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31 January 2004 Attn: Mr. Vishta Fayaz IICIC Conference Secretariat No. 8, 11th FL, Mellat Tower Vali-e-Asr Ave, Tehran Iran Via e-mail and fax

Subject: Abstract, proposal for workshop and to chair/organize Session on electricity at IRAEE Conference, Tehran 25-27 May

Dear IRAEE Conference Secretariat:

In consideration of he IRAEE Conference in Tehran, 25-27 May 2004:

Firstly, our newsletter **EEnergy Informe**, is pleased to be a media sponsor for the IRAEE Conference in Tehran. We have already communicated with you, **Mr. Farmand** and others on this issue. A copy of our flyer that went out with the February 2004 issue of our newsletter is attached. Please add our newsletter's name and logo to the list of media sponsors for the conference.

Secondly, I am attaching an abstract for a paper to be presented at the conference.

Third, as previously proposed to Mr. Farmand and Mr. Poshtkouhi, I am attaching the suggested agenda for a **half-day workshop** to be organized in association with the IRAEE Conference. Please let me know if you need further details, and when this event is being scheduled.

This workshop is designed as a stand-alone module to be included with the IRAEE conference. The workshop is intended as a revenue-generating event with net income of **US\$2,000** to be paid as a "speaking honorarium" to cover my travel expenses. This revenue may be generated through a registration fee of US\$100 per attendee, with 20 attendees. The fees may be charged individually or paid by a major sponsor (e.g., TAVANIR or NIOC). My participation at the conference is contingent in getting financial support to cover travel costs, estimated around US\$2,000.



Fourth, I am prepared to chair and organize one of the plenary sessions on electricity. I have some suggestions on how this may be organized. The speaker names are offered as indicative of the caliber of speakers that could be recruited to speak. Please note that none have been invited, nor accepted to speak at this point.

Fifth, as a member of the conference organizing committee, please inform me how many abstracts on electricity have been received and how many sessions re being organized on electricity topics.

I am attaching a brief CV as requested.

If there is anything else you need, please let me know at your earliest convenience.

I am sending copies of this letter and attachments to Mr.Farmand, Mr. Poshtkouhi, Dr. Mazraati, and Mr. Hassantash for their information.

Respectfully submitted,

Attachments

- 1. Promotional flyer
- 2. Abstract
- 3. Workshop
- 4. Session chair
- 5. Brief biography of the author



Abstract submitted to IRAEE Conference Tehran, Iran 25-27 May 2204

International experience in electricity market reform: What's the right course for Iran?

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Abstract

Since early 1990s, a number of countries around the world have embarked on restructuring, privatization, and liberalization of their electric power sector. The experience of these experiments, however, have been decidedly mixed.

In some cases, the results have been significantly lower costs, improved operational efficiencies, better customer service, more rational organizations, and more accountable management. These markets tend to be well-designed and well-functioning, resulting in viable competition among market participants. England and Wales and the Nordic countries are generally regarded among successful experiments.

In some cases, the original design of the market had significant flaws, has been poorly timed, or was not well-implemented resulting in unacceptable outcomes. In a few cases, the restructuring experiment resulted in significantly higher prices and/or unacceptable price volatility. A few notable examples of market failures include California and the Province of Ontario in Canada.

In other cases, the resulting restructured and/or privatized markets have produced other problems, such as inadequate investment in the sector. Examples include several Latin American countries.

This paper summarizes the useful lessons which may be learned from both successful and failed markets and poses the question "What's the right course for Iran?"



Workshop proposed for IRAEE Conference Tehran, Iran 25-27 May 2204

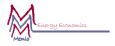
Is Industry "Deregulation" Working? The pros and the cons of electricity market reform

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Proposed agenda for half-day workshop*

8:00 am Registration and morning tea 9:00 am Welcome & introduction Workshop objectives, outline, format 9:15 am Background on industry restructuring, privatization, liberalization Motivations for market reform Expectations: Hope vs. reality Basic market structures Problems and pitfalls 10:15 am Break 10:30 am Examples of successful & failed markets Common features of successful market designs Why some markets fail? What are the risks and pitfalls? What have we learned from experience to date? 11:30 am What may be the right course for Iran? 12:00 noon Conclusions Discussion and Q&A 12:30 pm Workshops adjourns

* This workshop is designed as a stand-alone module to be included with the IRAEE conference. The suggested times are indicative and can be adjusted for an afternoon session. The workshop is intended as a revenue-generating event with net income of **US\$2,000** to be paid as a "speaking honorarium" to conductor. Attendees will receive a booklet containing reading material and a copy of slides. Suggested registration fee: US\$100 per attendee. Workshop attendance limited to approximately 20 attendees. The fees may be charged individually or paid by a major sponsor (e.g., TAVANIR or NIOC).



Proposal for Organizing and chairing a plenary session On electricity markets

IRAEE Conference Tehran, Iran 25-27 May 2204

What can Iran learn from international experience in electricity market reform?

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Proposed organization of session

Session chair & organizer Speaker 1 Speaker 2 Speaker 3 Speaker 4 Dr. Fereidoon P. Sioshansi, Menlo Energy Econ England & Wales* Australia* Texas, USA* California, USA*

*Potential speakers may include:

England & Wales	Professor David Newbery, Cambridge Univ.
Australia Texas	Professor Anthony Owens, Univ. of NSW Dr. Parviz Adib, Texas PUC
California	Dr. Fereidoon Mobasheri, Electric Power Group

NOTE: These speakers have NOT been invited to attend; the names are offered as indicative of the caliber of speakers that could be recruited to speak.