Cooperative Agreement in support of
the “Smart Development Initiative”

MONTHLY REPORT – NOVEMBER 2005

Prepared for:
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Office of Infrastructure & Engineering
Bureau for Economic Growth, Agriculture and Trade
U.S. Agency for International Development

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December 1, 2005
The following are the activities conducted in the month of November. They all fall under Task 1 – Continuation of Work in Ghana.

- CEE and its colleagues in Ghana, after several iterations and exchanges over email and phone, finalized the scope of work for RCEER in FY06 (see Attachment 1). The final list of deliverables is different from the original draft, partly because a new item, designing and conducting a public survey on natural gas, replaced several others. The current list of deliverables can be accomplished in a timely manner with more focused impact. The remaining activities and possibly others from the original list will still be considered if and when additional funds and resources become available.

- CEE and its colleagues in Ghana have also been working on implementing some of the ideas from RCEER sustainability plan developed during the previous grant, in particular addressing issues associated with RCEER organization, staffing, and leadership.

- CEE interacted with Mr. Essandoh-Yeddu on organizing his extended stay in Houston. CEE will be hosting Mr. Essandoh-Yeddu, Director of Strategic Planning and Policy Division at EC, for about six months in early 2006. Mr. Essandoh-Yeddu is pursuing a sandwich Ph.D. in Ghana and is required to spend time abroad as part of the program. While in Houston, he will work on his Ph.D. thesis, natural gas issues relevant to Ghana with guidance and assistance from CEE, and CO2 modeling in the Gulf Coast for BEG (he has been representing the Ghanaian government in climate change meetings), and will teach at CEE’s New Era program. CEE was able to secure from BEG cost coverage for Mr. Essandoh-Yeddu’s living expenses in Texas.

- CEE continued exploring opportunities for cooperation and coordination of activities with other entities working in Ghana. Dr. Gülen visited with Mr. Facundo Alberdi and Ms. Erin Skootsky from NARUC at NARUC’s annual convention to coordinate activities in Ghana. In particular, CEE and NARUC wrote a draft letter of invitation to PURC, EC and the Ministry of Energy in Ghana to encourage cooperation among these entities and expediency in selecting their delegates for the NARUC exchange visit to the U.S. CEE is now pursuing a visitor each from PURC and the Ministry to join Mr. Essandoh-Yeddu in Houston for some joint natural gas work. Clearly, it would be most advantageous for these individuals to be part of the NARUC exchange visit delegation and to switch to Houston after the NARUC program ends. This coordination will reduce costs, eliminate repetitive J-1 processing and enhance the capacity of key people while establishing better links across organizations.

- CEE developed a GDA concept paper following the issuance of the APS by the GDA Secretariat. The concept paper is currently under review by potential partners, NARUC, USEA and UF-PURC.

Next steps

- CEE to finalize subcontract arrangement with RCEER
- Finalize and submit the GDA concept paper by December 16 if supported by partners
- RCEER to publish its information flyer
- RCEER to initiate the public survey on natural gas
- RCEER to publish Natural Gas Primer in book form
This scope of work outlines main activities and deliverables to be implemented by the Resource Center for Energy Economics and Regulation (RCEER) during FY06 under the new cooperative agreement between UT/CEE and the USAID. The delivery dates are approximate because we believe that it is highly desirable for RCEER to synchronize its activities as closely as possible with parallel efforts in Ghana on natural gas market development, and RCEER needs to be flexible in scheduling its activities according to progress of these efforts in order to ensure maximum impact.

These parallel efforts include the TIPCEE project on developing a legal and regulatory framework for a secondary market. RCEER is already involved in this effort, producing reports on international best practices on tariff methodologies. The TIPCEE project also involves capacity building for PURC, EC and the Ministry. Another USAID project established a partnership between PURC and utility regulators from the US through NARUC, which is also working on technical assistance on ratemaking and licensing for both PURC and EC. Another project brings the USEA and the VRA together to work on some utility best practices. There are excellent opportunities to coordinate RCEER activities with these projects and hence avoid duplication and achieve greater impact.

### FY06 Work Plan for RCEER

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Approximate Delivery Date</th>
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<tbody>
<tr>
<td>RCEER informational flyer</td>
<td>Dec-05</td>
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<tr>
<td>Natural Gas Primer (published in book form)</td>
<td>Jan-05</td>
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<tr>
<td>Designing baseline public survey on natural gas</td>
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<tr>
<td>Conducting baseline public survey on natural gas</td>
<td>Feb-06</td>
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<tr>
<td>Training program for journalists (one-day)</td>
<td>Apr-06</td>
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<tr>
<td>Public outreach seminar on natural gas (Accra or Tema)</td>
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<tr>
<td>Public outreach seminar on natural gas (Accra or Tema)</td>
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<tr>
<td>Professional training program (2-3 days)</td>
<td>Aug-06</td>
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### Task 1  Public Outreach

#### Task Description

Through publication of the *Guide to Electric Power in Ghana*, a natural gas report, and associated public outreach activities, RCEER has done good work in its first year to educate the public on fundamentals of energy economics and regulation, and it needs to get more recognition for this work. RCEER also needs to inform energy sector stakeholders about its capabilities, sponsors, upcoming activities, and the like. This way, when there is need for independent sources of information and opinions, stakeholders, including energy consumers, can approach RCEER. It would also be beneficial if RCEER papers, presentations and reports can be made available via various media to reach largest possible audiences and help with drive towards transparency. Accordingly, there are several activities under this task: promotional materials, publications, public outreach activities and a public survey.
Outreach activities will be one-day events to reach out to business associations, civic groups, energy consumers, various state entities, journalists and general public. Given the current focus on developing a secondary market for natural gas, outreach activities should focus on natural gas and take place in Accra where key agencies are or possibly Tema (or another location) where potential large customers are located. Prior to the first outreach activity, RCEER should publish the *Natural Gas Primer* (based on Part I of its Natural Gas Report produced for the first USAID grant) and the *Guide to Natural Gas in Ghana* (based on Part II of its Natural Gas Report) in book form. The copies of these documents should be distributed during the outreach activities and beyond as was done with the *Guide to Electric Power* in Ghana in July.

These activities should also address “smart development” issues such as transparency, energy services for low-income households, energy efficiency programs, conflict management, environmental issues, energy and social development projects, consumer rights and the like. Collaboration with the EF, KITE and/or other local entities working on some of these issues could be desirable. In addition, NARUC can be approached to provide its own experiences in the U.S. and elsewhere in the world.

In order to measure the impact these activities might have on target audiences, RCEER will develop and conduct a baseline survey on natural gas and associated smart development issues. Follow-up surveys in FY07 should then provide an indication of effectiveness of RCEER activities in FY06.

**Deliverables**

1- RCEER informational flyer
2- Baseline survey on natural gas
3- Publication of the *Natural Gas Primer*
4- Publication of the *Guide to Natural Gas in Ghana*
5- Public outreach seminar on natural gas (Accra or Tema)
6- Public outreach seminar on natural gas (Accra or Tema or elsewhere)

**Task 2 Training**

**Task Description**

With the completion of the WAGP, Ghana will have access to natural gas, a relatively new fuel with large potential for use by Ghanaian industries. The current TIPCEE effort demonstrated the expanse of technical, regulatory and policy needs for developing an economically viable and safe natural gas industry in Ghana. Potential consumers of natural gas, policy makers, regulators and society overall will take some time to develop a healthy understanding of the technical and economic principles governing this industry. The capacity building needs of PURC and EC is already well understood, and RCEER can contribute through professional training sessions customized according to needs of these agencies. CEE and its partners from NARUC, USEA, Public Utilities Research Center at the University of Florida and the industry can work with RCEER and sector stakeholders to develop the relevant content for these training programs. We envision that RCEER will organize one such session in summer 2006.

In addition, RCEER should expand on its public education, outreach and transparency efforts by offering a specialized training session for journalists. This session will focus more on the fundamentals of the natural gas industry with global comparisons and the commercial frameworks being created for development of this industry in Ghana. Journalists play an
important role in shaping public opinion about energy projects; as such it is crucial that they understand basic principles of natural gas use, industry operations, role of regulatory agencies so that they can be as accurate as possible in their reporting. Journalists should also be encouraged to attend the professional training workshop; although the advanced nature of the content in this program can be somewhat overwhelming for most of them, those who wish to deepen their understanding would benefit.

Finally RCEER will continue to build up its own expertise on natural gas as well as other energy sources. In addition to participation in CEE’s New Era program in Houston in May 2006, one of the researchers associated with RCEER will stay for an extended period of time for further training and research projects.

Deliverables

1. Training session for journalists
2. Extended stay in the US for a RCEER researcher
3. Professional training program (summer 2006)

Task 3 Research

Task Description

RCEER will carry out fundamental research on issues of interest to sector stakeholders in Ghana. Some of these issues can be identified through RCEER’s involvement in the TIPCEE project. NARUC and USEA projects in Ghana may also help raise issues of concern different stakeholders. The RCEER Advisory Board, though, should make the final selection of issues. The information gathered through this research can be published in the form of issue papers or technical studies. In either case, non-technical summaries should be made available to media and RCEER researchers should use media channels to convey the research content to the general public.

There are no specific deliverables and due dates for these research products under the FY06 budget of $30,000; but they will be carried out and published as additional funds become available. We expect that the exchange visitor associated with RCEER will produce at least one such research paper during his stay in Houston.