



PAEM Committees and Draft Workplan

PAEM Committees: Session 5

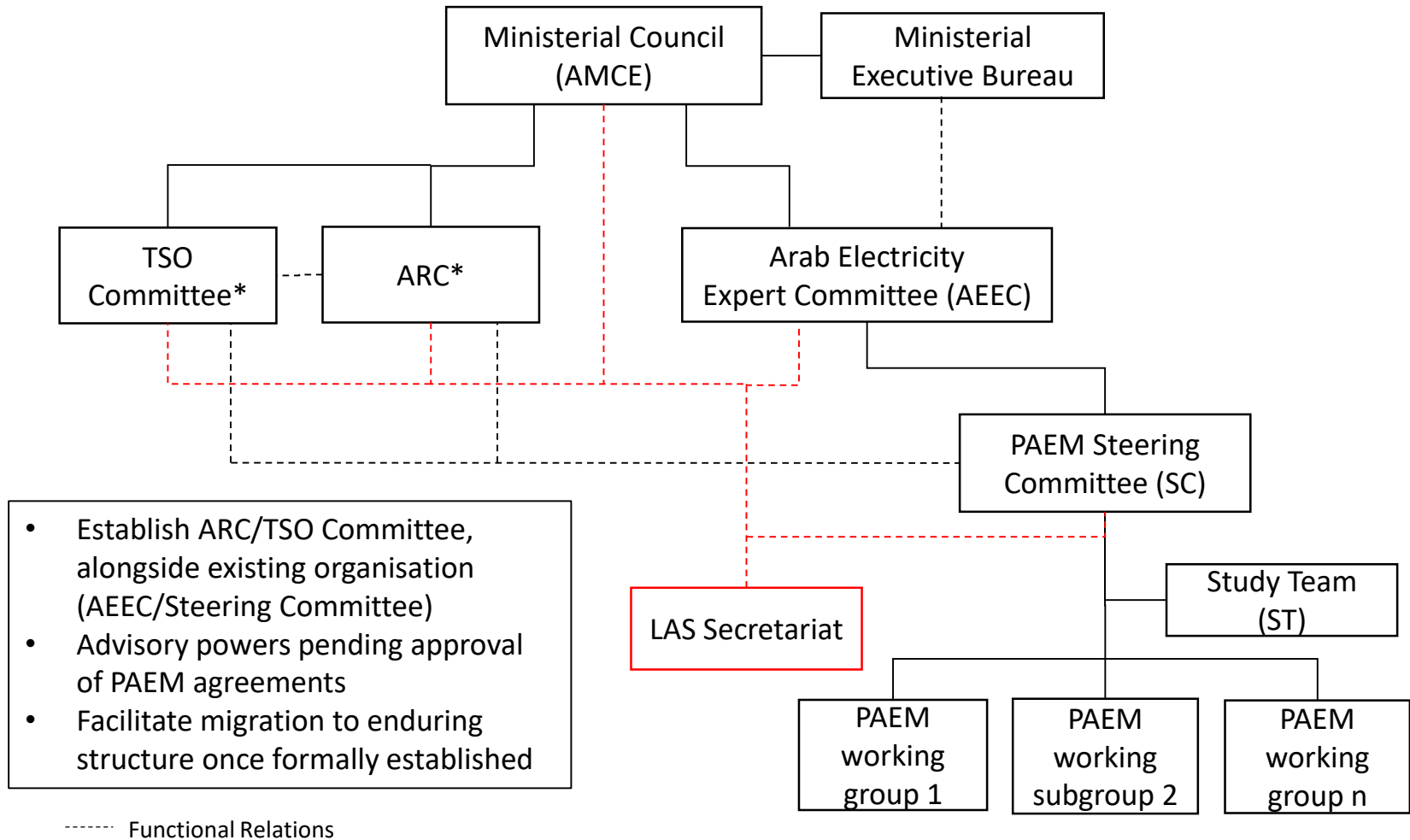
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PAEM Organisation – Interim Period



- Establish ARC/TSO Committee, alongside existing organisation (AEEC/Steering Committee)
- Advisory powers pending approval of PAEM agreements
- Facilitate migration to enduring structure once formally established

* Supported by relevant working groups as needed



Key Functions – PAEM interim

Body	Comments
Arab Electricity Expert Committee (AEEC)	<ul style="list-style-type: none">• Provide recommendations to the Ministerial Committee on all issues related to cooperation in electricity sector excluding renewable & energy efficiency subjects which are assigned to another dedicated parallel committee• Provide directions on matters assigned to PAEM Steering Committee, review & approve its recommendations
PAEM Steering Committee (SC)	<ul style="list-style-type: none">• Direct Study Team and/or particular Working Groups on matters which requires detailed / expert review and wide participation• Ensure adequate resourcing and support are provided, and approve their recommendation• Liaise with interim ARC and TSO Committees
Study Team (ST)	<ul style="list-style-type: none">• Set out work plan and manage progress against plan for the subjects passed to it by the steering committee• Provide recommendations & highlight issues to SC
PAEM Working Groups	<ul style="list-style-type: none">• Address specific issues as determined by SC and/or ST• Access expert advice – e.g., international experience provided by AF/LAS/WB

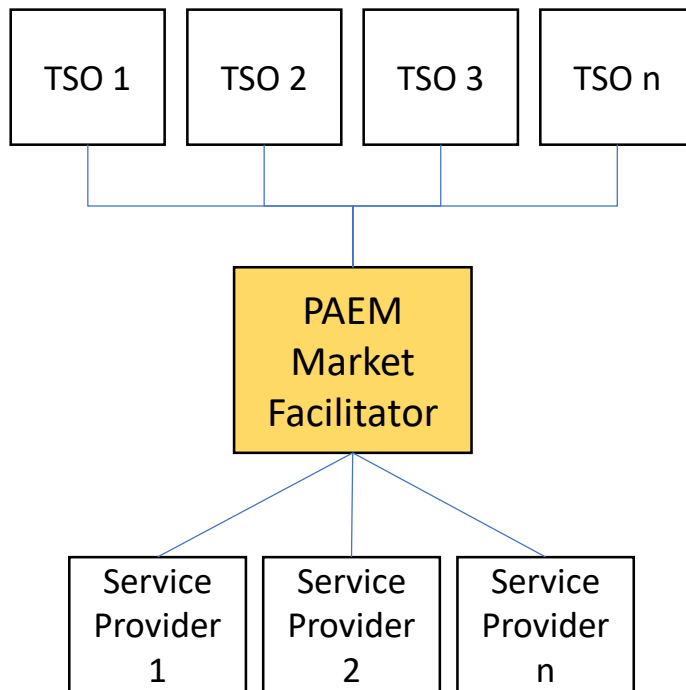


Key Functions – PAEM interim

Body	Comments
Pan-Arab Advisory and Regulatory Committee	<ul style="list-style-type: none">• Responsible for providing advisory and regulatory oversight of the PAEM• Ensure compliance with rules and intent of the PAEM• Advisory powers only during interim period until PAEM agreements have been approved
Arab Transmission System Operators Committee	<ul style="list-style-type: none">• Responsible for coordination and cooperation among the National TSOs, the Sub-Regional TSOs and the Regional Market Facilitator (once appointed)• Promote market integration, reliability and security of supply, efficiency, technical innovation• Advisory powers only during interim period until PAEM agreements have been approved
LAS Secretariat	<ul style="list-style-type: none">• Coordinator and provide technical & logistical support to all Committees/teams & WGs & entities which are assigned tasks by AMCE on as needed basis• Report formal progress to AMCE and AEEC via regular meetings



Market Facilitator



- Proposal for PAEM Market Facilitator to be a central entity managing various providers of market enabler services, via service contracts, on behalf of all the users (i.e., TSOs). No single entity is being appointed to operate all services
- Market Facilitator could be combined with the secretariat role
- The appointment of the Market Facilitator is a PAEM responsibility, and would be subject to PAEM governance as per the agreements
- The Pathfinders will help bring understanding of what is needed but should not pre-empt the Market Facilitator appointment. The Design Phase should establish an interim framework for operating these services in the pathfinder cluster of countries



Draft 2023 Workplan Priorities

1. Development of PAEM rules and institutions
2. Progress East Pathfinder project: design; preparation for implementation
3. Assist development of national competencies and capabilities



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High-level deliverables, 2023

PAEM Rules and Institutions

Deliverable		Lead	Timing	Comment
1	Build understanding at ARC/TSOC of key concepts (executive perspective)	ARC*, TSO Committee*	1H 2023	World Bank support
2	Develop a methodology for calculating the Net Transfer Capacity	TSO Committee*, ARC* approval	2023	International experience input
3	Establish principles for regional methodology for the remuneration of transmission services (including unscheduled deviations)	ARC*	2023	World Bank support
4	Establish the shared data requirements/definitions and specify the required functionality of a data platform	TSO Committee*, ARC* approval	2023	International experience input, incl Med-TSO
5	Plan for migration to enduring institutional structure - includes resourcing and funding, working groups, secretariat	LAS	2023	LAS role and AFESD funding until end-2023

* Steering Committee in interim period; AEEC oversight



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High-level deliverables, 2023

East Pathfinder Project

Deliverable		Lead	Timing	Comment
1	Establish framework for coordination with other PAEM countries	Steering Committee	Q1 2023	
2	Design for the critical market arrangements needed to support multilateral trading across GCC-EIJLLPST <ul style="list-style-type: none">• Confirm the critical processes• Design of market enablers• Delivery responsibility and governance principles	3 TSOs	2023	Seek approval from 3 Regulators and PAEM (ARC, TSO Committee)
3	Project brief for implementation phase <ul style="list-style-type: none">• Role descriptions• Project management structure• Resources and funding• High-level project timeline• Mechanisms for consultation and engagement with other parties not directly in the project	3 TSOs	2023	



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High-level deliverables, 2023

National competencies and capabilities

Deliverable		Lead	Timing	Comment
1	Undertake a survey among Member States on the current status, including: <ul style="list-style-type: none">• Organisation of trading• Subsidies, potential impact on trading and any current developments• National market liberalisation: status and any current developments• Independent market party access to cross-border trade	ARC*	1H 2023	
2	Support the development of liberalised national markets: <ul style="list-style-type: none">• Sharing best practice• Ensuring consistency• Understanding plans and monitoring progress	TSO Committee*	ongoing	

* Steering Committee in interim period; AEEC oversight



Med-TSO Pilot Projects

Med-TSO is supporting two pilot initiatives to develop cross-border markets between their members in the Maghreb and Mashreq subregions

1. Maghreb

- Study undertaken by external consultants (Elia, EPEX)
- Evaluated other regional arrangements (e.g., SAPP)
- Proposes 3 stages: (1) improved bilateral trading; (2) day-ahead auction between the three TSOs; (3) open day-ahead auction
- Does not address trading arrangements with EU
- For Comelec parties to decide on next steps

2. Mashreq

- Currently undertaking preliminary data research
- No decision yet to proceed to a full study

There is clear overlap with the PAEM that needs to be aligned, and the Med-TSO work is also potentially a very valuable input to the Pathfinders and PAEM



Discussion points

1. Are the high-level deliverables for 2023 accepted? What is missing?
2. How to establish the ARC and TSO Committees as leading the process and having real impact?
 - Appoint chairmen able to drive the process
 - Agree priorities, workplan
 - Secure necessary resourcing, including existing working groups set up under the MF3P pilot
 - Secretariat and funding
 - Individual TSO/regulator readiness to engage
3. How best align with Med-TSO pilot initiatives?