

# ASIA-PACIFIC ECONOMIC CO-OPERATION

## ENERGY WORKING GROUP

### SUMMARY RECORD OF THE SIXTH MEETING

CANADA, 15-16 JUNE 1993

#### INTRODUCTION

The objective of the APEC Energy Working Group is to maximize the energy sector's contribution to the Asia-Pacific region's economic and social well being. The sixth meeting of the APEC Energy Working Group was held in Kananaskis, Canada on 15-16 June 1993 to consider progress under the Group's four themes, projects for 1994, a Group Vision Statement and policy issues which warrant specific attention by the Group.

#### BUSINESS ARRANGEMENTS

The meeting was co-chaired by Canada and Australia. Attendance comprised delegations from Australia, Canada, Hong Kong, Indonesia, Japan, the Republic of Korea, the Philippines, Singapore, Chinese Taipei, Thailand, the United States of America, the APEC Secretariat, the Pacific Economic Cooperation Council Minerals and Energy Forum, and the South Pacific Forum Secretariat.

The Agenda as adopted is at Annex 1. Participants are listed at Annex 2.

#### OPENING ADDRESS

The Canadian Co-Chairman, Mr. David Oulton, presented an opening address. (Annex 3)

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

Each delegation presented a brief overview of key domestic energy developments and responded to questions from delegates. Delegations provided summaries of their presentations for inclusion in the record (Annex 4). Delegations noted that these exchanges enhance the understanding of current energy issues in member economies and that there are a wide range of issues of mutual interest.

## **VISION STATEMENT FOR THE ENERGY WORKING GROUP**

The Group considered the views that member economies had provided on what they are seeking from participation in the Energy Working Group. These views were circulated consistent with the decision taken at the fifth meeting of the Working Group that such action would facilitate discussions at the sixth Working Group meeting.

Members also noted that APEC Senior Officials agreed that Working Groups should make a more active effort to enunciate their objectives and plans in Vision Statements and that these would be submitted for consideration to APEC Ministers in November, 1993.

The Group considered a draft version of the Vision Statement prepared by the Group Secretariat. Following discussion a revised text was prepared and it was agreed that this be forwarded with the report to Senior Officials. It was also agreed that the Vision Statement be reviewed in 12 months time.

### **Action Arising/Next Steps**

- The Vision Statement is to be attached to the report to Senior Officials.
- The Vision Statement is to be reviewed around June, 1994.

## **POLICY PRIORITIES**

Members considered the draft policy issues paper prepared by Australia in its capacity as Shepherd of the Energy Working Group and agreed that the development of such a paper, that identifies key policy issues relevant to the energy sectors of member economies, is important for providing a sharper focus for activities by the Group and for drawing to the attention of Ministers those issues the Group sees as being worthy of priority attention.

Such a document would form a framework for substantive discussion at future meetings. Members are to provide comment on the draft to the Group Secretariat to facilitate the preparation of a paper for agreement.

Members also agreed to a proposal that a policy discussion paper be prepared for presentation and detailed consideration at the next Working Group meeting. The Group Secretariat canvassed subjects for discussion and it was agreed that the subject of the first paper would be "Measures to improve rational energy consumption." The Secretariat will prepare an outline for circulation to member economies. Members who wish to be involved in developing the document are to advise the Group Secretariat.

Members also considered the merits of an APEC Energy Ministerial being held in 1994, but it was agreed that a substantive policy agenda should be generated before proceeding with further consideration of this issue.

### **Action Arising/Next Steps**

- Members are to provide comment on the draft policy paper to the Working Group Secretariat by the end of July 1993.
- The Group Secretariat is to circulate a revised policy paper to member economies by the end of August, 1993 for clearance.
- The Group Secretariat is to prepare a draft outline for a paper on measures to improve rational energy consumption and will circulate the draft to members by the end of July 1993 for comment.

- Members are to provide comment on the draft outline to the Group Secretariat by mid August and of their intention to participate in drafting.

## **APEC ELECTRONIC INFORMATION NETWORK (APECNet)**

In consultation with members, the Working Group Secretariat prepared a report, "Opportunities for the Application of APECNet" consistent with the decision taken at the fifth meeting of the Working Group. Following a presentation by Singapore, members considered the report.

Members agreed to the conclusions contained in the report and that it should be forwarded to the Special Taskforce of Experts, set up by the Telecommunications Group to address the issue of an APEC-wide information system, and to Senior Officials for information and consideration. Decisions on the application of the APECNet to Working Group activities will be taken following consideration of the report by the Telecommunications Group Special Taskforce. In the meantime, Expert Groups were asked to consider the application of APECNet to their activities. Members noted that in the case of certain economies, the application of APECNet would be subject to careful benefit/cost analysis.

### **Actions Arising/Next Steps**

- The Group Secretariat will forward the report to the Special Taskforce of Experts and to APEC Senior Officials by the end of June, 1993.
- Expert Groups are to continue to consider the application of APECNet to their activities.

## **WORK THEMES**

### **Energy Supply and Demand**

Japan presented a report on the APEC energy database. It was noted that considerable progress has been made and that provisional statistics will be distributed for comment by member economies by the end of July, 1993.

Members also noted that the energy database would be published in the agreed format in September 1993 with the support of \$US 20,000 from the APEC Central Fund.

Members agreed to the work program proposed for 1994 which includes a further publication of energy statistics, and supported a proposal that consideration be given to \$US 20,000 being sought from the APEC Central Fund for this purpose. The Co-chairman urged member economies to provide outstanding data in a timely fashion to facilitate an effective third trial run.

Members agreed that Australia and Japan develop a draft proposal for the future expansion and application of the APEC Energy Database and agreed that this be completed by the end of October, 1993 to enable consideration at the next meeting of the Working Group. The importance of projections or forecasts in the context of considering policies and programs was underlined.

#### **Action Arising/Next Step**

- Preliminary statistics are to be distributed by the end of June, 1993 by member economies through the Expert Group network for comment by member economies by the end of July, 1993.
- Modified statistics are to be published and distributed in September, 1993.
- Australia and Japan are to prepare a draft proposal for the future expansion and application of the APEC energy database for consideration by the Expert Group and by the Working Group by the end of October 1993.
- A submission is to be forwarded to the Working Group Secretariat for onforwarding to the APEC Secretariat by 10 July, 1993 for \$US 20,000 in 1994 to fund the publication of energy statistics.
- The Expert Group is to meet in 1994 on a date to be decided.

## **Energy and the Environment**

The United States presented a progress report on activities under this theme. Members expressed full satisfaction with the progress being made under this theme and with the production and publication of the report "The Role of Coal and Clean Coal Technologies in the Asia Pacific Region". Members agreed that the Expert Group hold periodic seminars to address CCT issues of importance to APEC economies. The seminars are to cover the status of technology developments, efficiencies, economics, financing, emissions and policy issues, including options for encouraging the introduction of appropriate CCT's.

Members noted that the first of a series of technical seminars on CCT's will be held in Chiang Mai, Thailand from 8-10 September 1993. \$US 20,000 in 1993 from the APEC Central Fund was agreed for this activity and a further \$US 20,000 was approved for publication of the CCT report. The United States reported that it had funded the CCT report internally and sought transfer of the consequently available funds to the CCT seminar. This has raised issues of procedure that need to be taken up in the first instance with the APEC Secretariat. Members stressed the need for flexibility within the APEC Secretariat, especially during the transition from the development of proposals that predated establishment of the new budgetary regime.

Members noted the proposals by the Expert Group for a further seminar on CCT's and research into the feasibility of a CCT technical training program in 1994, supported by finance from the APEC Central Fund amounting to \$US 50,000 each. The proposals were supported for consideration in the context of group project priorities.

### **Action Arising/Next Step**

- Funding issues associated with publication of the CCT report and the seminar on CCT's in Chiang Mai on 8 - 10 September, 1993 are to be addressed by the chairman of the Expert Group with support from the Working Group Secretariat by early July, 1993.
- Detailed proposals agreed for the 1994 year are to be forwarded to the Working Group Secretariat for onforwarding to the APEC Secretariat by 10 July 1993.

The next meeting of the Expert Group is to be held on 11 September 1993

### **Energy Efficiency and Conservation**

The USA delegation provided a report on activities under this theme.

Members noted that considerable progress has been made and that \$ US 80,000 had been approved from the APEC Central Fund for projects. Members noted that a workshop on demand side management in the electricity industry was held on 12-14 May in Seoul, Korea and was well attended. The workshop provided a sound basis for follow up activity. Other projects for which funding was approved are: publication of a compendium relating to the building and industrial sectors, a compendium of energy efficiency practices and conservation measures, and a workshop on energy efficiency in urban transportation. The latter project has been postponed until 1994 and additional funds were sought by the Expert Group. It was agreed that this proposal constituted a "new" project.

Members agreed that the following project proposals for funding in 1994 from the APEC Central Fund be given consideration in the context of overall priorities; an urban transportation workshop, an Electricity Demand Management vendor list, a directory of urban transportation vendors, a technical co-ordination unit and a survey of commercialization strategies for energy efficiency and conservation technologies. These projects total \$US 150,000 plus the \$US 20,000 provided in 1993. However, members agreed that the technical co-ordination unit proposal warranted further discreet attention because of reasons of precedent.

## **Action Arising/Next Steps**

- Detailed documentation covering the projects agreed by the Working Group as warranting support from the APEC Central Fund in 1994 is to be prepared by the Expert Group and forwarded to the Working Group Secretariat for onforwarding by to the APEC Secretariat by 10 July 1993.
- Members of the Expert Group are to meet in Canada in October/November 1993 to consider, inter alia, the draft compendiums of energy policies and regulations in the building sector and on energy efficiency practices and measures.

## **Research, Development and Technology Transfer**

The Japanese, Australian and United States delegations provided progress reports on activities under this theme.

Members noted the progress on the work program and expressed particular appreciation for the very successful seminar on New Energy Co-operation sponsored by Japan and Indonesia and held in Bali in November, 1992. The seminar attracted a high level of attendance. Members noted that a further seminar on APEC Energy R&D and Technology Transfer is proposed by the Japanese delegation for late 1993/early 1994 at a venue to be decided and gave this full support.

The Expert Group has received approval for finance amounting to \$US 100,000 from the APEC Central Fund to support the development of a technology co-operation guide, a prototype photovoltaic visits training program, the development of a natural gas vehicle network and the development of a compendium of renewable energy programs. In addition to these projects, the Group noted the work on the development of a paper by Dr. Choi from Korea on technology assessment needs in the region.

The photovoltaic information visit to Australia is expected to commence in late July 1993 for two weeks, and work is in progress on the technology cooperation guide and the development of a natural gas vehicle network, although contributions by some member economies are still awaited. The compendium on renewable energy programs is expected to be activated following proposed discussions between the United States and the Expert Group Chairman.



Members endorsed for further consideration in the context of priorities for the 1994 work program a workshop on natural gas vehicles, a survey on standards for equipment and the publication of a register/vendors list for new and renewable technology services. These projects involve a total bid of \$US 50,000 from the APEC Central Fund. It was agreed that consideration should be given to including the natural gas vehicles workshop within the proposed workshop on urban transportation with the two Expert Groups consulting.

The Thai delegates indicated that it was appropriate that another member economy assume leadership of the Expert Group. Member economies were requested to indicate their preparedness to assume this responsibility.

#### **Action Arising/Next Steps**

- Detailed documentation covering the projects agreed by the Working Group as warranting support from the APEC Central Fund in 1994 are to be prepared by the Expert Group for onforwarding by 10 July, 1993.
- The Expert Group may meet in August/September 1993 to consolidate its work program
- Members who have not contributed to the status report on natural gas vehicles are requested to advise the Secretariat before the end of July, 1993.
- Members who have not contributed to the Technology Co-operation Guide are requested to respond to the Secretariat by the end of July, 1993.
- All member economies are requested to respond direct to Dr. Choi, on the questionnaire on technology needs and priorities by the end of July, 1993.

## FUNDING OF ENERGY WORKING GROUP ACTIVITIES

The Group noted the presentation by Mr. Yang Yafei from the APEC Secretariat on funding issues including principles and guidelines endorsed by APEC Senior Officials.

Members fully supported the need for full accountability, value for money and openness, but expressed concern at the apparent lack of understanding of business process and flexibility on the part of the Secretariat indicated by the presentation. The Thai delegation registered a strong protest at the unhelpful tenor of the presentation.

The Group Secretariat suggested that issues of concern in regard to the decisions taken by Senior Officials would need to be addressed in that forum, but that indications are that some of the apparent difficulties arise from the APEC Secretariat's interpretation of those decisions. The Group Secretariat will write to the APEC Secretariat setting out the nature of the Groups concerns and seeking greater flexibility.

Members agreed to put forward proposals for high priority programs amounting to a budget in 1994 roughly equivalent to the \$US 240,000 obtained by the Working Group for 1993. In the absence of additional funding, other projects ready to proceed will be deferred.

Members agreed to support the following high priority projects for finance from the APEC Central Fund.

	\$US
<b>Supply and Demand</b>	
. Publication of the Energy Database	20,000
<b>Energy and the Environment</b>	
. 1994 Seminar on Clean Coal Technologies	50,000
. Training Program on Aspects of Clean Coal Technologies	50,000
<b>Energy Efficiency and Conservation</b>	
. Urban Transportation Workshop including natural gas vehicles	30,000 (a)
. Electricity Demand Management Vendors List	20,000
. Directory of Urban Transportation Vendors	30,000
. Survey of Commercialization Strategies	20,000
<b>Energy R&amp;D and Technology Transfer</b>	
. Survey of impediments to the use of new and renewable technologies.	20,000
<b>TOTAL</b>	<b>\$240,000</b>

(a) Assumes \$US 20,000 is available in 1993

Other projects ready to proceed if funding is available are:

. A survey of standards for equipment	20,000
. A new and renewable technology services vendors list	10,000
. A follow-up photovoltaic information visit	50,000

Following a suggestion that a Technical Co-ordination Unit be funded to support the Expert Group on Energy Efficiency and Conservation, members noted that such funding would widen the possibility for rotating the chairing of expert groups.

Some suggestions connected with generating funds were made. It was agreed that this issue would be listed on the agenda for the next Working Group meeting, and that in the interim the Group Secretariat would canvass the experience of other Working Groups in this context.

### **Action Arising/Next Steps**

- Expert Groups to develop project proposals for onforwarding by the Group Secretariat to the APEC Secretariat by 10 July, 1993
- Australia as Shepherd will submit the Group's 1994 proposals to the Secretariat immediately on receipt of the details from the Expert Groups
- The Group Secretariat will write to the APEC Secretariat by mid July 1993 on the issues raised by members and on the need for flexibility
- The Group Secretariat will canvass with other Working Groups their experiences in regard to funding technical assistance for their specialist groups, and report to members at the next Working Group meeting.

### **INVOLVEMENT OF THE PRIVATE SECTOR IN THE ENERGY WORKING GROUP ACTIVITIES**

Members noted that persons from the business and academic communities have been, and will be, included in Working Group activities through participation at Expert Group meetings, seminars and workshops, in addition to participation through the Pacific Economic Co-operation Council/Minerals and Energy Forum (PECC/MEF). It was agreed that efforts to increase the involvement of the business sector in the activities sponsored by the Group should be increased.

The PECC/MEF representative advised that the results of the survey of training institutions would be sent to the working Group Secretariat for circulation to members within two weeks, but noted that little progress has been made on the survey of energy policy.

Following a presentation by the PECC/MEF representative, the Group noted the approach being taken in respect of the survey of energy policies in member economies, and that the results would be helpful to the Working Group's consideration of issues. However, it was stressed that the approach did not have the endorsement of member economy governments.

### **Action Arising/Next Steps**

- PECC/MEF will advance the work on policies and report back to the next Energy Working Group meeting
- The Working Group Secretariat will circulate the survey of training institutions to members on receipt of the document from PECC/MEF.

### **CONSIDERATION OF GENERAL ISSUES FOR APEC MINISTERS AND SENIOR OFFICIALS**

A report to Senior Officials was agreed.

### **NEXT MEETING**

Following discussion, it was agreed that the Working Group should meet twice each year, in April and October, to align with budgetary and other schedules. It was also agreed that member economy hosts would be decided upon one year in advance.

The next meeting will be held in late October 1993 at a venue to be determined by the Chairman of the Working Group following further discussion with several potential host members.