

SUMMARY RECORD OF THE THIRD MEETING  
OF APEC ENERGY PROJECT GROUP  
Cairns, 25-26 September 1991

## INTRODUCTION

At the First APEC Energy Meeting held in Singapore in May 1990 it was decided that the objective of the APEC Energy Project would be to maximise the energy sector's contribution to the region's economic and social well-being by:

- . contributing to decision-making through frank and open discussion of national energy policies and planning priorities
- . sharing of basic resource demand and supply outlook data; and
- . consideration of the regional energy policy implications and responses to wide-reaching energy related issues such as the greenhouse effect.

A work program based on five main themes was developed at the First Meeting and endorsed by Ministers. The theme areas were:

- . energy supply and demand
- . energy and environment
- . energy conservation and efficiency
- . research, development and technology transfer
- . resource exploration and development.

At the Second APEC Energy Meeting held in Jakarta on 13 and 14 March 1991 a series of draft proposals prepared under these theme areas were considered, and further action to progress the work of the APEC Energy Program was agreed. The purpose of the Third APEC Energy Meeting held in Cairns on 25 and 26 September was to consider the work and recommendations flowing from the Second Meeting and decide on action to progress the work under these themes, including the nature of the report to be put to the Ministerial Meeting scheduled for 12 to 14 November 1991.

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## BUSINESS ARRANGEMENTS

The meeting was chaired by Mr Peter Core, Executive Director, Minerals and Fisheries Group, of the Australian Department of Primary Industries and Energy. Australia was the Rapporteur for the meeting. Attendance at the meeting included delegations from Australia, Canada, Indonesia, Japan, the Republic of Korea, the Philippines, Singapore, Thailand, the United States of America, and the PECC Minerals and Energy Forum.

The draft Agenda previously circulated was adopted (copy of Agenda is at Annex 1 and the list of attendees is at Annex 2).

#### WELCOME ADDRESS

Mr Peter Core as Chairman presented a welcome address.

#### ROUND TABLE STATEMENTS ON NOTABLE ENERGY DEVELOPMENTS AND ACTIVITIES

Each delegation presented a brief overview of notable energy developments of relevance to their sphere of interest and some delegations provided additional material in written form. A summary of the main points raised is at Annex 3. Delegates noted the importance of this information exchange.

#### ENERGY SUPPLY AND DEMAND THEME

At the Second Meeting it was agreed that an Expert Group would be established within APEC and that this Group would be responsible for managing and reviewing the operation of an energy data base. It was also agreed that the central data collection point would be established in the Japanese Institute of Energy Economics.

The Expert Group met in May 1991 and its report, together with the proposed format for data exchange, was considered following a presentation by the delegation from Japan.

Japan presented the report of the Expert Group meeting and reported that the Expert Group meeting was successful in fulfilling its objectives. The report outlined the proposed format and data collection mechanism and this was agreed.

The Expert Group proposed the collection of a trial data series for calendar year 1990 and the first quarter of 1991 on the basis of the agreed format. Those countries that have not yet submitted data were urged to do so no later than end October 1991. It is proposed to complete and produce an initial data set by November 1991 prior to the proposed December Expert Group discussions. The December meeting of the Expert Group will assess the data base and report to APEC Energy Officials on any problems they identify.

There was broad discussion on the uses to which the data base could be applied. Australia gave a brief presentation on the issue and tabled a paper to facilitate discussion. Recognising the need to conduct the trial and consolidate the data base as a first step, it was agreed that this issue should appropriately be taken up at the next meeting. Other issues discussed, but similarly deferred for later decisions, were the utility of current data, that is quarterly and monthly, if not available from all member countries, and collection and aggregation of national energy forecasts.

#### Action Arising/Next Steps

- . All APEC countries that have not yet done so to submit data no later than end October 1991. Japan will contact the ASEAN Secretariat for ASEAN country data.
- . Trial of data against agreed format to be done in November 1991.
- . Expert Group to meet in December 1991 to assess the data base and report on any problems that arise.
- . Data base applications to be considered by Expert Group that will report on next steps.

#### ENERGY AND ENVIRONMENT THEME

At the Second Meeting participants considered a proposal for a preliminary study into the role of coal in the region, and the potential for increased use of clean coal technologies. It was agreed that the United States of America and Australia, as co-managers of this theme, would explore more fully the next steps that could appropriately be taken and present a refined proposal to members.

A proposal concerning the possible establishment of an APEC Coal Utilisation Centre was considered following a presentation on their paper by the delegation from the United States.

The proposal agreed, involves the establishment of an Expert Group to undertake a more comprehensive analysis of issues associated with coal and the environment in the pre-combustion, combustion, and post-combustion context. Membership of the Expert Group is open to all interested APEC members, is to be chaired by the United States, and at the time of the meeting the following countries advised of their intention to participate on the Expert Group: Australia, Canada, Japan and Korea. Some other delegations noted the desirability of participating on the Expert Group and agreed to

refer the matter to their capitals. Responses will be furnished to the United States as soon as practicable.

The Expert Group will copy reports of meetings and relevant documentation to all member countries for information. It was agreed that the Expert Group would aim to provide a report on phase one, the definitional phase, within 12 months (say by end of September 1992). It was further agreed that this report would form the basis for a seminar to be attended by interests from the public and private sectors following which a recommendation would be sought on the merit or otherwise of proceeding with a Coal Utilisation Centre.

Details of contacts for finalising membership of the Expert Group are at Annex 4.

#### Action Arising/Next Steps

- . Establishment of an Expert Group to undertake a study into the role of coal in the region and issues surrounding increased use of clean coal technologies.
- . The Expert Group to be chaired by the United States and to report within 12 months.
- . A seminar with representatives from both the public and private sectors to be held to discuss the findings of the study and the feasibility of establishing an APEC Coal Utilisation Centre.

#### ENERGY EFFICIENCY AND CONSERVATION THEME

At the Second Meeting participants agreed to progress work on this theme initially by providing details of their energy efficiency and conservation programs to the United States. The United States undertook to collate the data on a country by country basis to facilitate consideration on how co-operation in the region on energy efficiency can be pursued. Members considered the next steps following a presentation by the delegation from the United States.

The approach adopted in the document presented for consideration at the Third Meeting was fully supported. Those members that had not provided information to date were urged to do so as soon as possible.

Members agreed that the document provided information that could be of value to all members and that it should be updated on an annual basis. This could be achieved by members annually informing the United States of new initiatives and the termination of any matters contained in the document.

It was also agreed that in the interim, say by end November 1991, members would check the document presented at the Third Meeting for accuracy and completeness and advise the United States of any changes needed.

General discussion on the desirability of providing a greater focus on matters of key importance resulted in agreement that members would provide comment to the United States on those aspects of particular importance to them. This will be complemented by various consultations that the United States may hold with other members and may lead to streamlining of the coverage. The United States will then prepare a document on prospects for energy co-operation for consideration at a future meeting of APEC Energy Officials. The United States also undertook, at the suggestion of Australia, to examine the feasibility of producing a compendium of energy efficiency and conservation measures that could be referred to by members for the purpose of them internally assessing whether practices and technologies applied elsewhere could beneficially be applied domestically.

#### Action Arising/Next Steps

- . Countries that have not submitted documentation on their programs to the United States should do so immediately.
- . Data on country-by-country energy efficiency and conservation progress to be updated annually. *Energy of EPEC.*
- . APEC Members to check draft for accuracy and completeness and report any changes to the United States by end November 1991.
- . United States will prepare a document on best prospects for co-operation for circulation to APEC members for comment and for rank ordering of interest.
- . United States to examine the feasibility of producing a compendium of energy efficiency and conservation measures.

#### RESEARCH, DEVELOPMENT AND TECHNOLOGY TRANSFER THEME

The member countries agreed to a framework and plan of action for technology co-operation.

The objective will be to maximize the degree of technology assimilation by member countries by increasing the ability to assess, operate, maintain and adapt both existing and new technologies specifically for individual country needs.

The objective is to be achieved by focussing on three basic information activities:

- . technology and systems evaluation results
- . performance testing results
- . techniques for technology adaptation.

The member countries agreed to establish an Expert Group on Technology Co-operation. The Chairman of the APEC Energy Project Working Group will work with the ASEAN nations for the group to be chaired by an ASEAN member country to ensure that the activity meets the developing countries' needs.

The Expert Group will be guided by the following concepts:

- . industry, as well as government, should be involved
- . workshops/seminars primarily feature technical and economic performance data of operational and prototype technologies
- . link with and use existing technology information data bases and clearing-houses.

The taskings for the Expert Group, to be further considered by the Group, are:

- . agree upon a limited number of technologies, possibly in renewable energy, as co-operation prototype
- . establish procedures and mechanisms for the routine exchange of pertinent information among member countries
- . identify and mobilize, as appropriate, industry and government sources of technical assistance and educational programs
- . recommend and organize, as appropriate, a few activities, such as workshops/seminars, exchanges, educational and training courses, or special technical assistance teams, to demonstrate the merits of this approach to technology co-operation.

Participants considered a proposal concerning the member countries' activities on energy related research and development, and future activities including a seminar on new energy. The proposal was that a seminar be held in one of the ASEAN countries,

organised by New Energy and Industrial Technology Development Organization, with support from the Japanese Government. Participants agreed that the seminar be carried out in October 1992 and that the following aspects be fully considered.

The seminar should be oriented toward applied technology and commercialisation and involve the private sector, rather than simply academic researchers and scholars. The seminar should not give the public too optimistic an image for the future of new energy. The seminar should have a good focus on technology.

It was also agreed that interested ASEAN members will express to Japan their intentions to serve as a venue for a seminar, so that the location of the seminar can be decided on as a matter of priority. The Japanese Government is currently examining the possibility of covering costs of rental of a venue and producing pamphlets and reports of the seminar etc.

#### Action Arising/Next Steps

- . The Chairman of the APEC Energy Project Working Group is to form an Experts Group on Technology Co-operation.
- . ASEAN members to express their intentions to offer a place for a seminar to Mr Ryoichi Horie, Deputy Director, Energy Resources Division, Economic Affairs Bureau, Ministry of Foreign Affairs, through the Embassy of Japan.
- . Japan to develop a more detailed proposal for the seminar and to distribute the proposal to members for consideration.

#### OTHER ISSUES

No current proposal was considered on the Resource Exploration and Development Theme at this meeting.

The issue of energy security in the region was raised and members felt that this particular issue could be discussed in the future when the need arises.

A draft paper on the activities of the APEC Energy Project Group to be used for reporting to the Ministerial Meeting to be held in Seoul from 12-14 November 1991 was circulated (and agreed).

**NEXT MEETING**

Members reserved their decision on the precise timing of future meetings until the date for the subsequent APEC Ministerial Meeting is decided at the November 1991 Ministerial Meeting. However, dependent upon the outcome of that decision, members felt that a meeting hosted by Australia in May 1992 and by the Republic of Korea in September 1992 may well be appropriate; the precise dates and venues will be determined out of session.