Best Practice in ASEAN Regional Cooperation

Kala Mulqueeny, Senior Counsel
Office of the General Counsel
Asian Development Bank
Background to AERN

• Regional Forum in Singapore (2008)
• Technical assistance in South-east Asia on energy and water sector regulation
• Asia Pacific Dialogue on Clean Energy Governance and Regulation (June 2010) - informal ASEAN regulators’ meeting
• Senior Officials Meeting on Energy of the Twenty-Eighth ASEAN Ministers on Energy Meeting
• Thailand – Energy Regulators’ Meeting (March 2009/10)
• Asia Pacific Dialogue on Clean Energy Governance and Regulation (June 2011)
• ASEAN Energy Regulators’ Network
Asian Clean Energy Dialogue on Governance and Regulation

- Program for ASEAN Energy Regulators
- Energy Efficiency Policy and Regulation
- Feed-in-Tariff Policy and Regulation
- ASEAN Energy Regulators’ Network Meeting
- Roundtable on Action Plan for Clean Energy Governance and Regulation in the Asia-Pacific

- USAID, GIZ, Danida
- IEA, IPEEC
- WRI, RAP, SERN
- GE, other private sector
<table>
<thead>
<tr>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam’s Department of Electrical Services</td>
</tr>
<tr>
<td>Cambodia's Electricity Authority</td>
</tr>
<tr>
<td>Indonesia's Directorate General of Electricity and Energy Utilization</td>
</tr>
<tr>
<td>Lao PDR ‘s Department of Electricity</td>
</tr>
<tr>
<td>Malaysia's Energy Commission</td>
</tr>
</tbody>
</table>
Issues for an ASEAN Energy Regulators’ Network

1. Substantive
   • National - Enhancing Regulation
   • Regional - Trans-ASEAN Energy Grids
   • International - Global Networks

2. Institutional – Structure/organization
1. National: Enhancing Effective Regulation of Energy Services

- Energy efficiency & resource planning/demand response
- Tariff setting & tariff adjustment processes
- Independent power producers - standard agreements, regulating IPPs/PPAs with pro-IPP terms, competitive bidding, asymmetry of information
- Consumers’ participation/feedback/disclosure, services, a magna carta,
- Licensing – performance standards and conditions
- Renewable energy – feed-in-tariffs/net metering
- Third party access arrangements
- Institutional Issues – regulatory frameworks, energy efficiency, renewable energy, IPPs, Open access and retail competition
2. Regional: Trans-ASEAN Energy Networks and Power Markets

Source: ASEAN Center for Energy
2. **ASEAN Interconnection – Regulatory Barriers**

- Licensing
- Expropriation of assets
- Contractual confidentiality, if justified
- Consumer protection and safety standards, including grid codes
- Anti-competitive practices
- Third party access
- Investment recovery
- Information access

Source: ASEAN Interconnection Plan Master Plan Study (2003)
World Energy Regulators’ Statement on Climate Change

Energy regulators worldwide commit themselves to eight actions to meet the challenge of climate change

World Forum on Energy Regulation IV
Athens, 20 October 2009
4. AERN Institutional Issues

- Facilitate Information Sharing but exclude formalities promoting form over substance
- Base agenda on work program and host country’s need
- Financial Sustainability
- Owned and defined by ASEAN regulators
  - ADB/other donors facilitative of country demand
  - ASEAN Secretariat
  - respect regulatory independence but collaborate with other networks were required, e.g. HAPUA
AERN: Activities/Benefits

• Improve implementation of incentive regulation to facilitate access, quality, and appropriate pricing, and promote sustainable energy, and pro-poor issues

• Share and exchange information

• Serve as venue for capacity building and twinning arrangements and align donors

• Meet bi-annually

• Establish web-based interface
Next Steps

- Member focal points and contacts
  - Request for Seniority
- Media Interface
  - Website: ASEAN Secretariat/ADB
  - Social Media
- Circulate Minutes, and Draft Vision, and Draft Work Program based upon priority issues discussed in Manila
- ADB support for consultant
Next Meetings

- ADB: early September – *Indonesia as Chair ASEAN?*
- Malaysia: 10-11 October
- Thailand: Q1 2012
For more information

kmulqueeny@adb.org

www.adb.org