be allocated to the needy and the most critical facilities, such as hospitals, to help with heating, electricity, and transportation. The meeting was held to develop and coordinate an assistance program for Armenia with particular emphasis on ameliorating the energy shortages for the short-term. Attendance included A.I.D., ETIP, multilaterals, bilaterals, primarily from Europe, and the Government of Armenia. During this meeting, the Armenians also indicated that increasing fuel reserves are one of their top priorities. Armenia experienced their worst winter in 45 years in 1992-93 -- experiencing no energy for 23 days -- and is again faced with entering this winter with uncertain fuel supplies. Funding for this effort is under Delivery Order No. 3.

Team selection and project preparations continue for the Natural Gas and Natural Gas Liquids Flaring Reduction Study. This project is being done under the first part of a \$2 million buy-in (Delivery Order No. 3) from NIS/TF/EET.

**2.0 THAILAND.** The Map Ta Phut Cogeneration Business Opportunities Mission previously rescheduled for mid-July has been rescheduled for late August/early September. The focus of the mission will be to introduce the visiting Thai delegation to various advanced U.S. clean coal power generating technologies.

**3.0 OTHER.** A survey of 37 U.S. energy companies revealed widespread support for the Office of Energy and Infrastructure's (E&I) Energy Project Development Fund (Fund) especially the public sector window. Designed to cost-share pre-investment studies for environmentally sound and critically needed energy projects in A.I.D.-assisted countries, the Fund has assisted fourteen (14) projects in the past three years in projects involving renewable energy, natural gas and energy-related environmental upgrades. More than 80% of the firms surveyed said they are interested in public sector projects in A.I.D.-assisted countries, and 73% believe that support from the Fund is needed to encourage participation. The surveyed firms suggested that the Fund be improved by providing additional information to U.S. companies and increasing the available funds. Increased funding is especially important for public sector projects as they are often more complex than private power projects.



**4.0 FINANCIAL.**

**CORE CONTRACT**

<b>Budget</b>	<b>\$2,843,000</b>
<b>Invoiced-to-Date (as of 4/29/93)</b>	<b>\$2,080,438</b>
<b>Balance</b>	<b>\$ 762,562</b>

