

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

**3-4 OCTOBER 1995**  
**HOWARD PLAZA HOTEL**  
**CHINESE TAIPEI**

**INTRODUCTION**

The eleventh meeting of the APEC Energy Working Group was held in Chinese Taipei on 3-4 October 1995. The meeting was co-chaired by Chinese Taipei and Australia. Attendance comprised delegations from Australia, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Mexico, the Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America, together with representatives from the EWG Secretariat and the APEC Secretariat, and an observer from PECC/MEF. Mr Christopher Eves, an expert on project financing from Australia, attended as a guest to present the consultants' report on power infrastructure.

Dr Shu-Jou Lee, Vice Minister, Ministry of Economic Affairs, provided welcoming comments to the meeting and this was warmly appreciated by participants.

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

**1. OPENING ADDRESS**

The Co-Chairmen, Mr Hong-Ting Yih, from Chinese Taipei, and Mr Russell Higgins, Australia presented opening statements commenting on issues of importance and relevance to discussions during the meeting.

**2. ROUND TABLE STATEMENTS ON NOTABLE ENERGY DEVELOPMENTS AND ACTIVITIES**

Each delegation presented a brief overview of main energy developments that had occurred in relation to their economy since the last meeting and responded to questions. Summaries of these presentations are at Annex 3. In addition, as agreed at EWG 10, members submitted short written papers on reforms that had occurred in their natural gas sectors. These papers will be collated and circulated by the EWG Secretariat to members out of session.

Members discussed a number of topics that could be the subject of short written papers for presentation at EWG 12. It was agreed that the special topic for papers to be submitted at EWG 12 would be "Initiatives to Address Greenhouse Gas Emissions and Climate Change". The EWG Secretariat would advise members of the format for this paper.

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

- In addition to their reports on notable energy developments, at EWG 12 each member economy will table a brief written report on "Initiatives to Address Greenhouse Gas Emissions and Climate Change"
  - the EWG Secretariat to advise members of the format for this paper by 1 November.

### **3. EWG ACTION PROGRAM - BOGOR DECLARATION**

Members considered the revised Action Program developed by the EWG Secretariat based on the Executive Summary agreed at EWG 10 and the contributions of the six special task forces and drafting groups established at EWG 10 to provide input to the Program.

Members agreed that the revised Action Program provided a comprehensive but focussed work program for the Energy Working Group over the short, medium and long term, and represented a substantial contribution to the APEC process.

Members generally supported the draft, but sought clarification on a number of points and suggested a number of amendments, including that the wording of the document accurately reflect the wording used in the agreed Executive Summary. The EWG Secretariat revised the Action Program and provided a new draft for members' consideration. The Action Program, as amended, was adopted. It was agreed to forward the Action Program to the Senior Officials' Meeting scheduled for Tokyo on 11-13 October 1995, for incorporation into APEC's Action Agenda for consideration by Leaders in November 1995.

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

- The EWG Secretariat to forward the Action Program to the Senior Officials' Meeting scheduled for Tokyo on 11-13 October 1995.

### **4. ENERGY MINISTERS' MEETING**

Members agreed on the importance of holding an APEC Energy Ministers' meeting in 1996 to build momentum and provide guidance to the implementation of the EWG's Action Program, subject to it not being a regular event. Members noted that there were a range of issues which would provide a substantive and important Agenda for Ministers' attention and expressed the view that Ministerial discussion should focus on policy and key management matters. Australia confirmed the offer it made at EWG 10 to host the Energy Ministers' meeting and this was accepted and welcomed.

Members considered that the draft agenda provided a good starting point for discussion and made a number of helpful suggestions concerning the content of the agenda and the timing of the meeting, and on the process for developing the agenda and meeting arrangements. It was agreed that Australia, as host, should consult closely with members on the timing of the meeting, and that a decision on this matter should be taken out of session as soon as possible.

Members decided that the best way of developing the agenda and other meeting arrangements was for a steering group, chaired by Australia, to be formed. It was agreed that any member economies wishing to join the steering group should convey their interest to Australia as soon as possible.

In undertaking its work, members indicated that it would be important for the steering group to consider a range of matters. Matters mentioned by members included:

- considering whether the meeting should have a theme such as reducing impediments to investment in energy, and whether the agenda finally decided upon warranted the involvement of senior officials from member economies' Finance ministries
- ensuring that Ministers would be engaged in giving direction on policy issues, and not on matters that the Energy Working Group could deal with by itself
- ensuring that issues relating to the environment such as energy conservation are given appropriate recognition
- requesting each Expert Group to review its activities and report on which matters required Ministerial attention
- considering whether the Ministerial meeting should be preceded by a business forum of Chief Executive Officers from member economies on the preceding day, with interaction between Ministers and these executives at a preceding social function.

In order to provide a basis for each member economy to make preparations and brief their respective Energy Ministers, it was agreed that the steering group would develop a detailed proposal, including relevant background papers, for the consideration and input of members out of session, with final decisions on these matters to be taken at EWG 12.

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

- Australia to consult members on the timing of the meeting, with a decision to be taken out of session as soon as possible and no later than the end of November 1995.
- A steering group, chaired by Australia, to be formed to develop the agenda and preparations for the meeting. Member economies wishing to join the steering group to convey their interest to Australia by the end of October 1995.
- By 20 November 1995 the Chairs of the Expert Groups to advise Australia, as Chair of the Ministerial Meeting steering group, of matters requiring Ministerial attention.
- Agenda topics for the Ministerial meeting to be defined by 15 December 1995.

- Lead authors for background papers to be determined by the end of December 1995.

## 5. PROGRESS REPORTS BY TASK FORCES

### Energy Research Centre Initiative

Mr Nakai presented the report of the Task Force which recommends the formal establishment of the Asia Pacific Energy Research Centre (APERC) in mid-1996, to be located in Japan and managed under the auspices of the EWG. The Centre would be managed by the Energy Data Expert Group, to be renamed the Energy Data and Outlook Expert Group to reflect its expanded role.

The APEC regional energy outlook would be compiled by joint research by member economies, but would not bind the energy policies of any member economy. The outlook would be developed cooperatively and presented as a "product" of APERC, without requiring endorsement from the EWG, but recognising its affiliation with the EWG. The regional energy outlook is expected to be completed by 1997, and would be regularly reviewed.

Members welcomed the report of the Task Force and endorsed its recommendations. It was agreed that work should commence to enable APERC to be formally established by mid-1996, and that the Energy Data Expert Group should be renamed the Energy Data and Outlook Expert Group to reflect its expanded role. During its establishment, member economies emphasised the importance of giving close attention APERC's long term funding arrangements, and the development of appropriate administrative procedures and guidelines for its operation.

It was agreed that after APERC's establishment, the Energy Data and Outlook Expert Group will provide a report to every Energy Working Group meeting on APERC's progress in developing a regional energy outlook, on its other activities, and on any issues concerning APERC's management and funding of which the EWG should be aware.

### Action Arising/Next Steps

- The Task Force on the Energy Research Initiative to provide a detailed report to EWG 12 on progress in establishing APERC, including its consideration of APERC's long term funding arrangements, and the development of appropriate administrative procedures and guidelines for its operation.
- Upon the formal establishment of APERC in mid-1996, the Energy Data Expert Group is to be renamed the Energy Data and Outlook Expert Group and will assume full responsibility for APERC's management.

### Further Development of the APEC Energy Data Base

Mr Matsui, the Chair of the Energy Data Expert Group, presented the report which recommends the expansion of the APEC energy data base to support the activities of compiling the APEC energy outlook. This would be achieved through

the identification and collection of additional economic and social indicators, and by the collection of data on final energy consumption on a more disaggregated basis. Where possible, this data would be collected from existing authorised international statistics. Other data would be submitted by each member economy.

Member economies welcomed Mr Matsui's report and endorsed its recommendations. The delegate from the United States noted the importance of utilising data from existing sources, and suggested that the Expert Group should consider ways to make the data reporting requirements of member economies less burdensome. It was agreed that the Energy Data Expert Group should commence work to expand the APEC energy data base in the manner recommended in the report.

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

- The Energy Data Expert Group to commence work to expand the APEC energy data base and to report regularly to the Energy Working Group on its progress in this regard.

#### **Environmentally Sound Energy Technologies**

Dr Miller, Chairman of the Clean Coal Technologies Expert Group, reported on the work undertaken by the Expert Group to contribute to the section of the EWG's Action Program aimed at improving environmental performance in the energy sector.

In this regard, the Expert Group's recommendations include the expansion of the EWG's current programs which focus on access to technology, training and services; the survey, correlation and distribution of existing data and studies; and the development and implementation of a systematic program to facilitate and increase the cost effective application of new, more efficient and environmentally sound energy technologies, standards and systems.

Dr Miller noted that the Expert Group was developing a more detailed program that would include a broad range of actions on issues as diverse as renewable energy and the drainage and utilisation of coal bed methane. Member economies fully supported the initiative to take a broader approach to environmental issues.

Member economies welcomed Dr Miller's report and endorsed its recommendations. It was agreed that the Clean Coal Technologies Expert Group should further develop the work program to improve environmental performance in the energy sector and report on its progress in implementing the program at EWG 12.

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

- The Clean Coal Technologies Expert Group to further develop and implement a wide ranging program to improve environmental performance in the energy sector and to report to EWG 12 on its progress in this regard.

## **Energy Standards and Labelling**

Dr Kim, Chairman of the Energy Efficiency and Conservation Expert Group, reported on the work undertaken by the Expert Group to contribute to the section of the EWG's Action Program aimed at achieving the acceptance of equivalence in accreditation and the increased harmonisation of energy standards.

The work proposed by the Expert Group includes developing the basis for agreement on the mutual recognition of testing protocols and the accreditation of laboratories, and the acceptance of the test results arising from them, and in time extending work on energy standards to specific products.

Members welcomed Dr Kim's report and endorsed the work proposed by the Expert Group in this area. The delegation from the Philippines suggested it would be valuable if the Group's work were able to quantify the economic and greenhouse gas emissions savings from the proposed work in relation to energy standards.

It was agreed that the Energy Efficiency and Conservation Expert Group should continue its work on standards and labelling as set out in its report.

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

- The Energy Efficiency and Conservation Expert Group to continue its work on standards and labelling and to report regularly to the Energy Working Group on its progress in this regard.

## **Demand Side Management Program**

Members noted the work in progress by the Inter-Utility Demand-Side Management Liaison Group to prepare a demand-side management manual which would incorporate model demand-side management programs which demonstrate the range of options available, and provide examples appropriate to the different stages of economic development in member economies.

An outline of the draft manual was circulated at the meeting for the information of member economies. Members were informed that the draft Manual is scheduled to be considered by the Liaison Group at its 4th meeting on 24-27 October 1995, and is expected to be circulated to member economies for their consideration by January 1996. Members agreed that the draft manual should be circulated out of session following the 4th meeting of the Inter-Utility Demand-Side Management Liaison Group.

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

- The EWG Secretariat to inform the Inter-Utility Demand-Side Management Liaison Group of members' interest in being provided with a copy of the draft manual as soon as possible after the Group's 4th meeting
  - the EWG Secretariat to circulate the draft manual to member economies once it is available.

## Development of Framework to Facilitate Investment in Power Infrastructure in APEC Member Economies

In introducing this item the Co-Chairman noted that facilitating investment in energy in the region poses enormous challenges for member economies and stressed that it is an issue that must be addressed if the economic aspirations of member economies are to be realised.

Members noted the report of the Chairman of the Task Force on Investment in Power Sector Infrastructure. He informed members that the comments received from members on the consultants' report were substantive and constructive and indicated support for the broad thrust of the report. He also advised members that at the recent APEC Business/Public Sector Dialogue on Infrastructure many of the issues in the consultants report were also raised.

Mr Eves, the lead consultant for the study, presented the study to members and noted that the thesis of the report is that "Regional cooperation is the under utilised strategy". It was noted that there is a remarkable similarity of concerns by the business sector in the region and that the business sector is looking to APEC and in particular the EWG for solutions. The study also indicates that the business sector is sharing information and looking at the energy sector as a whole and that actions taken by the EWG should reflect this. Mr Eves also outlined the timetable and the priority recommendations suggested by the report. Mr Eves expressed his appreciation to members for the participation, openness and access he and his colleagues enjoyed while working on the report.

After discussion of some of the issues raised by the report, members indicated their support for the broad thrust of the reports findings without necessarily committing to the report's recommendations. Members clearly indicated a need for the EWG to carefully select priority areas for action where the EWG can add value.

Members agreed that the issues are important and that the consultants report provided an analytical resource and the basis for the EWG to develop a substantive program of action. Members also agreed that it would be beneficial to establish an advisory group comprising Task Force members and business representatives to determine the priority issues to be addressed by the EWG. The group should report to the EWG 12 meeting in Hong Kong in May 1996. This group, at the discretion of the EWG, could continue to exist as an 'advisory panel' in regard to matters associated with this initiative.

It was also agreed that a forum comprising government regulators and key advisers responsible for managing electricity reform processes (Electricity Regulators Forum) should be established to provide a mechanism to pool expertise and compare experiences in managing regulatory changes required to reduce risks faced by the business sector in independent power projects (IPPs). Members also suggested that the establishment of a regional data base to provide information on existing and prospective IPPs to assist governments in economic and financial planning, and business in the development of commercial strategies be explored.

In connection with and immediately before the 1996 APEC Energy Ministers' meeting, members agreed that a plenary meeting of Chief Executive Officers from the business sector of member economies could be held to discuss the actions proposed by the government/business sector advisory group and the wider "Action Agenda". As part of the meeting arrangements, informal discussions between the Chief Executive Officers and Energy Ministers could occur. The business group would not participate in the formal Ministerial meeting.

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

- Members to advise the Chairman of the Task Force on Investment in Power Sector Infrastructure of nominations for the government/business sector advisory group by 15 December 1995
  - the project group is to be established as soon as possible and report its findings to EWG 12, in the meantime member economies can provide comment to the project group.
- Members to advise the Chairman of the Task Force on Investment in Power Sector Infrastructure of nominations for the Electricity Regulators Forum by 15 December 1995.
- The Chairman of the Task Force on Investment in Power Sector Infrastructure to explore further the merits of establishing a database on power projects and report to members out of session before EWG 12.
- Members to note that arrangements will be required to establish participation of Chief Executive Officers in the meeting before the Ministerial.

## **6. SECRETARIAT REPORTS**

Members noted the presentations by the representatives from the Energy Working Group Secretariat and the APEC Secretariat on operational arrangements relevant to Energy Working Group's activities.

The APEC Secretariat gave a brief summary of the current status of EWG projects. Members noted that of the eight projects submitted to the APEC Secretariat for consideration in the context of the 1996 APEC Central Fund three were approved and five tentatively approved by the APEC Budget and Administrative Committee. The APEC Secretariat advised that the BAC had not raised any further objections to the five tentatively approved projects following submission of the extra information sought on each project. The EWG Secretariat will advise members of the status of the 1996 projects following final approval by APEC Ministers.

Members noted that there will be increased scrutiny and pressure on the relevance and performance of current and future projects and agreed to contact their representatives on the BAC prior to meetings of the BAC to ensure they are fully briefed on EWG projects. Members also noted the considerable work done



by Mr Yang Yafei to ensure favourable consideration of EWG projects by the BAC.

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

- Members to inform their representatives on the BAC of relevant EWG matters prior to BAC meetings.
- The EWG Secretariat to inform members of the APEC Ministers' decisions with regard to the eight EWG projects submitted for funding in the 1996 APEC Central Fund.

### **7. PROGRESS REPORTS ON PROGRAMS OF COOPERATION**

#### **Energy Data Expert Group**

Mr Matsui, Chairman of the Energy Data Expert Group presented a report on the activities of the Expert Group, including progress on collecting and compiling the energy statistics. Members noted that the 1993 statistics will be published in November 1995. Members noted that the APEC Historical Energy Data publication had been published. The APEC Secretariat distributed one copy to each member economy present and advised that further copies will be distributed by mail. Members noted the report from the Chairman of the Energy Data Expert Group and fully endorsed the work of the Group.

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

- The 1993 Energy statistics to be published in November 1995.
- The APEC Secretariat to distribute further copies of the historical statistics publication.

#### **Clean Coal Technologies Expert Group**

Members considered the report by Dr Miller on the activities of the Clean Coal Expert Group and fully supported the activities of the Group.

Dr Miller reported that the Expert Group conducted a very successful third Clean Coal Technologies (CCT) Technical Seminar in Taejon, Republic of Korea, on 29-31 August 1995. It was noted that the attendance at the seminar exceeded expectations with over 200 participants from 10 member economies. The Seminar covered a large number of technical issues, including pollution control systems, advanced power generation systems, the use of clean coals outside the power generation industry. The Expert Group is preparing high quality bound proceedings of the seminar and they will be distributed before the end of 1995. To increase the availability and impact of the published proceedings Expert Group members were asked to provide names of relevant decision.

Following the Technical Seminar, the Expert Group met on 1 September. The next meeting will be in February 1996 in Hawaii.

Members noted that the 1995 CCT Training Course was successfully held in Kitakyushu, Japan on 19-30 September 1995. Twenty one trainees from eight member economies attended. Material from the two training seminars held by the Expert Group will be put together into a compendium for distribution to members. The Expert Group would appreciate members views on the most beneficial use of this information.

Members noted that the second Coal Flow Seminar will be in the People's Republic of China, on 5-6 December 1995.

The Chairman reported that the CCT Expert Group had considered issues related to expanding the scope of the Group's work to encompass other energy and the environment issues and that it will also consider relevant tasks arising from the EWG's Action Program.

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

- The second Coal Flow Seminar will be in Shanghai, the People's Republic of China, on 5 - 6 December 1995.
- The next Expert Group meeting will be in February 1996 in Hawaii.

#### **Energy Efficiency and Conservation Expert Group**

Members considered the report by Dr Jong Duck Kim, Chairman of the Energy Efficiency and Conservation Expert Group on the activities of the Expert Group. They expressed their support for the Group's activities.

Dr Kim reported that the Expert Group's sixth meeting, held in Australia on 4-5 July 1995 was very successful.

The Expert Group has a number of activities underway and planned. The Workshop on Waste Heat Recovery and Industrial Co-generation Technologies and Systems is scheduled for 13-15 November 1995 in Singapore, followed by the seventh Expert Group meeting on the 16-17 November 1995.

Members noted that the third DSM Inter-Utility Liaison Group meeting was held in Korea in May 1995 and that the fourth meeting is scheduled for 24-27 October 1995 in Australia.

Japan expressed its strong support for the proposed 1996 project "Planning Workshop for an APEC Sustainable Cities Program".

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

- The next meeting of the Expert Group is scheduled to be held in Singapore on 16-17 November 1995.
- The Workshop on Waste Heat Recovery and Industrial Co-generation Technologies and Systems is scheduled for 13-15 November 1995 in Singapore.

- The fourth DSM Inter-Utility Liaison Group meeting is scheduled for 24-27 October 1995 in Australia.

### **Technology Cooperation Expert Group**

Mr Bukin Daulay from Indonesia presented a report on the activities of the Technology Cooperation Expert Group on behalf of the Chairman Mr Endro Utomo Notodisuryo also from Indonesia. Members considered the matters raised and endorsed the initiatives being undertaken.

Members noted that the seventh meeting of the Expert Group was held in Hawaii on 28-29 September 1995. The Expert Group reported appreciation for the extension, granted by the BAC, to the completion deadline for the Compendium of Renewable Energy Programs in the Asia Pacific Region. This project is now on track for completion by the due date following the preparation of the second draft of the Compendium. The survey of impediments project is also expected to be completed on schedule.

The Expert Group reported that the "Renewable Energy for Sustainable Development Workshop" funded by the USA and held in Hawaii on 25-27 September 1995 was a great success. The workshop has provided ideas for future possible work to be undertaken by the Expert Group. A report on the Workshop will be circulated to members in November.

The People's Republic of China and Japan reported on progress to date for the 1995-96 Energy R&D and Technology Transfer and Renewable Energy Resource Assessment Seminar and welcomed comments on the paper circulated to members. The seminar to be hosted by the People's Republic of China is sponsored by the New Energy & Industrial Technology Development Organisation (NEDO), Japan and the APEC Central Fund. Members noted that the organisers had agreed to include consideration of resource assessment methodologies as was suggested by the Expert Group members. The organisers advised that after careful consideration the seminar would proceed as scheduled in Beijing on 6-9 February 1996.

Members noted that the next meeting of the Expert Group is tentatively scheduled for Beijing to coincide with the 1995-96 Energy R&D and Technology Transfer and Renewable Energy Resource Assessment Seminar.

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

- A report on the USA funded "Renewable Energy for Sustainable Development Workshop" will be circulated to members in November 1995.
- The 1995-96 Energy R&D and Technology Transfer and Renewable Energy Resource Assessment Seminar is scheduled to be held in Beijing in February 1996
- members to advise the organisers of any comments on the seminars program as soon as possible.

- The next meeting of the Expert Group is scheduled to be held in Beijing in February 1996
  - members will be informed of the date and venue when it is confirmed.

## **8. PROPOSED WORK PROGRAM ON RURAL ELECTRIFICATION**

Members considered the detailed report presented by Japan and agreed that it was necessary for the Energy Working Group to undertake work in this area. While strongly supporting the work proposed in the agenda paper, members considered that the issue was complementary to the work being undertaken on facilitating investment in the power sector and that close consultation between those concerned in the two initiatives is essential. Members also agreed that while there were many similarities there were also some very important issues associated with rural electrification that should be considered, and the issues need to be brought together.

It was agreed that Japan would further develop the proposed work program out of session and report to the EWG Secretariat for circulation to members. It was agreed that a workshop would be useful to determine the priority issues to be addressed by this program. Japan agreed that it would consider the timing and funding issues related to holding a workshop and report to the EWG Secretariat out of session.

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

- Japan to provide the EWG Secretariat with a revised work program, including details for an initial workshop on rural electrification, for circulation to member economies by 15 January.
- Japan to provide a report to EWG 12 on the results of the workshop, and on the overall progress in implementing the revised work plan.
- Close consultation with the Advisory Group on the Investment in Power Infrastructure is to be established at an early date once the detailed proposal is agreed.

## **9. PROPOSED ESTABLISHMENT AND WORK PROGRAM OF AN EXPERT GROUP ON MINERALS AND ENERGY EXPLORATION AND DEVELOPMENT**

Members considered the paper prepared jointly by Chile and the Republic of Korea on the establishment and proposed work program of a Minerals and Energy Exploration and Development Expert Group. Members expressed their support for the proposal and commended both Chile and the Republic of Korea for their efforts.

Some members expressed reservations about certain aspects of the proposed Expert Group's objectives and programs, particularly those concerning the

Group's role in tariff reductions, regional pipeline network projects and the preparation of an APEC energy and mineral resources charter. The delegate from the United States emphasised the importance of focussing on issues where there was a compelling link between minerals and energy.

It was decided that the Minerals and Energy Exploration and Development Expert Group should be established. The offer from Chile to provide a secretariat for the Expert Group was welcomed, and it was agreed that Chile should also chair the Expert Group. Members also agreed that the Expert Group's proposed long term objective concerning a possible APEC energy and mineral resources charter should be amended to begin with the words "Evaluate the benefits of preparing . . ."

It was agreed that the first priority of the Expert Group should be to refine its terms of reference and a draft work program in light of the comments made by members. These included:

- The Expert Group should note that work on tariffs was underway in the CTI, which is the body responsible for decisions in this area. The Expert Group could assist the CTI's work by identifying the implications of reducing tariffs.
- The Expert Group should carefully consider the issue of regional pipeline network projects before commencing work on it.
- The Expert Group should clearly articulate the links between mining and energy issues.

The terms of reference should be submitted to the next meeting of the EWG for endorsement, with its work program included in the budgetary approval process for 1996.

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

- As Chair, Chile to convene the first meeting of the Minerals and Energy Exploration and Development Expert Group in order to develop its terms of reference and draft work program.
- Chile to provide the terms of reference and draft work program for approval at EWG 12.

#### **10. PROPOSAL TO CONSIDER IMPLEMENTING DEMAND SIDE MANAGEMENT IN DEVELOPING ECONOMIES**

Members welcomed the proposal prepared by Korea on Implementing Demand Side Management (DSM) in Developing Economies and the offer to assist in sharing information and developing effective programs to implement DSM. It was noted that DSM programs can bring considerable benefits to all economies by reducing capital outlays on new capacity, saving on fuel costs and reducing harmful atmospheric emissions.

It was noted that the Inter Utility Demand Side Management Liaison Group is preparing a manual incorporating model DSM programs and that it was important

Group's role in tariff reductions, regional pipeline network projects and the preparation of an APEC energy and mineral resources charter. The delegate from the United States emphasised the importance of focussing on issues where there was a compelling link between minerals and energy.

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- The Expert Group should note that work on tariffs was underway in the CTI, which is the body responsible for decisions in this area. The Expert Group could assist the CTI's work by identifying the implications of reducing tariffs.
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- The Expert Group should clearly articulate the links between mining and energy issues.

The terms of reference should be submitted to the next meeting of the EWG for endorsement, with its work program included in the budgetary approval process for 1996.

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

- As Chair, Chile to convene the first meeting of the Minerals and Energy Exploration and Development Expert Group in order to develop its terms of reference and draft work program.
- Chile to provide the terms of reference and draft work program for approval at EWG 12.

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It was noted that the Inter Utility Demand Side Management Liaison Group is preparing a manual incorporating model DSM programs and that it was important

to avoid duplication of effort. Members agreed that Dr Jong Duck Kim, in his role as Chair of the Energy Efficiency and Conservation Expert Group, should refine the paper in light of members' comments and seek the advice of Inter Utility Demand Side Management Liaison Group concerning which aspects of the proposed work program it could undertake. Members would then be in a position to judge the need for additional work on this important issue.

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

- The Chair of the Energy Efficiency and Conservation Expert Group to refine the paper and seek the advice of Inter Utility Demand Side Management Liaison Group concerning which aspects of the proposed work program it could undertake.
- The Chair of the Energy Efficiency and Conservation Expert Group to report to EWG 12 on the response of the Inter Utility Demand Side Management Liaison Group, and on the need for any additional work.

#### **11. PROPOSAL TO CONSIDER ISSUES ASSOCIATED WITH THE SITING OF NUCLEAR POWER STATIONS**

Members considered the paper presented by the Republic of Korea on issues associated with the siting of nuclear power plants. Members agreed that in a number of respects nuclear power is a sensitive issue for some members, and that it would be unproductive to pursue political issues. It was also important to consider the relationship between any work APEC may undertake on this topic and the role of existing agencies such as the IAEA and the NEA. It was agreed, however, that the issue of nuclear safety was of importance to all members, and that there could be potential for the Energy Working Group to provide an appropriate framework for discussions on regional nuclear safety issues.

It was decided that the Republic of Korea, in consultation with other member economies operating nuclear power stations, would develop a revised paper focussed on nuclear safety matters for consideration at EWG 12. The paper would address explicitly the question of whether the Energy Working Group is the appropriate body to consider such matters.

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

- The Republic of Korea, in consultation with other member economies operating nuclear power stations, to develop a revised paper focussed on nuclear safety matters for consideration at EWG 12.

#### **12. EWG BUSINESS FORUM**

Members considered the paper prepared by Australia on ways to establish and coordinate the involvement of senior business sector representatives at a strategic level in the activities of the Group.

It was agreed that involving business interests in the work of the Group, at an early stage, to provide strategic guidance was important for the EWG. It was also

agreed that such involvement should generally be on an ad hoc basis according to the needs of the EWG, with representation determined by members according to the nature of the issues under consideration.

Members agreed that for such fora to be meaningful and productive, the numbers of business interests involved in discussion with the EWG at any one time ought not to be too large, with a reasonable balance between all member economies.

Members agreed that the first business forum to be convened should provide input to the EWG's work on the development of a framework to facilitate investment in energy infrastructure which was discussed under Agenda Item 5.6.

It was agreed that member economies would nominate a senior industry leader from their respective power sectors to attend the ad hoc EWG Business Forum on Investment in the Power Sector. This Business Forum would meet before EWG 12, with a representative from it reporting to members at EWG-12. Further meetings of this Business Forum would be on an 'as needs' basis. The proposed meeting of Chief Executive Officers before the Ministerial meeting to discuss the investment in infrastructure initiative constitutes another valuable ad hoc forum

The EWG Secretariat undertook to prepare a draft Terms of Reference for the Business Forum.

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

- The EWG Secretariat to draw up the terms of reference for the Business Forum and to circulate to members for comment by 30 November 1995.
- Members agreed to forward nominations for the ad hoc EWG Business Forum on Investment in the Power Sector to the EWG Secretariat by 15 December 1995.
- Members agreed that the first meeting of the Business Forum should take place before EWG 12, so that a report can be forwarded to EWG 12.

#### **13. OTHER BUSINESS**

The Co-Chairman, Mr Higgins, had the sad duty to inform members that Mr Michael Hilyard, a colleague and friend of many EWG members, had recently passed away. Members expressed their sorrow at this news and asked that their condolences be passed to his family.

#### **14. DATE AND VENUE FOR NEXT MEETINGS**

Members noted that the next meeting of the Energy Working Group (EWG 12) will be held in Hong Kong on 6-8 May 1996. Registration will be on Monday 6 May 1996. The meeting will take place on 7 and 8 May 1996.

As previously agreed, EWG 13 will be hosted by the Philippines. The Philippines was requested to advise the EWG Secretariat of tentative dates for the meeting as soon as practicable to assist in the scheduling of EWG activities. Details of the



venue and timing for EWG 13 will be advised at EWG 12. Chile confirmed its offer to host EWG 14 in the first half of 1997. A decision on the host for EWG 14 will be taken at EWG 12.

**15. SUMMARY RECORD OF ELEVENTH MEETING**

This Summary Record of the meeting was agreed.

**16. REPORT TO APEC SENIOR OFFICIALS' MEETING**

The report to Senior Officials, including the Attachment on the "Integration of Environmental Considerations into the Activities of the Energy Working Group" was agreed.