

Summary Record of  
the 8th Energy  
Working Group Meeting

25-26 May 1994

Tokyo, Japan

ASIA-PACIFIC ECONOMIC CO-OPERATION  
SUMMARY RECORD OF THE  
EIGHTH ENERGY WORKING GROUP MEETING

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DAI-ICHI HOTEL, TOKYO  
JAPAN

## INTRODUCTION

The eighth meeting of the APEC Energy Working Group was held in Tokyo, Japan on 25-26 May 1994. Members considered progress under the Group's four program themes, projects for funding in 1995 and policy issues.

The meeting was co-chaired by Japan and Australia. Attendance comprised delegations from Australia, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America, together with representatives from the Energy Working Group Secretariat and the APEC Secretariat. The South Pacific Forum Secretariat as Observer and Chile as a Guest also attended.

The Agenda as adopted is at Annex 1. A list of participants is at Annex 2.

## OPENING ADDRESS

The welcome address was presented by Mr. Youki Kawata, Director General Agency for Natural Resources and Energy, MITI. The Co-Chairmen, Mr. Hidetaka Saeki, Japan and Mr. Russell Higgins, Australia presented opening statements and outlined issues relevant to discussions during the meeting.

## ROUND TABLE STATEMENTS ON NOTABLE ENERGY DEVELOPMENTS AND ACTIVITIES

Each delegation presented a brief overview of domestic energy matters of importance to their economy that have occurred since the last meeting and responded to questions. These presentations enable members to keep informed of important developments in the region. Summaries of these presentations are at Annex 3.

## COOPERATIVE PROJECTS

### Energy Supply and Demand Theme

Japan presented a progress report on the APEC energy database, circulated revised statistics, and noted that "APEC Energy Statistics 1992" and "APEC Time Series Statistics 1980-1991" would be published in October 1994. 'Preliminary' quarterly data will now be collected and circulated to members. A

firm target date for the annual publication of energy statistics was proposed. This will be examined by the Expert Group.

The Expert Group requested members views on applications and further development of the data base. Members believed that priority should be given to further development of the data base consistent with EWG projects and policy priorities. These are expected to become clearer following further consideration of the "Future Directions" paper at the ninth Energy Working Group meeting. The USA suggested that data on non-commercial fuels be published, but less frequently than the base energy data.

Members endorsed the proposal suggested by Australia to develop a seminar on energy supply and demand projections following the compilation of projections from individual economies, noting that the seminar will discuss methodologies and assumptions to facilitate a better understanding of the aggregated data. A suggestion by Malaysia that the seminar also cover training issues was noted. Australia is to prepare a draft proposal for consideration by the Expert Group and subsequently by EWG at its ninth meeting.

Members noted progress and endorsed the planned seminar on coal supply and demand which is being organised in conjunction with the Expert Group on Energy and the Environment and sponsored by Japan and Australia. The seminar is to be held in October 1994 in Tokyo followed by an ad-hoc meeting of policy makers. Members agree that developing a better understanding of present and future coal supply and demand issues is important. Members stressed the importance of seminars resulting in firm recommendations for action, and of wide circulation of published results. It was agreed that Japan and Australia as co-sponsors should provide greater clarity on the issues to be addressed by the ad-hoc policy meeting so that appropriate representatives can be furnished by member economies.

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

- The Expert Group will publish the Energy Statistics for 1992 and the Time Series data in October 1994.
- A target date is to be considered by the Expert Group and set for the publication each year of energy statistics.
- Member will consider future applications of the data base following eventual agreement to the strategy that is finally articulated in the "Future Directions" paper.
- Australia is to develop a proposal for the seminar on supply and demand projections for consideration by the Expert Group and by the EWG at its ninth meeting. Funding will be sought to enable the proposals to be undertaken in 1996.
- The Coal Supply and Demand Seminar and ad-hoc meeting of policy makers will be held in Tokyo on 5 - 7 October 1994. Japan and Australia are to more clearly define the issues to be discussed at the ad-hoc meeting for circulation to members by the end of September 1994.

## **Energy and the Environment Theme**

Members expressed their appreciation for the efforts of the past Chairman of the Expert Group Mr Peter Cover of the United States and welcomed Dr Lowell Miller, the new Chairman. The United States then presented the progress report on activities under this theme.

Members endorsed the program developed by the Expert Group and noted that a technical seminar on clean coal technologies will be held in Indonesia from 11 to 13 October 1994 and that a training course will be hosted by Australia in Sydney in cooperation with Canada, Japan and the USA from 28 November to 7 December 1994, in part supported by funds provided by NEDO. The delegate from Indonesia advised that preparation for the seminar is progressing well.

Delegates from the Republic of Korea, Malaysia, PNG, and the Philippines indicated the importance of considering environmental matters in an energy context wider than coal.

Members considered a proposal that a newsletter be prepared that summarises activity in the four Expert Groups. The proposal was considered to have considerable merit. It was agreed that the Energy Working Group Secretariat would liaise with the Chairmen of the Expert Groups and prepare a first version of a "quarterly" newsletter and circulate this to members out of session. Suggestions on improvements will be sought from members at EWG nine.

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

- The Chairmen of the Expert Groups are to provide the Energy Working Group Secretariat with text for a prototype newsletter by the end of June 1994.
- The EWG Secretariat is to circulate to Expert Group Chairmen a draft prototype newsletter by 30 July 1994, for comment and clearance by 15 August 1994.
- A prototype quarterly newsletter is to be circulated to all members by 30 August 1994.
- EWG members will consider the appropriateness and format of the newsletter at EWG nine.
- The seminar on clean coal technologies is to be held in Indonesia from 11 to 13 October 1994.
- A training course is to be held in Sydney Australia from 28 November to 7 December 1994.

## **Energy Efficiency and Conservation Theme**

The United States delegate presented the Expert Group's progress report on activities under this theme, including in respect of the meetings of the Inter-utility Demand Side Management Liaison Group, which was established to

promote the implementation of effective DSM programs in the region focusing on business sector involvement. The Expert Group members are to eventually implement the Energy Efficiency and Conservation Information System database on APEC-net.

The next meeting of the Expert Group is scheduled for July 1994, in Thailand in conjunction with the Urban Transport Workshop. However the US indicated that unless a number of matters are resolved the workshop may be delayed. Discussions between the USA, Canada and Thailand are being organised to resolve the difficulties so that the workshop may be held as scheduled.

Members noted that the compendium of "APEC regional energy efficiency policies and regulations in the building and industrial sector" and the compendium of "energy efficiency practices and conservation measures in the food and beverage industry" have been completed and forwarded to APEC Secretariat for publication.

Members endorsed the proposals to hold energy audit and waste heat recovery workshops in conjunction with the second Expert Group meeting in 1994 in Chinese Taipei and the first meeting in 1995 respectively. Members noted the comments by the delegations from the People's Republic of China and Chinese Taipei that in the spirit of cooperation the recent seminar "Energy Technology for the Next Decade" in Chinese Taipei had been conducted in accordance with the procedures outlined in the APEC MOU and had been a success. Members agreed that all events hosted by member economies must similarly be conducted in full compliance with APEC procedures and commonly accepted APEC practices. Members requested that the proceedings of the workshops be published and distributed as soon as practicable.

The delegate from Hong Kong noted that at its next meeting energy labelling standards and building energy efficiency standards will be discussed and suggested the Expert Group fully consider the issue of consistent standards and standardised energy labeling. Members agreed that this issue should be carefully examined.

The USA delegate advised that the Expert Group has not collectively considered the proposals for 1995 and therefore at this time the projects represented suggestions by individual member economies. Some members suggested and the delegate from the Philippines agreed that its proposal, "Survey of Implemented Energy Efficiency & Conservation Projects in Industrial and Commercial Establishments in the Philippines" could be broadened to include other member economies. It was decided that the Expert Group should examine this matter further.

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

- The compendium of "APEC regional energy efficiency policies and regulations in the building and industrial sector" and the compendium of "energy efficiency practices and conservation measures in the food and beverage industry" will be published in June/July 1994.
- The next meeting of the Expert Group is scheduled for 14 to 15 July 1994, in Thailand, in conjunction with the Urban Transport Workshop.

- The US, Canada and Thailand are to try to resolve as soon as practicable the outstanding issues concerning the Urban Transport Workshop scheduled for July 1994.
- The Expert Group is to consider possible initiatives associated with consistent standards and standardised labeling and report to EWG9 or EWG10.
- The Expert Group is to consider the possible broadening of the project "Survey of Implemented Energy Efficiency & Conservation Projects in Industrial and Commercial Establishments in the Philippines" and if considered appropriate report back to the EWG in the context of proposals for funding in 1996.

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

Indonesia presented a progress report under this theme, which was followed by a report by the Japanese delegation on its proposal for the third Research, Development and Technology Transfer seminar tentatively scheduled for February or March 1995 in the Republic of Korea. The delegate from Chinese Taipei reported on the seminar recently held in Chinese Taipei and members noted its success.

Members noted the progress on the work program and the proposal for a further seminar "Transfer of Technologies and Fostering of Human Resources Related to New Energy and Energy Conservation" proposed by Japan. The seminar to be held in the Republic of Korea in February or March 1995, was endorsed by members who also noted the importance of work being undertaken by this Expert Group.

Members noted the evaluation of the prototype tour of photovoltaic installations in Australia, that the final draft of the Technology Cooperation Guide will be prepared in June following receipt of final comments, and that the status report on "The Use of Natural Gas as a Vehicle Fuel" is finished. This is expected to be released at the Urban Transport Workshop being organised by the Energy Efficiency and Conservation Expert Group.

Members also noted the Expert Group's view that the money sought for the 1994 project, "Impediments to the use of renewable technology study", may not be sufficient and endorsed the proposal to broaden the Terms of Reference and seek business sector funding.

A number of member economies stressed the importance of reports being prepared and widely distributed to members following each seminar or workshop, and of the importance of these events leading to tangible benefits to members.

The issue of a broader focus on energy related environmental matters in the work of the Expert Groups was also raised. The Australian delegate noted that the resources member economies have available are limited and that the current activities reflect priorities previously decided upon by the EWG, although these may change. He noted that the EWG would commence discussion of future

directions under agenda item 9.2 and suggested that member economies could develop their proposals on this and other matters in responding to the issues raised under that agenda item.

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

- A final draft of the Technology Co-operation Guide is to be prepared in June for clearance prior to publication in August 1994.
- The report on the use of natural gas as a vehicle fuel will be published in June/July 1994.

### **EWG PROJECTS FOR 1995**

Members noted the status of implementation of programs of work for which APEC Central Funds were provided in 1993 and 1994. Following discussion it was agreed that a list of nine projects be put forward for \$US294,000 in financial support in 1995 from the APEC Central Fund in the priority order 1 to 9 indicated in table 1 below. Important projects, but of a lower priority (priority 10 on), listed (in table 2) are also to proceed if APEC Central Funds are available. Other project proposals will be developed further for consideration for 1996.

For the 1995 projects, documentation consistent with the APEC requirements are to be finalised by the Chairmen of the relevant Expert Groups and forwarded to the Energy Working Group Secretariat urgently to be passed on to the APEC Secretariat by 30 June 1994.

Documentation connected with the project initially ranked as priority 2 by delegates, a seminar on "Energy Efficiency Management and Energy Efficiency Standards" was insufficiently complete to proceed. However, it was agreed that because of the importance of this issue to members it would be included as priority 2 in the EWG proposals for funding if the details can be developed and cleared prior to 30 June 1994.

The delegate from Thailand undertook to have the proposal developed fully and seek agreement from the Expert Group prior to seeking agreement from the EWG out of session. The Australian Co-chairman of the EWG sought discretionary authority to determine whether the details are sufficiently completed in time to forward to the APEC Secretariat, and this was agreed.

Table 1

## PRIORITY OF ENERGY WORKING GROUP PROJECTS FOR 1995

PROJECT TITLE	TOTAL COST US\$	APEC FUNDS SOUGHT(US\$)	PRIORITY RANKING
<b>Energy Research &amp; Development and Technology Transfer Theme</b>			
Renewable Energy Resource Assessment Workshop		20,000	7
Review of the Quality and Completeness of Resource Assessment Data and Resource Studies for the APEC Region	50,000	20,000	8
<b>Energy Efficiency and Conservation Theme</b>			
Workshop on Heat Recovery and Industrial Cogeneration Technologies and Systems	N/A*	30,000	4
Survey of Regulation Strategies for Energy Efficiency and Conservation Technologies in Transportation Sector	N/A*	45,000	9
Study for Cogeneration Promotion Through Commercialised Strategies	N/A*	20,000	5
Seminar for Energy Efficiency Management and Energy Efficiency Standard	N/A*	55,000	2**
<b>Energy Supply and Demand Theme</b>			
Publication of the APEC Energy Statistics	20,000	20,000	1
<b>Energy and the Environment Theme</b>			
Technical Seminar on Utilisation of Clean Coal Technologies	N/A*	34,000	3
Technical Training Course on Clean Coal Technologies	N/A*	50,000	6

\* Not Available

\*\* This project will be included as priority 2 in the EWG proposals for funding if the details can be developed and cleared prior to 30 June 1994.



Table 2

PROJECT TITLE	TOTAL COST US\$	APEC FUNDS SOUGHT(US\$)	PRIORITY RANKING
<b>Energy Research &amp; Development and Technology Transfer Theme</b>			
Renewable Energy Tour	75,000	45,000	12
Renewable Energy and Sustainable Development Assessment for the APEC Region	50,000	20,000	10
Proposal on anti-pollution burner systems	85,000	65,000	13
<b>Energy Efficiency and Conservation Theme</b>			
Information Linkage with APEC Member Economies (INFOLINK)	N/A*	65,000	11
Survey of Implemented Energy Efficiency and Conservation Technologies/Projects in Industrial & Commercial Establishments in the Philippines	N/A*	100,000	14
Seminar on DSM Principles, Methodology, Targets and Measures	N/A*	50,000	To be developed

\* Not Available

It was noted that the Chairs of Expert Groups have an obligation to document proposals in time for full consideration by the EWG in session and prior to their submission to the APEC Secretariat when Central Funding is involved. It was further noted, that this must comply with the APEC budget timetable. The Chairman advised that he would write to the Chairs of the Expert Groups in regard to this matter.

#### Action Arising/Next Steps

- The Expert Group Chairmen will finalise documents associated with 1995 projects and forward these to the Energy Working Group Secretariat by Monday 20 June 1994.
- The Energy Working Group Secretariat will forward the complete list of projects to the APEC Secretariat by 30 June 1994, with priority ranking as agreed at the meeting.
- Thailand will seek to develop and clear the proposal for funding the energy efficiency seminar with a view to this proposal proceeding as priority 2.

- The EWG Chairman is to write to the Chairmen of all Expert Groups by 30 June 1994 advising of the need to forward full details and recommendations on proposed projects in time for consideration at the first EWG each calendar year.

## **SECRETARIAT REPORTS**

Representatives from the Energy Working Group Secretariat and the APEC Secretariat presented reports on operational arrangements relevant to the Energy Working Group's activities, and the APEC Secretariat provided a brief overview of the ACDS. These covered issues raised in the report from the Senior Officials Meeting held in May 1994, the operation of the APEC Secretariat, the Budget and Administration Committee and general budget matters and guidelines. Members thanked the Secretariats for their contributions and noted that a number of issues raised require careful consideration.

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

- The Energy Working Group Secretariat will circulate a paper to members on issues that significantly impact on the operation of the group by 31 August 1994 and seek comment by 30 September 1994.

## **POLICY ISSUES**

### **9.1 PRC amendments to the Vision Statement and Overview Policy Issues Paper**

Members agreed to the technical amendments to the Groups Vision Statement and the Overview Policy Issues Paper. It was noted that strategy (e) of the vision statement the agreement of members would be assumed unless specific objections are raised, and that in the Overview Policy Issues paper reference to "investment to meet the needs of economic growth" be related to energy related investment.

### **9.2 EWG Link Paper: Current Focus and Future Directions**

Australia introduced the "Current Focus and Future Directions" paper and noted the importance of the energy programs of cooperation, policy dialogue, selective involvement of other international organisations and the need for closer involvement of the business sector in the work of the Group. It was suggested that the EWG consider three to four year strategy as a focus for Group activities.

Australia suggested that members reflect on the draft and provide preliminary comment at the meeting, followed by written comment out of session including their suggestions on the scope and direction of future activities.

Members welcomed the paper prepared by the Group Secretariat as providing a useful basis for developing a three to four year focus for future endeavours, noting that some flexibility must be maintained within the Group to attend to

emerging priorities. Members accepted that with possible minor changes sections 1 to 3 of the paper adequately drew together the objectives of APEC and the EWG, the Vision Statement, Working and Expert Group activities to date and the Overview Policy Issues Paper. Any specific comment members may wish to make on these sections will be provided to the EWG Secretariat out of session to enable finalisation of this "background" section.

In regard to future directions (section 4 of the paper), members agreed to the suggestion for giving greater attention to policy dialogue, cooperation with international organisations as appropriate, and greater business sector involvement. Members, however, sought clarification from Australia on what is envisaged in dialogue with other international organisations and business sector involvement. This was provided and accepted.

Members agreed to provide their views and suggestions for future activities and strategies for implementation by the end of July 1994 so that a redraft can be circulated to all members by the end of August, 1994. Whilst the comment submitted by members will not be fully detailed, it should provide sufficient information to enable all members to understand the thrust of the initiative being suggested. Members agreed that the redraft would be considered in depth at EWG 9.

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

- Members are to provide written comments on the Future Directions paper by 31 July 1994, including specific suggestions to be incorporated in section 4 which deals with future activities over the next three to four years.
- The EWG Secretariat will redraft the text based on the comment received at the meeting and the written comments received and will circulate a refined text by 31 August 1994 for members' consideration at EWG 9.

#### **9.3 3 E's paper (Economic Growth, Energy Security and Environmental Protection)**

Japan made a detailed presentation of the interim report of the 3E's Paper. The APEC Secretariat representative made a supplementary comment about the discussion on the 3E's Paper at the May meeting of the ETI Group

Members welcomed the presentation from Japan on the 3E's paper (economic growth, energy security and environmental protection) and complemented Japan on its initiative. Members noted that many of the issues in the paper are relevant to the EWG and are currently reflected in its work program. They welcomed the opportunity to provide comment at the meeting and will individually comment further when the draft has been more carefully considered. A number of important suggestions for developing the paper were made and noted by the Japanese delegation. It was agreed that careful examination of the interrelationship among the 3E's should assist in developing a common understanding between APEC member economies and that it is important to consider economic growth, energy security and environmental protection collectively.

In summing up the discussion the Australian co-chairman noted the high degree of interest and the wide range of comment by delegates, which gave a clear indication of the importance of the issues to the EWG. He noted that many of the suggestions put forward are of a kind that are already being addressed by the EWG Expert Groups and suggested that the EWG build on this.

The Co-chairman noted the EWG's initiatives should work in harmony with the business sector. He also noted that many of the EWG's activities are relevant to addressing the environmental concerns associated with climate change and that the EWG's efforts might serve as a model.

The delegate from Japan advised that comments on the 3E's paper from member economies should be provided by 24 June 1994. He suggested that as delegates of the ETI Group are also providing comment it is important that the EWG delegates liaise with their ETI counterparts to provide a consolidated view where possible.

The Australian Co-chairman noted that development of the 3E's initiatives and the EWG Future Directions strategy should proceed in harmony.

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

- Members are to provide comment on the 3E's paper direct to Japan by 24 June 1994 and consult with their ETI counterparts.
- Members are to consider the relevance of the issues raised in the 3E's paper to the 'Future Directions' strategy and provide comment to the EWG Secretariat by 31 July 1994.
- Japan is to revise the paper in the light of comments received so that it can be considered at EWG9.

#### **9.4 "Measures to Improve Rational Energy Consumption"**

Members considered the paper on 'Measures to Improve Rational Energy Consumption' prepared by Australia. This paper had been redrafted in the light of changes suggested at the seventh meeting of the EWG. These included the provision of examples of practice that illustrate the policy points and the seeking of common ground given the widely differing policy approaches in Member Economies. In its presentation, Australia advised that the paper was provided for the purpose of facilitating discussion of policy issues with a view to arriving at a set of energy policy principles that might guide the work of the Group. It was recognised that each member economy will have different characteristics and will need to apply individual measures to achieve that objective, but some principles will be of common benefit.

Members noted the case studies provided in the report in the area of reform of energy policy and emphasised the usefulness of exchanging information in this area. It was also noted that each of the principles represent a practical approach to addressing the Climate Change Convention. Members agreed to provide comments on, and further case studies for inclusion in, the report.

Members agreed with the approach reflected in the paper and offered some suggestions to improve the text. With some minor changes the principles set out in the document were agreed by all members, subject to further consideration and endorsement at EWG9.

In order to facilitate this it was agreed that a revised version of the document will be circulated at least six weeks before the October meeting of the EWG with a view to finalising the report at EWG9.

The Australian Co-chairman asked members to consider the subject matter for the next policy paper drawing on the priority issues identified in the Overview Policy Issues Paper and advise the EWG Secretariat. Members were also asked to advise of their interest in contributing to the development of the text.

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

- Members are to provide comment on the paper "Measures to Improve Rational Energy Consumption" and supply case studies to the Group Secretariat before 31 July 1994
- Australia is to revise the paper in the light of the comments and case studies received and circulate a revised version of the paper by mid September 1994 for consideration at EWG9.
- Members are to advise the EWG Secretariat of their suggestions for a further policy discussion paper by 31 July 1994 so that suggestions can be circulated to members for consideration at EWG9.

#### **9.5 Report by PECC/MEF on Survey of Energy Policies in Member Economies**

Mr Price on behalf of PECC/MEF presented a report on activities including progress on the review of energy policy in the region, MEF6, and the proposal from PECC/MEF to hold a back to back meeting with the EWG. He thanked the People's Republic of China for the excellent organisation connected with MEF6.

Members agreed that the Australian Co-chairman ask PECC/MEF to develop further its proposal in connection with a back to back meeting.

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

- The Australian Co-chairman will liaise with PECC/MEF to seek further development of the proposal for a back to back meeting.

**NEXT MEETING**

The next meeting will be held in Thailand on 25-28 October 1994, and the offer by the People's Republic of China to host EWG10 in the first half of 1995 was warmly welcomed. Details of the venue and timing will be advised at EWG9.

**OTHER BUSINESS**

Professor Masaru Hirata made a presentation on the Asian-Pacific Energy Community concept based on a natural gas pipeline network. A copy of his paper was provided to members. Members noted that the concept is a proposal from one APEC member economy's NGO, and does not reflect an official project by any member economy.

Members expressed great appreciation for the presentation which provided a very good understanding of the concepts being discussed by Professor Hirata and of the issues underlying the concept.

**REPORT TO SENIOR OFFICIALS**

A report to Senior Officials was agreed.