

6. Two-Day Workshop on Power Market Restructuring

場 所：PLN

日 時：2月22日（木） 午前

出席者：鐘ヶ江団員（METI）、中畑団員（コンサル）

1. ワークショップの内容

エネルギー鉱物資源省（MEMR: Ministry of Energy and Mineral Resources）電力エネルギー利用総局（DGEEU: Directorate General of Electricity and Energy Utilization）とADBの共催により、米国スタンフォード大学 Frank A. Wolak 教授を招聘し、電力市場改革に関するワークショップ（Two-day Workshop on Power Market Restructuring）を2月22日（木）、23日（金）の2日間にわたって開催。ワークショップの進め方は、教授から聴衆者に一方的に説明し、質問をその都度受付ける形態。参加者はMEMR、PLN、コンサルタントおよび世銀等の金融機関で、およそ100名程度。主な公演内容は、以下の通りであり、電力自由化の啓蒙活動のようなもの。

- ・ 電力競争市場の概要
- ・ 規制の役割
- ・ 電力市場の立案と実施
- ・ 送電線の費用と管理
- ・ 電力供給における規制と競争、民間経営と公的経営の対比。
- ・ 金融市場とリスク管理
- ・ 電力市場の監視



Directorate General of Electricity and Energy Utilization

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Asian Development Bank

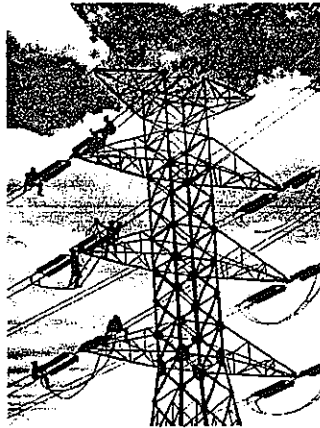
6 ADB Avenue, 1501 Mandaluyong
Manila, Philippines

"Two-Day Workshop on Power Market Restructuring"

February 22 and 23, 2001 - 08:00 a.m. to 05:15 p.m.

Location : PT. PLN (Persero) Kantor Pusat, Meeting Room 2nd floor
Jl. Trunojoyo Blok M I/135, Jakarta Selatan

The Directorate General Electricity and Energy Utilization (DGEEU), the Asian Development Bank, the Consultants (KEMA Consulting, Pace Global Energy Services, CONNUSA, and ITB) are pleased to announce a two-day Executive Workshop to be conducted on February 22 and 23, 2001 by Professor Frank Wolak from Stanford University in the United States.



Purpose of the Workshop

The purpose of the workshop is to provide a forum for upper management executives in Indonesia's energy sector to provide input to the design of the various components of the restructured, competitive power market. DGEEU and its consultants are interested in hearing the views of Indonesia's senior energy executives as will provide valuable input to the development of Market Rules that are consistent the Government's restructuring policy. Professor Wolak will experiences and lessons learned

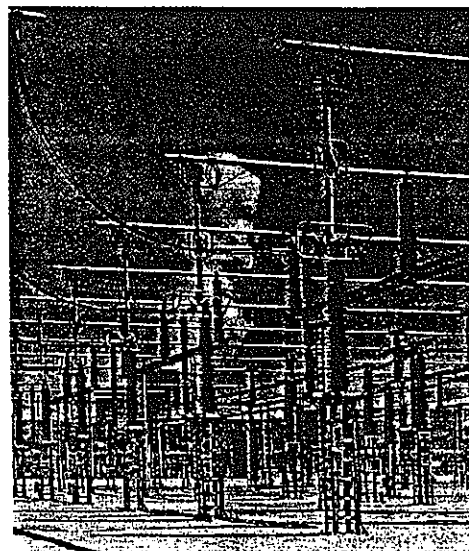
Background

In August 1998, the Government of Indonesia announced the Power Sector Restructuring Policy (White Paper). The policy was developed to meet the challenges posed by the economic crisis and to provide a better foundation for the future development of the Indonesian power sector. It is envisaged that restructuring will create an efficient and independent electricity industry that is able to grow rapidly and provide high quality and reliable electricity supply for the benefit of consumers. The primary objectives of the Restructuring Policy are to restore the financial viability of the power supply industry, encourage competition, increase transparency, and develop efficient private sector participation.

from power market restructuring initiatives undertaken elsewhere in the world. The workshop is intended to be interactive and attendees are encouraged participate fully in the workshop. This two-day workshop shall form an integral part of three workshops intended be conducted. Therefore, to achieve a full benefit from this two-day workshop, it is expected that all participants shall also attend the remaining two workshops to scheduled at a later date.

Status of Power Market Restructuring

DGEEU is playing a prominent role in the implementation of the Government of Indonesia's restructuring policy for the energy sector. DGEEU has proposed major restructuring programs, of which Developing a Competitive Electricity Market in Java-Bali Market Rules Project under ADB Loan No.1674-INO forms an integral part. In addition to the Market Rules Project, DGEEU has undertaken various programs in capacity building and PLN Corporate restructuring, and will undertake six major new programs such as Financial Settlement and Development of software necessary for implementation of the new market structure.



Consultants : **KEMA**

KEMA Consulting

PACE

Global Energy Services

CONNUSA

PT. Connusa Energiindo

ITB

ITB

Electricity Market Restructuring

Day 1 (Thursday, February 22, 2001)

08:00 - 08:45 Registration

08:45 - 09:00 Opening Remarks

(Director General of Electricity and Energy Utilization)

09:00 - 09:15 Break

09:15 - 11:00 Competitive Electricity Market Overview

- ☞ What can a restructured power industry do better and why?
- ☞ What can a regulated monopoly do better and why?
- ☞ Public versus private ownership
- ☞ Transition costs associated with restructuring
- ☞ Lesson from International Markets
- ☞ Discussion

11:00 - 12:00 Regulation

- ☞ Role of regulator in restructured market
- ☞ Cost of Service regulation
- ☞ Performance-based regulation
- ☞ Discussion

12:00 - 13:00 Lunch

13:00 - 15:00 Electricity Market Design and Implementation

- ☞ Pools versus bilateral markets
- ☞ Nodal versus zonal market pricing
- ☞ Ex post versus ex ante market pricing
- ☞ Choice of settlement period
- ☞ Bidder flexibility and market power

15:00 - 17:00 Electricity Market Design and Implementation (Continued)

- ☞ Lessons learned in United Kingdom, California and PJM markets
- ☞ Discussion

Day 2 (Friday, February 23, 2001)

08:30 - 10:00 Transmission Pricing and Management

- ☞ Congestion and pricing
- ☞ Physical versus financial transmission rights
- ☞ Transco versus ISO organization
- ☞ Investment incentives
- ☞ Discussion

10:00 - 11:30 Real Time Market Operation

- ☞ Reliability in a restructured market
- ☞ Methods for procuring ancillary services
- ☞ Guaranteeing generator compliance with dispatch instructions
- ☞ Discussion

Retail Structures

- ☞ Benefit versus costs of retail competition
- ☞ Regulation of distribution companies
- ☞ International experience
- ☞ Default provider obligation
- ☞ Discussion

11:30 - 13:30 Lunch

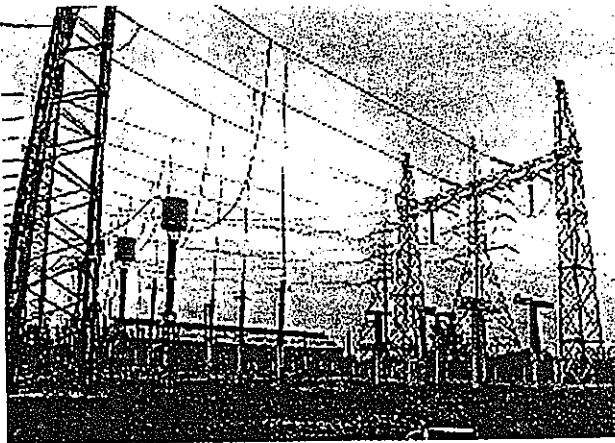
13:30 - 15:30 Financial Markets and Risk Management

- ☞ Vesting contracts
- ☞ Financial markets
- ☞ Forwards, futures and transmission contracts
- ☞ Valuation
- ☞ Discussion

15:30 - 17:00 Market Monitoring

- ☞ Purpose
- ☞ What is market power?
- ☞ Method for assessing market power
- ☞ Information gathering
- ☞ US experience
- ☞ Discussion

17:00 - 17:15 Wrap-up and Closing



DIRECTORATE GENERAL OF ELECTRICITY AND ENERGY UTILIZATION

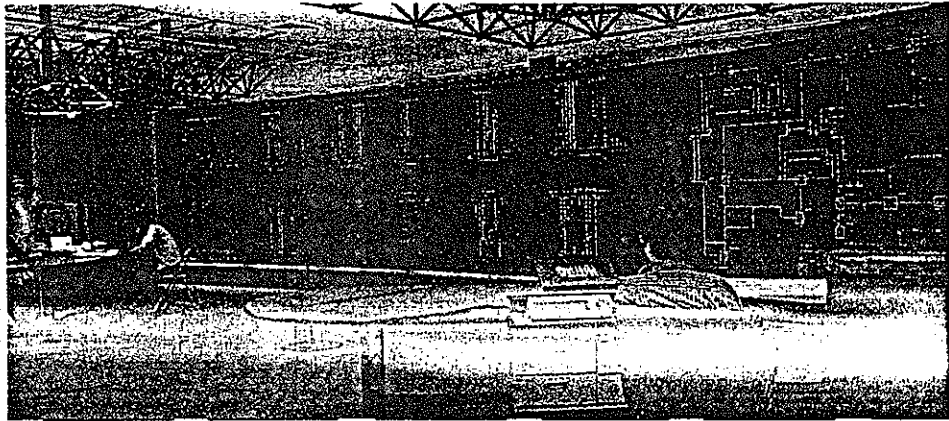
February 22 and 23, 2001

Location: PT. PLN (Persero) Kantor Pusat, Meeting Room 2nd Floor
Jl. Trunojoyo Blok M I/136, Jakarta Selatan

Speaker

Professor Frank Wolak

Professor Frank Wolak, Stanford University. Professor Wolak is assisting DGFEU, the Asian Development Bank, the Consultants (KEMA Consulting, Pace Global Energy Services, CONNUSA, and ITB) with the development of market rules for a competitive power market in Java-Bali. Professor Wolak has worked previously as a consultant to the Asian Development Bank on a mission related to the establishment of a competitive electricity market in Indonesia, and is currently Chairman of the Market Surveillance Committee for the California Independent System Operator, which oversees the recently established competitive electricity market in California.



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By: Professor Frank Wolak, Stanford University, U.S.A.

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Jl. Trunojoyo Blok M 1/135, Jakarta Selatan

CONFIRMATION FORM

Yes, I would like to attend

No, I will not attend

Full Name :

Job Title :

Department :

Institution :

Office Telp. : Office Fax :

Please fax before February 21, 2001 to DGEEU: (021) 527-9348 or CONNUSA: (021) 720-7855.

For further information, please call Miss. Nuning at (021) 527-9348 or Mrs. Siska at (021) 720-2770

Signature : _____ Date : _____