

IPEEC Policy Dialogue on Energy Efficiency in Asia

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Case Studies on Regional Cooperation: Report on ASEAN Energy Regulators' Network

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Members

Brunei Darussalam's Department of Electrical Services	The Philippines' Energy Regulatory Commission
Cambodia's Electricity Authority	Singapore's Energy Market Authority
Indonesia's Directorate General of Electricity and Energy Utilization	Thailand's Energy Regulatory Commission
Lao PDR's Department of Electricity	Viet Nam's Electricity Regulatory Authority
Malaysia's Energy Commission	Myanmar, Ministry of Energy/ Energy Planning Department

Milestones of AERN

- Regional Forum in Singapore (2008)
- ADB TA in SE 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 (SOME) of the Twenty-Eighth ASEAN Ministers on Energy Meeting (AME) (Hanoi)
- Thailand – Energy Regulators' Meeting (March 2009/10)
- Asia Pacific Dialogue / ASEAN Energy Regulators' Network (Philippines) (June 2011)
- SOME of the Twenty-Ninth AME (Brunei)
- ASEAN Energy Regulators' Network (Malaysia) (Oct 2011)

AERN in 2011

- Asian Clean Energy Dialogue : Program for ASEAN Energy Regulators, June 2011
 - Energy Efficiency / Feed-in-Tariff Policy and Regulation
 - ASEAN Energy Regulators' Network Meeting
 - Roundtable on Action Plan for Clean Energy Governance, Policy and Regulation
- Malaysian Energy Commission: 10th Anniversary and AERN Meeting – 11-12 October 2011
 - Country Issues
 - ASEAN Interconnection Plan and Master Standards (licensing x-border, double tax, import and export restrictions on sale/purchase electricity/competition, 3rd party access)
- Indonesia / Philippines tbc – early December 2011
 - Regulatory Effectiveness –ADB Technical Assistance research

ASEAN Ministers' for Energy Meeting – Sept '11

Key Deliverables for ASEAN Energy Cooperation

- Enhancing regional energy connectivity: ASEAN Power Grid and Trans-ASEAN Gas Pipeline projects
- Continued progress towards 8% reduction of energy intensity by 2015 (4.9% reduction achieved between 2005-2010)
- Continued progress towards 15% of renewable energy in total regional energy consumption
- Increase engagement with international organisations including ADB, IEA, IAEA, etc

Issues for the ASEAN Energy Regulators' Network

1. Regional targets

- ASEAN Power Grid – regulatory framework for trade, investment and cross border transmission
- Improving energy efficiency and utility of renewable energy among power utilities

2. National challenges

- Enhancing effective regulation of energy services

AERN Regional Work Plan

Energy Security

- Enhance regional connectivity by improving regulatory frameworks harmonisation of regulatory standards for cross-border access and transmission
- Encourage increase of renewable energy resources in power generation practices, and review current RE usage for improvement

Energy Efficiency

- Improve EE practices in the power utilities, including energy audit training (potential partnership area with AEMAS and HAPUA)
- Incentives for Utility DSM

Regional: ASEAN Interconnectivity



Source: ASEAN Center for Energy

ASEAN Interconnection – Regulatory Barriers

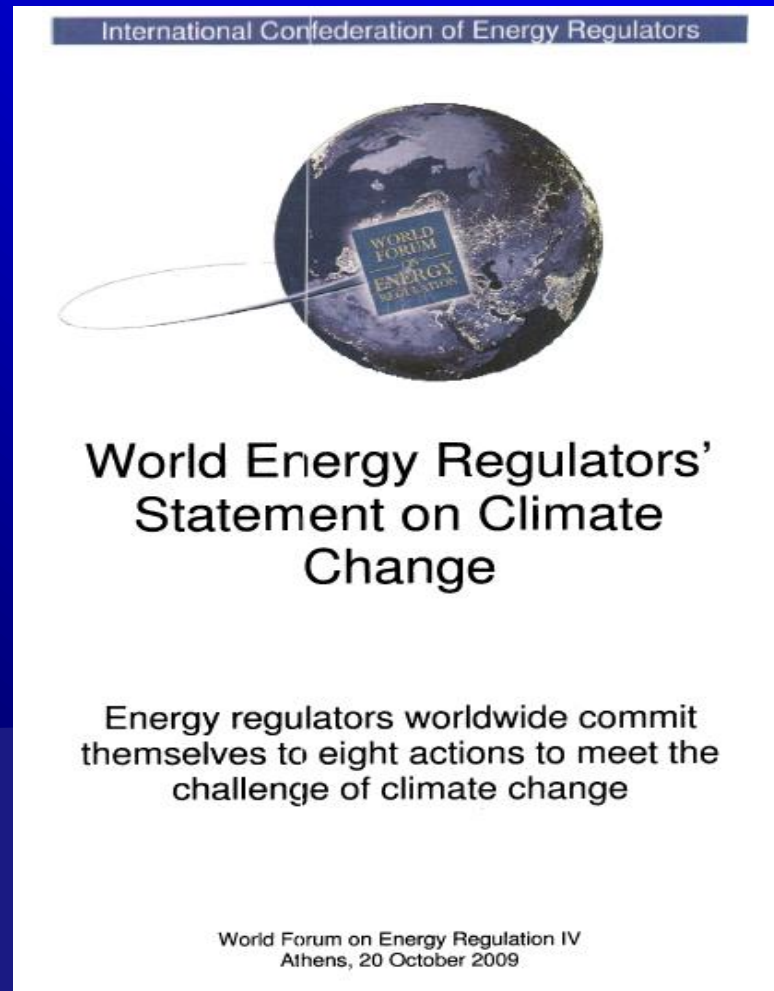
- Licensing
- Expropriation of assets
- Contractual confidentiality, if justified
- Consumer protection and safety standards, including grid codes
- Anti-competitive practices
- Third party access
- Investment recovery
- Information access

Source: ASEAN Interconnection Plan Master Plan Study (2003)

AERN National Workplan: 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

AERN International Engagement – International Confederation of Energy Regulators



Institutional Framework of AERN

- 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
 - AERN Manager – transition to ASEAN Secretariat/ACE
 - respect regulatory independence but collaborate with other networks were required, e.g. HAPUA

AERN: Activities/Benefits

- National:
 - Improve implementation of incentive regulation to facilitate access, quality, and appropriate pricing, and promote sustainable energy, and pro-poor issues
- Regional: ASEAN
 - ASEAN coordination and harmonization
- Methods:
 - Share and exchange information
 - Serve as venue for capacity building and twinning arrangements and align donors, e.g Cambodia
 - Meet at least bi-annually
 - Work through web-based interface

2012 Regional Meetings

- ADB HQ /: early December (tbc)
- Thailand: Q1 2012
- Philippines: Q2 2012
- tbd: Q3 2012
- Singapore: Q4 2012

Going Forward

- AERN Manager appointed
- 2012 Work Program refined based upon priority issues discussed in Kuala Lumpur
- Coordinate with ASEAN Centre for Energy, ASEAN Secretariat, HAPUA to ensure and integrate AERN with regional goals
- ADB support for AERN at 2012 ICER

For more information

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ADB