



Joint-Presentation:

Update Progress on PRLCE Phase1: with initial focus on Renewable Energy

by

Dr. Weerawat Chantanakome, APERC

Mr. Chandran Sundaraj, APERC

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Outline

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Part 1:

1. Preamble: “***APEC Peer Review Mechanisms***”

APEC Energy Ministers’ 2007 Darwin Declaration:

“We directed the APEC Energy Working Group (EWG) to develop a ***Voluntary Energy Peer Review Mechanism***, with an initial focus on progress toward attaining **energy efficiency goals**”

APEC Leaders’ 2007 Sydney Declaration:

“We agreed on the two specific initiatives: 1) **to facilitate and review progress through *voluntary APEC Energy Peer Review Mechanism*, with a report back to APEC Leaders**; and 2) to work towards achieving an APEC-wide goal of a reduction in energy intensity of at least 25 percent by 2030 (with 2005 as the base year)”



1.1 APEC Peer Review Mechanisms for **PREE** and **CEEDS**

APEC Energy Ministers' 2010 Fukui Declaration:

“We commend the **Peer Review on Energy Efficiency (PREE)** which has been successfully carried out for four APEC economies and urge additional economies to participate”.

“We Instruct the EWG and APERC to keep promoting energy efficiency through the **Peer Review on Energy Efficiency (PREE)** and the **Cooperative Energy Efficiency Design for Sustainability (CEEDS)**, and to consider **follow-up efforts** including capacity building activities, policy research support and **processes to gauge the success** of member economies' efforts to implement the recommendations of these programs”.

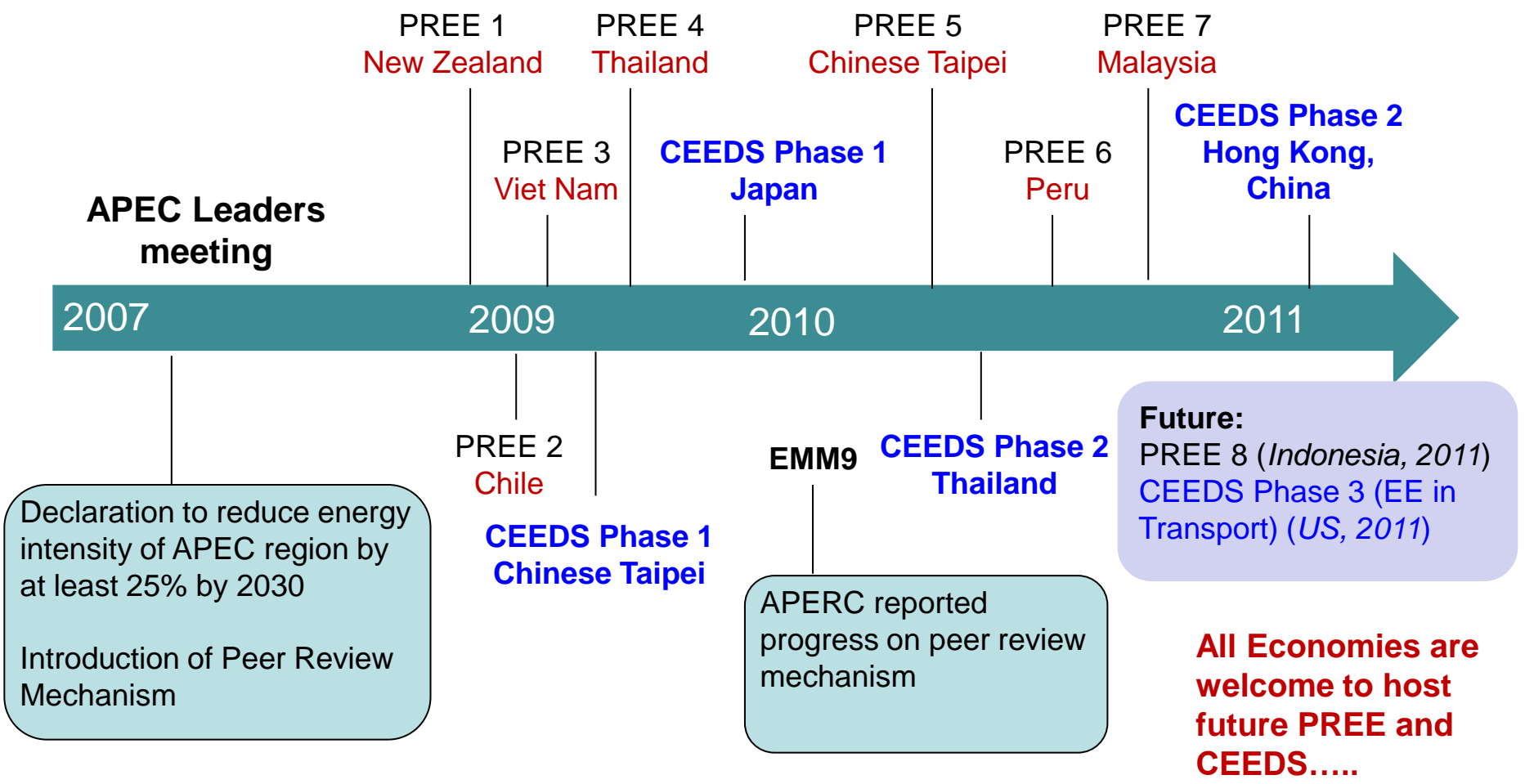


1.2 Fundamental concept of “**APEC Peer Review Mechanisms**”

“To enable APEC economies to share experiences and knowledge, and learn “high –performance” strategies from their *peers* by *setting* goals, *formulating* action plans, and *improving* the effectiveness of current policies in promoting **EE** and **LCES (e.g. RE) development**, as well as *providing* useful *recommendations* for voluntary EE and LCES (e.g. RE) implementations, together with *alternatives* to overcome the impediments in the current plan towards a *more secure and sustainable energy future* for APEC.”



1.3 Update Progress of Peer Review Mechanism..





2. Peer Review Mechanisms for **Low-carbon Energy Supply**

APEC Energy Ministers' 2010 Fukui Declaration:

“We instruct the EWG to explore *mechanisms* to encourage economies to set **individual goals** and **action plans** for introducing *low-emission power sources*, with assistance from APERC and relevant technology expert groups, *building upon the success of PREE*”.

APEC Leaders' 2010 Yokohama Declaration:

“We will promote the deployment of *low-emission power sources* – renewables, nuclear and fossil fuels with carbon capture and storage (CCS)- to make our energy supply cleaner. We will create *low-carbon communities* in the region”



2.1 Peer Review on Low-Carbon Energy Supply (PRLCE)

Plan & Actions:

- APERC will contribute to preparing *Guideline*, as well as good *recommendations* by carrying out analyses on effective and efficient implementation of *high performance policies* to promote Low-Carbon Energy Supply.
- *Two volunteer economies per year* are expected to host PRLCE Phase 1 using APEC Funding.
- *Malaysia and Thailand* are interested in hosting PRLCE Phase1 with a focus on Renewable Energy by end 2011.

PRLCE is a *multi-year* project



2.2 Purpose and Main Objectives

Purpose:

To assist volunteer APEC economy to promoting ***low-emission power sources*** by providing *recommendations* from APEC peer review experts.

Main Objectives:

- ❑ Share experiences and knowledge on *best practices* for efficient and effective policies to promote renewable power supplies in developing APEC economies, and how to adapt policies and measures which have been successful elsewhere to the unique conditions of each economy;
- ❑ Encourage developing APEC economies to set individual goals on power supply from renewable sources, and to formulate action plans to achieve the goals;

Above requires effective capacity building to analyze and implement policies to promote low-emission power supplies



2.3 Other Objectives..

- ❑ Explore how government can create effective and efficient low-carbon/low-emission energy policies and can accelerate their implementations.
- ❑ Identify effective policies to encourage technological innovations and promote large-scale commercialization.
- ❑ Provide *recommendations* on how implementation of action plans could be improved with a view to achieving the goals and to overcome impediments in the current plan.
- ❑ Explore ways that cooperative efforts among the APEC economies could assist in achieving these objectives

We highly respect the different circumstance of individual economy for the interested area(s) of review



2.4 Examples of *High Performance* Policies to promote RE

- (1) Appropriate/effective goal-setting and action plans on low-carbon, low-emission power sources e. g . renewable energy.
- (2) Appropriate policies on feed-in tariffs / RPS to promote RE.
- (3) RE financing (e.g. fiscal incentives such as tax exemptions or investment grants).
- (4) Well-designed policies/ regulatory framework to encourage entrepreneurial innovation in promoting RE.
- (5) Efficient policies to overcome non-economic barriers at various stages of RE development and deployment.
- (6) Effective RD&D policy to promote RE.
- (7) Carbon pricing policies
(e.g. emission trading / carbon tax)
- (8) More comprehensive policy design to encourage low-carbon communities in APEC Low-Carbon Model Town Project.

Depend upon condition and circumstance of individual economy



2.5 Summary (1)

- The PRLCE responds to the *Energy Ministers' instruction* from their meeting in Fukui, Japan in 2010 to explore mechanisms to encourage APEC economies to **set individual goals and action plans** for introducing low-emission power sources.
- As with the APEC PREE, a **Peer Review Team** comprised of experts on low-carbon energy policy from APEC member economies will review *how* low-carbon energy goals and action plans could be effectively formulated and *how* progress toward low-carbon energy goals could be monitored, and then provide *recommendations* for voluntary implementation.



2.6 Summary (2)

EWG Expectations

- EWG40 in Brunei has endorsed a Peer Review on Low-Carbon Energy Supply (PRLCE) *Concept Note*.
- A preliminary report of the first Peer Review on Low-Carbon Energy Supply (PRLCEs) will be presented at the EWG meeting in 2012.
- It is expected that two (2) PRLCEs will be conducted in 2011 with reports to be ready in time at EWG42 in 2012.

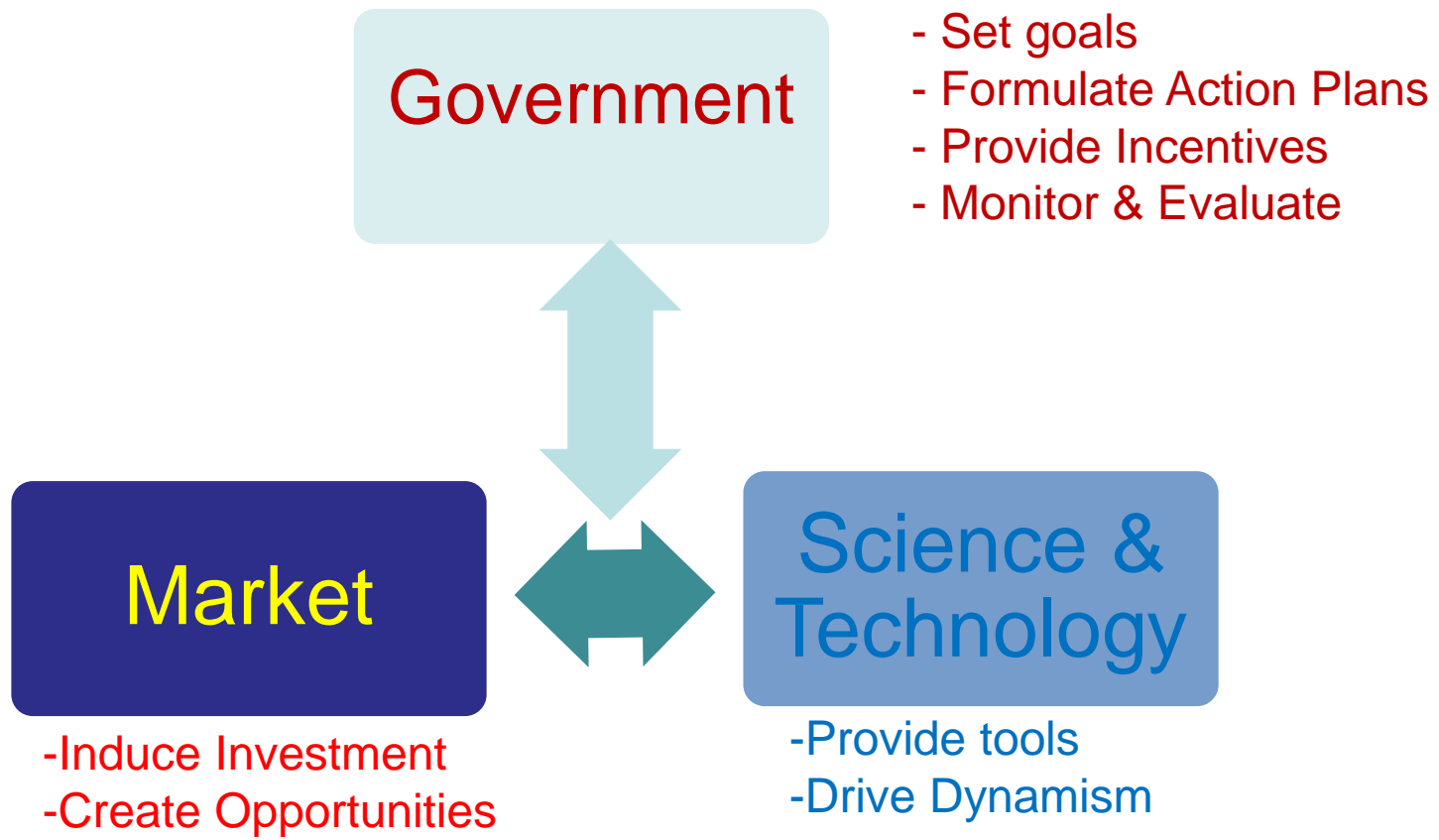


3. PRLCE Project Guidelines: *Highlights*

Part 2: PRLCE Guidelines



3.1 PRLCE Guidelines: Goals and Action Plans Setting





3.2 PRLCE Guidelines: *Highlights*

Main Principles:

- recognise and be responsive to the *context* for Low-Carbon Energy Supply in the economy;
- review the economy's Low-Carbon Energy Supply policy framework;
- review strategic Low-Carbon Energy Supply programs;
- review the effectiveness of delivery activity strategy;
- review the analytical processes used to evaluate options and monitor progress;
- highlight and acknowledge progress;
- highlight *areas for development* and make practical suggestions; and
- seek to identify effective policies, *best practices* and *high performance* programs e.g. for RE promotion in volunteer economy.



3.3 PRLCE Guidelines: *Highlights*

Main Caveats:

- The Peer Review may cover *wider* energy policies as long as it is meaningful in the context of Low-Carbon Energy Supply Policies and Programs.
- The Peer Review should not critique the political or economic systems or development context of an economy.



3.4 PRLCE Guidelines: *Highlights*

Main Roles and Responsibilities:

Host Economy

- Plan review process
- Prepare Documents for Review
- Arrange logistic needs
- Assess the preliminary and the draft final report

Review Team

- Conduct the review
- Present findings and recommendations in the preliminary report
- Prepare the draft final report

EWG

- Discuss and endorse the draft final report
- Report to APEC Senior Officials

APERC

- Coordinate the review team formation with the host economy
- Coordinate the draft final report preparation with the host Economy

4. PRLCE: Activities & Expected Outcomes

Main Activities:

- 1) APEC economies announce to voluntarily host the PRLCE(*Malaysia* and *Thailand* have already expressed their interest to host PRLCE in 2011).
- 2) Host Economy in consultation with APERC will define the scope of review.
- 3) Review team establishment : Host economy will request EWG members to nominate experts. Host economy confirms the review team members in consultation with APERC.
- 4) Host economy will prepare background Information on policies to promote Low-Carbon Energy Supply (e.g. RE)
- 5) Review team visit.
- 6) In consultation with a host economy, the review team will prepare draft review report with recommendations.
- 7) The endorsement of the draft final report by EWG.

Expected Outcomes

- 1) A review report. The endorsed report will uploaded onto APERC website (<http://www.iece.or.jp/aperc>) with link to APEC website

The assistance from relevant APEC technology expert groups e.g. EGNRET and relevant APEC task-forces is the key of successful peer review.



4.1 PRLCE: Confidentiality & Transparency

Main principles of Confidentiality & Transparency:

- All participants in this process must maintain confidentiality of Peer Review information;
- Until the Draft Final Peer Review report is released by Host Economy to the EWG Secretariat, the review team, APERC and the Peer Review Economy must treat all content and discussion as confidential; and
- The host economy has the right to classify specific information of the Peer Review as confidential; e.g. commercial-in-confidence information.



5. PRLCE: Examples of Review Criteria

Examples of Review Criteria:

- Does APEC member economy have individual goals on power supply from low-emission power sources? Are they measurable and verifiable?
- If measurable and verifiable individual goals on power supply from low-emission power sources have been set, is the APEC member economy envisaging reasonable efforts for exploring the potential for future improvement in Low-Carbon Energy Supply?
- Is the government monitoring the effectiveness of its Low-Carbon Energy Supply policies and measures?
- Does APEC member economy have Low-Carbon Energy Supply action plans? If so, do they contain concrete policies and measures for achieving their objectives?



5.1 PRLCE: Examples of Review Criteria

Examples of Review Criteria (cont..):

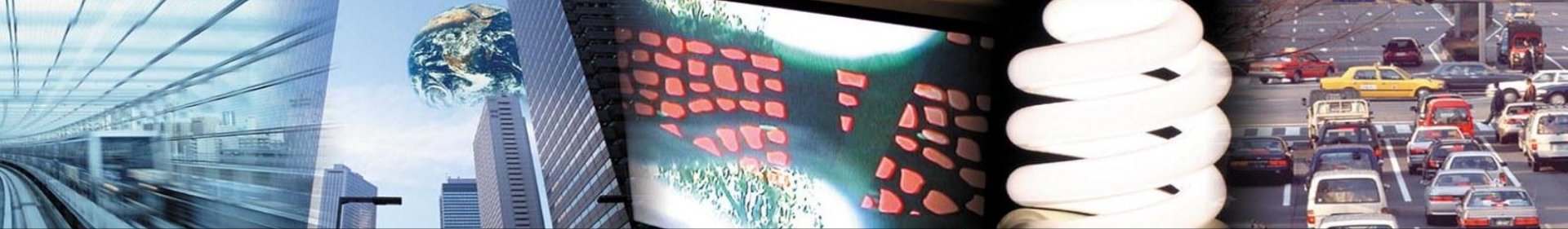
- Does APEC Member economy have a broader suite of *regulatory and/or market-based responses* (e.g., domestic emissions trading) which could encourage Low-Carbon Energy Supply improvement?
- Are the action plans being appropriately implemented and backed by sufficient financial and human resources, appropriate to the chosen Low-Carbon Energy Supply strategy?
- Are there any inconsistencies among policies and measures, for example, spending a lot of government resources for improving Low-Carbon Energy Supply while subsidizing energy prices?



5.2 PRLCE: Examples of Review Criteria

Examples of Review Criteria (Cont..):

- What are the roles of the government and the private sector for pursuing Low-Carbon Energy Supply? What kind of public-private partnership (or cooperation) is occurring?
- Is the APEC member economy on the right track towards achieving its own Low-Carbon Energy Supply goals?
- If not, what options for implementation are available that are relevant to the chosen Low-Carbon Energy Supply strategy and that reflect the individual circumstances of the member economy being reviewed?



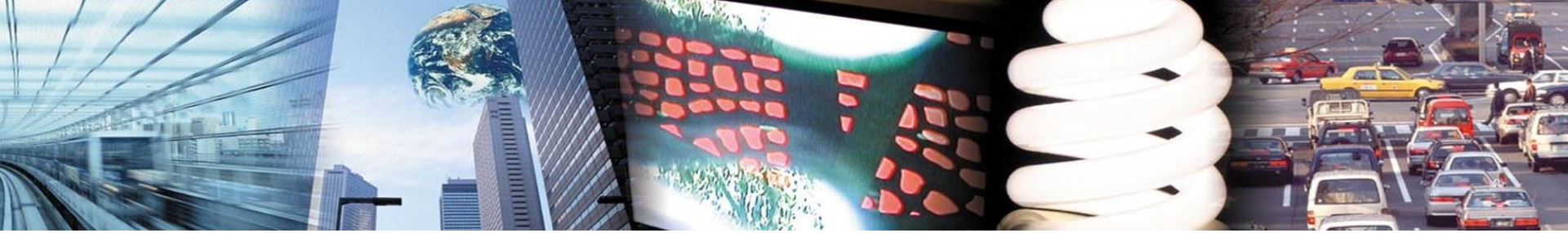
5.3 PRLCE: Key Events and Timelines

No	Actions	M04	M05	M06	M07	M08	M09	M10	M11	M12	M01	M02	M03	
1	Peer review mechanism													
1.1	Prepare peer review guidelines													
1.2	Seek endorsement on the guidelines													
1.3	Preparation for peer reviews (in a fiscal year)													
1.3.1	Economy 1 (● indicates review visit)													
1.3.2	Economy 2 (● indicates review visit)													
1.4	Finalise reports and seek endorsement													
1.5	Publish the reports on websites													



5.4 Way Forwards...

- The PRLCE Phase 1 will put its initial focus on **renewable energy power supply**.
- APEC Funding is expected to be available for two economies to host Peer Review on Low-Carbon Energy Supply Phase 1.
- Two economies, **Malaysia and Thailand**, have already volunteered to host PRLCEs Phase 1 with focus on Renewable Energy in the fourth quarter of 2011.



Thank You

***PREE Reports
Compendium Report
CEEDS Phase 1 and 2 Reports
Report on Pathway to Sustainability***

are available in APERC website

<http://www.ieej.or.jp/aperc/>