



USEA/USAID ENERGY PARTNERSHIP PROGRAM SOUTH ASIAN POLICY MAKERS EXAMINE U.S. ENERGY POLICIES

Under the South Asia Regional Initiative for Energy (SARI/Energy) Partnership Program, funded by the U.S. Agency for International Development (USAID), members of parliament from Afghanistan and Pakistan participated in an executive exchange to Washington, D.C. to discuss policies for energy security, regional trade and regulation.

The delegation included: Member of Parliament (upper house) **The Honorable Rida Azimi** of Afghanistan; Member of Parliament (lower house) **The Honorable Faizullah Zaki** of Afghanistan; Member of Parliament and Federal Parliamentary Secretary **The Honorable Firdous Ashiq Awan** of Pakistan; Member of Parliament and Chairman of the Standing Committee of Water and Power, **The Honorable Hafiz Abdul Malik Qadri** of Pakistan.



Delegates met with Jacqueline Schafer, Assistant Administrator, Bureau for Economic Growth Agriculture and Trade, and Gordon Weynand, Energy Team Leader, Infrastructure & Engineering Office, U.S. Agency for International Development

During the course of the four-day exchange, the South Asia legislators compared recent energy policies with the recently passed U.S. Energy Policy Act of 2005, and met with the U.S. House of Representatives Energy & Commerce Committee, U.S. Department of State, Federal Energy Regulatory Commission, U.S. Agency for International Development, U.S. Department of Energy, PJM Interconnection, World Alliance for Decentralized Energy, and the Edison Electric Institute.



Delegates discuss energy issues at the presentation of South Asian policy makers

Jacqueline Schafer, Assistant Administrator, Bureau for Economic Growth Agriculture and Trade, U.S. Agency for International Development, discussed various methods to encourage private power development and policies that separate regulation from operations to allow utilities to interact with customers on a commercial basis.

The delegates also met Katharine A. Fredriksen, Principal Deputy Assistant Secretary for Policy and International Affairs, U.S. Department of Energy. Ms. Fredriksen spoke of the political advantages of the U.S. Energy Policy Act of 2005; in particular the streamlined licensing process for new power plants, with the Department of Energy acting as the lead agency to coordinate all other federal permits. She also discussed various means to encourage renewable power (solar, wind and micro-hydro). Ms. Fredriksen emphasized that a hybrid approach is the best way to address energy needs, including distributed energy in rural areas.



Katharine A. Fredriksen (fourth from right), Principal Deputy Assistant Secretary for Policy and International Affairs, U.S. Department of Energy, meets with the delegates



The Honorable Mr. Zaki (right photo) makes a presentation on power in Afghanistan, and the Honorable Dr. Awan (left photo, seated left) makes a presentation on power in Pakistan.

On Capitol Hill, the delegates met with David J. McCarthy, Chief Energy Counsel of the House Energy and Commerce Committee. He discussed the passage of the U.S. Energy Policy Act of 2005 and his committee's responsibility for writing the policies to encourage new facets of energy development and conservation.



Craig Glazer (center, seated), Vice President, Governmental Policy, PJM Interconnection, discusses market developments in the U.S.

The delegates also met with Craig Glazer, Vice President, Governmental Policy, PJM Interconnection, who discussed

market development in the U.S. In particular, they wanted to know how to design markets incrementally (rather than trying to do everything at once), allow flexibility while establishing uniform rules, clearly define the role of system, and educate customers on markets while not promising anything that cannot be guaranteed (such as lower prices).



David Sweet, Executive Director, World Alliance for Decentralized Energy (WADE), discusses decentralized energy's impact on rural populations.

David Sweet, Executive Director, World Alliance for Decentralized Energy (WADE), discussed the proven record of decentralized energy in improving the quality of life for rural populations. The delegates discussed how Pakistan and Afghanistan have large hydro potential with isolated populations, such that decentralized, small-scale hydro, in particular, would be more cost-effective than large-scale power projects. The delegates also discussed wind and solar options for decentralized energy.



SARI/E Policy Makers meet with Stephen Gallogly, Director, International Energy Office (third from left) and Robert Deutsch, Senior Advisor, South and Central Asia Bureau (second from right) at the U.S. Department of State.

At the State Department, Stephen Gallogly, Director, International Energy Office and Robert Deutsch, Senior Advisor, South and Central Asia Bureau, echoed USAID in describing the key policy lesson from past experiences to be a solid investment climate, so that investors will look at opportunities in energy services in the region.

Grant Stockdale, Associate Editor of Energy Daily, met with the delegates to discuss overall energy policies of the United States, and to provide the delegates with a comprehensive background of the participants and structure of the U.S. energy industry.



Grant Stockdale (seated, front right), Associate Editor of Energy Daily, discusses overall energy policies in the U.S.



John Easton (center, seated), Vice President, International Programs for the Edison Electric Institute, discusses energy policies and electric utilities

John Easton, Vice President, International Programs for the Edison Electric Institute, met discussed the U.S. Energy Policy Act of 2005's impacted utilities.

At the Federal Energy Regulatory Commission, the delegates learned about the federal regulator's new oversight and responsibilities – as a result of the Energy Policy Act of 2005 - to impose fines on transmission operators who do not meet reliability standards. They were interested in the policies that dictate FERC to operate in an open and transparent manner and to justify its decisions to the public. They were also curious about the division between FERC and state regulators, and were assured that their own system of one regulatory body for the country was more efficient.



The Federal Energy Regulatory Commission demonstrates their Market Monitoring Center to the South Asian policy makers

All of the delegates gained vast knowledge of the U.S. energy sector as a result of the exchange visit. According to Mr. Zaki, this knowledge “may play a vital role in

determining Afghanistan’s energy policies.” Dr. Awan acknowledged the U.S. policy role of bolstering energy independence and noted that Pakistan’s objective is to “encourage and ensure exploitation of indigenous resources, which include renewable energy resources, human resources, participation of local engineering and manufacturing capabilities.”



Walter Hall of the United States Agency for International Development addresses the delegation

RESULTS

- The delegates gave a detailed presentation of the energy sector in South Asia to over 40 U.S. energy industry and government representatives
- Legislators from Afghanistan and Pakistan had an unprecedented opportunity to meet and discuss energy policies that would benefit both countries;
- The legislators obtained a briefing and documents on implementing decentralized, small-scale generation to meet the needs of rural populations;
- The legislators discussed policy options for rural electrification