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ASIA-PACIFIC ECONOMIC COOPERATION
SUMMARY RECORD OF THE
FOURTEENTH ENERGY WORKING GROUP MEETING

13 TO 14 MAY 1997

SANTIAGO, CHILE

INTRODUCTION

The fourteenth meeting of the APEC Energy Working Group was held in Santiago, Chile 13-14 May 1997. The meeting was co-chaired by Chile and Australia. Delegates from Australia, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, the Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America participated in the meeting. Representatives from the EWG and APEC Secretariats, and observers from PECC also attended, together with guests from Colombia, India, Mongolia and the Russian Federation.

1. OPENING ADDRESS

The Co-Chairman, Mr Tim Mackey, opened the meeting and introduced the Co-Chairwoman, Mrs Maria Isabel Gonzalez. Mrs Gonzalez welcomed delegates to Chile. She emphasised the importance of energy to the APEC region and acknowledged the excellent cooperation within the EWG and the range of important activities being undertaken by the Group. Mrs Gonzalez's comments were warmly appreciated by participants.

The meeting also welcomed the addresses during its morning session by the Minister President of the Chilean Energy Commission, Mr Alejandro Jadresic, and the Chilean Acting Minister for Mining, Mr Sergio Hernandez.

Mr Mackey noted the key issues which members would need to consider during the meeting. He informed members that Pakistan had been given approval by APEC Senior Officials to participate as a guest in EWG activities. It is hoped Pakistan can participate in the next meeting of the Group.

Mr Mackey drew attention to a revision to the title of Agenda Item 5 in the light of discussion that had taken place at the Ministerial Steering Committee meeting held the day before EWG 14. The new title is "Energy as a Possible Sector for Early Voluntary Liberalisation". A revised agenda paper for this item was circulated by the EWG Secretariat. The Agenda as adopted is at Annex 1. A list of participants is at Annex 2.

2. ROUND TABLE STATEMENTS ON NOTABLE ENERGY DEVELOPMENTS AND ACTIVITIES

Delegations presented brief overviews of the main energy developments that had occurred in relation to their economy since the last meeting. The guest economies also made brief statements. Written summaries of these presentations are at Annex 3. In addition, members submitted short written papers on member economies' coverage of energy performance standards for appliances and equipment. These additional papers will be collated and circulated by the EWG Secretariat to members out of session.

Members confirmed the topic "Utilisation of and Scope for use of Renewable Energy" for the paper to be submitted at EWG 15.

Action Arising/Next Steps

- In addition to their reports on notable energy developments, each member economy will, as agreed at EWG 13, table a brief written report on "Utilisation of and Scope for use of Renewable Energy" at EWG 15.
- A decision on the topic of the paper for EWG 16 is to be made at EWG 15.

3. PROGRESS ON INITIATIVES ENDORSED BY ENERGY MINISTERS IN 1996

3.1 Asia Pacific Energy Research Centre

The President of the Asia Pacific Energy Research Centre (APERC), Mr Keiichi Yokobori, presented his report on APERC's activities. Mr Yokobori informed members that APERC had commenced its substantial work program. The Centre now has a complement of 18 researchers. Mr Yokobori said that the Japanese Government had allocated Y million 780 to APERC for the fiscal year Apr 1997-Mar 98. This amount may be reduced by 10 per cent but would still be sufficient for APERC to carry out its work program effectively.

Mr Ji-Chul Ryu, Vice President of APERC, reported to the meeting on the proposed methodology for preparing APERC's energy supply and demand outlook and Mr Jess Tamang, Team Leader, APERC, reported on the Workshop on Methodologies and Data for Energy Demand and Supply Outlook held in Tokyo 17-19 March 1997.

Members discussed the six priority research themes for 1998 nominated by Mr Yokobori to be pursued by APERC. Members agreed that all the themes nominated were important to the work of the EWG. The themes proposed are:

1. Energy pricing practices and implications on energy efficiency, the environment and on supply infrastructure;
2. Energy efficiency indicators for industry;
3. Costs and benefits of large scale development of natural gas resources;

4. Feasibility study of regional interconnected electrical power systems;
5. Deregulation and privatisation of the electricity industry; and
6. The value of oil stockpile systems in securing oil supplies.

Members accepted the criteria for disaggregation of data in the energy outlook, as proposed and presented by Mr Yokobori.

Action Arising/Next Step

- APERC to pursue the development of a regional outlook for 1997 and the six themes for 1998 nominated by the President of the Asia Pacific Energy Research Centre. Mr Yokobori would consult further with member economies on the development of his work program and would welcome advice from member economies, in finalising the priority to assign each of the six research themes.

3.2 Mobilising Capital for Power Infrastructure Development

In his presentation on this item Mr Hartwell (Australia) noted that at the last EWG meeting members agreed to progress, as a matter of priority, the work programs of the Ad Hoc Business Forum, and the Electricity Regulators' Forum. As the first phase of the work, a TILF funded project has been implemented. The project comprised a consultancy to find ways of developing transparent, efficient and effective procurement processes for power infrastructure in member economies and a workshop to consider the draft recommendations/conclusions.

Ms Sonya Bradford, on behalf of the consultancy team Norton Rose and Worley International, made a presentation to members on the conclusions of the final report. The consultancy had been commissioned to help develop recommendations to APEC Energy Ministers on ways of facilitating business sector investment in the power sector by identifying methods of reducing risk and uncertainty for Independent Power Producers (IPPs).

Mr Hartwell outlined the process following the workshop to develop recommendations to Ministers in August 1997 on this issue. The EWG would work with Dr Sippanondha Ketudat (workshop chairman), the Ad Hoc Business Forum, the Electricity Regulators' Forum, and the project consultants to develop a set of recommendations in the form of an IPPs - Principles of Best Practice Manual, agreed by the EWG, which would be presented to Ministers in Edmonton. It is suggested Ministers would recognise the manual as containing best practice procedures, endorse the principles, and commit to consider their own arrangements in the context of these principles. Members noted that this was a very important and central activity of the EWG and would be a major focus of the Energy Ministers meeting in Edmonton.

Members noted the report of the Third Meeting of the Ad hoc Business Forum. With respect to the future role of the Forum, Mr Hartwell indicated that members of the Forum felt that it had been working well, and should have an on-going role in

providing a business sector perspective and input into EWG activities. The membership of the Forum would need to be reviewed as business sector priorities changed. There were a number of comments about procedural issues in relation to the activities of the Business Forum which will be addressed by the EWG Secretariat.

Members noted that not all APEC member economies were represented on the Forum and asked that the Forum Secretariat look at ways to expedite membership from all member economies. Members also called for further discussion by the EWG on business sector involvement in the EWG.

Members noted the report of the Electricity Regulators' Forum, and endorsed the actions proposed within that report.

Members discussed the draft Request for Proposals for a consultancy study on promoting energy security in APEC member economies through improved operation of International Fuel Markets. The Request for Proposals will be amended in line with comments from member economies.

Action Arising/Next Steps

- The EWG, in conjunction with Dr Sippanondha Ketudat (Chairman of the Workshop), the Ad Hoc Business Forum, the Electricity Regulators' Forum and the consultants to develop a Best Practices Manual for IPPs, which will be circulated to members by the end of May.
- Dr Sippanondha Ketudat, as the eminent person assisting the EWG in this exercise, accompanied by representatives of the Ad Hoc Business Forum, to be invited to present the Best Practices Manual for IPPs to Energy Ministers for their consideration at their meeting in Edmonton, Canada.
- The EWG Secretariat to proceed with submitting to the APEC Secretariat for international tender a consultancy study on promoting energy security in APEC member economies through improved access to established international fuel markets.
- An item on business sector involvement in the EWG to be placed on the Agenda for EWG 15.
- The EWG Secretariat to rectify the situation where an international organisation is reported to have participated in the activities of the Energy Regulators' Forum without prior approval.

3.3 Reducing the Environmental Impacts of Energy Supply and Use

Members noted that Ministers, at their meeting in August 1996, supported as a priority a strategic approach aimed at ensuring the establishment of environmentally sound infrastructure in the region.

Canada informed members that, in response to Ministers, to follow up further on the work program proposed by the Ad Hoc Business Forum, and to link with the power infrastructure work discussed in the previous item, it had commissioned a self funded study on establishing environmentally sound infrastructure in the electricity sector. The objective of the project was to ensure environmental soundness and efficiency were built into the region's energy infrastructure as new capacity additions were made. The study will assist in developing recommendations on good practice to simultaneously achieve both environmental and investment goals for consideration by Energy Ministers at their meeting in Edmonton.

Mr George Davies and Mr Ken Watson of Apogee Research, the consultants engaged to undertake the study, gave a presentation. The consultants informed members that they would be drawing on input from the EWG, the Ad Hoc Business Forum and Electricity Regulators' Forum and invited members to provide guidance on the proposed selection of case studies, views, and input to assist in progressing the study. It was anticipated that the full draft report will be completed by 30 June 1997, and this will be circulated to the EWG for comment. Some member economies said that the consultant's report should cover the scope of work as agreed and in a timely manner. Some other economies suggested that recommendations should be more specific than the preliminary ideas presented.

Action Arising/Next Steps

- Canada to circulate the consultant's full draft report for comment to members out of session.
- Canada, in consultation with the EWG and the consultants, to formulate recommendations for endorsement by Energy Ministers at their meeting in Edmonton.

3.4 Reducing Costs through Cooperation on Energy Standards

Mr Aguilar of Mexico, on behalf of the Canadian chair of the Steering Group on Energy Standards, reported to members on the first meeting of the Steering Group in Vancouver, Canada in March 1997. Mr Aguilar informed members that the Group had agreed

- on a draft work program;
- on a list of product categories on which to focus;
- to undertake a survey of testing facilities and test standards in APEC economies and on the current state of mutual recognition and harmonisation; and
- on a study of trade flows of appliances, motors and lighting products between member economies in the APEC region.

Members endorsed the work program of the group, noting with regard to the proposed trade flows study that the Group should explore the most expeditious

way of securing energy data not already available.

Members expressed strong interest in seeing faster progress made by the Group so that a report of substantive progress could be placed before Energy Ministers. Mr Aguilar informed members that in an effort to expedite the Steering Group's work it was proposed to hold a second meeting of the Group around the end of June. Australia had offered to host the meeting.

Action Arising/Next Steps

- Canada to convene a second meeting of the Steering Group on Energy Standards to enable a report of substantive progress to be placed before Energy Ministers at their meeting in Edmonton.

4. ENERGY MINISTERS' MEETING

Canada, in its capacity as Chair, presented the report of the Steering Committee meeting held on 12 May to discuss the agenda for the Second Energy Ministers meeting to be held in Edmonton Canada 26-27 August 1997. Members considered the report (copy at Annex 4).

Members agreed with the proposed Agenda with the exception of the item dealing with Free Trade in Energy. It was however agreed that the more appropriate topic "Energy as a Possible Sector for Early Voluntary Liberalisation" should stay on the Agenda for time being. However, matters associated with its possible inclusion were to be substantively discussed under Agenda Item 5. It was also agreed to re-order the Agenda.

It was further agreed that consideration be given to having Ministers endorse work on the development of natural gas infrastructure, subject to further discussion by the EWG, and that Ministers recognise the on-going work of the Expert Groups.

Japan informed members that the dates for the third Energy Ministers' meeting are to be 9-10 October 1998 in Okinawa, Japan.

Action Arising/Next Steps

- Canada to proceed with the organisational arrangements for the Energy Ministers' meeting.
- Canada, in conjunction with the EWG Secretariat, to proceed to prepare the necessary agenda papers and other documents for the Energy Ministers' meeting.
- Members to lodge registration forms for the meeting with the Canadian organisers by 20 June 1997
- Members to provide views to the Canadian organisers on the theme

and content of the Ministerial Communiqué as soon as possible.

5. ENERGY AS A POSSIBLE SECTOR FOR EARLY VOLUNTARY LIBERALISATION

Members noted that Ministers at their first meeting in August 1996 had agreed that meeting APEC's rapidly increasing demand for energy in an environmentally friendly way will be essential if the region's economic growth potential is to be fully realised.

Members also recalled the instruction by APEC Economic Leaders that Ministers identify sectors where early voluntary liberalisation would have a positive impact on trade, investment and economic growth in individual APEC economies as well as in the region.

Members further noted that at their meeting in Montreal 8-10 May, Trade Ministers had confirmed 'their willingness to consider favourably opportunities for voluntary liberalisation through Individual Action Plans.' In this context, members noted that if the discussion is to proceed it should take a holistic approach to liberalisation.

Against this background, some members advised that they would need to consult further in their capitals on whether the topic of 'Energy as a Possible Sector for Early Voluntary Liberalisation' should be on the agenda for the August 1997 meeting of APEC Energy Ministers, but agreed that it should remain a possible topic for the time being.

Action Arising/Next Steps

- Delegates to consult in their capitals on whether the subject "Energy as a Possible Sector for Early Voluntary Liberalisation" should be deleted from the proposed Ministerial Agenda and advise Canada as soon as possible.
- Canada to advise member economies of the outcome of their consideration of this topic for the Agenda following the receipt of advice from member economies and its own internal deliberations.

6. EXPERT GROUP REPORTS

6.1 Energy Data and Outlook Expert Group

Mr Matsui reported that the eighth meeting of the Energy Data and Outlook Group was held in Canberra, Australia on 12 and 13 March 1997. Members had agreed that future editions of the APEC Energy Statistics would include a detailed analysis of a particular sector covered by the publication. Mr Matsui noted that members had also considered a report from Mr Yokobori, the President of APERC, on the current status of APERC and the methodology for the APEC Energy Outlook in 1997 and the research priorities proposed for 1998. Mr Matsui further noted that APERC would proceed with disaggregation in the regional outlook, on the basis of the

criteria approved by EWG 14 members under Item 3.1.

Mr Matsui reported that the third APEC Coal Flow Seminar had been held in Terrigal, Australia in November 1996. The Seminar had focused on the critical importance of fostering efficient investment in coal to underpin the APEC region's economic future. A fourth seminar is to be held in Hawaii and hosted by the US 11-14 November 1997 entitled "The Changing Market and the Outlook for Coal".

There was also a discussion about the activities of the Ad Hoc Group of Coal Policy Makers. It was decided that the status and functions of this group would be considered within a broader consideration of the Energy Working Group's third tier groups.

Action Arising/Next Steps

- The next meeting of the Group to be held in 1998 hosted by Korea.

6.2 Clean Fossil Energy Expert Group

Members considered the report by Dr Miller on the activities of the Clean Fossil Energy Expert Group. Dr Miller reported the Expert Group on Clean Fossil Energy had agreed to hold its 1997 Technical Seminar in Reno, Nevada, USA from 28 to 30 October 1997. This would allow site visits to clean coal technology projects in the Reno area. Dr Miller said the Seminar would expand and build on the dialogue established at previous Seminars. For the first time the focus of the Seminar would be expanded to include clean technologies for the use of oil and natural gas as well as coal.

Dr Miller reported that the Coal Mine Gas Sub-Group had completed Phase 1 - the site survey for the location of the Coal Bed Methane Demonstration Project - and had examined procedural matters related to Phase 2 of the project, namely the pre-feasibility and preliminary engineering stage. Three reports, representing the outcomes of Phase 1, would soon be issued to Expert Group members.

Members considered the Terms of Reference that Dr Miller had submitted and approved them, after a small amendment from Australia.

Dr Miller mentioned that he was standing down as Chairman of the Group after completing his term, in accordance with the Expert Group's Terms of Reference. He is to be replaced by Dr Sun Chun from February 1998. The Chairman, on behalf of the EWG thanked Dr Miller for his report and in particular for his very effective role as chairman over the past four years.

Action Arising/Next Steps

- The Clean Fossil Energy Expert Group to hold its 1997 Technical Seminar in Reno, Nevada, USA.

6.3 Energy Efficiency and Conservation Expert Group

Mr Rashid Ibrahim, the newly appointed chair of the Energy Efficiency and Conservation Expert Group, presented the report of the Group's meeting in Vancouver in March 1997. He reported that two of the Groups recently established third level groups had not prepared their Terms of Reference. It was intended that the Terms of Reference will be prepared and submitted to the Expert Group Chair for consideration before presentation to the EWG at its next meeting.

Action Arising/Next Steps

- Terms of Reference for the Demand Side Management Liaison Group, the Gas Technology Liaison Group and the Sustainable Cities Liaison Group to be presented (within the broader context of a review of all Third Tier Groups) to the next EWG meeting for consideration and approval by members. (See record on Item 14 - Report of EWG Secretariat).

6.4 Technology Cooperation Expert Group

Mr Fang Hei Tsau, on behalf of Dr Liang-Jyi Fang, the newly appointed Chair of the Expert Group, presented the report of the tenth meeting of the Expert Group held in Vancouver 18-19 March 1997. Members had reviewed the work of the Group and redrafted its Terms of Reference to reflect its focus on new and renewable energy technologies, and proposed that its name be changed accordingly from the Technology Cooperation Expert Group to New and Renewable Energy Technologies Expert Group. In keeping with the revised title of the Expert Group, Mr Fang Hei Tsau said the Group would develop an implementation plan to enable the establishment of a systematic program, which would have a clear focus on tangible outcomes.

Members considered and approved Mr Fang Hei Tsau's request for endorsement for the Expert Group to participate in the APEC Sustainable Development Training and Information Network (ASDTIN) Advisory Board, which was a project sponsored by the APEC Human Resources Development Working Group.

Members endorsed the new title and Terms of Reference for the Group, after incorporation of some amendments proposed by EWG members, and also noted the need to address the relationship between the Group and others.

Members expressed appreciation to the previous chair of the Group, Mr Endro Utomo Notodisuryo for his valuable efforts.

Japan made a presentation on the APEC Energy R&D and Technology Transfer Seminar it hosted in March 1997.

Action Arising/Next Steps

- The Expert Group on Technology Cooperation to be henceforth known as

the New and Renewable Energy Technologies Expert Group.

- The New and Renewable Energy Technologies Expert Group to participate in the ASDTIN project, and to report to EWG members on its involvement.
- The relationship between the renamed Group and other Expert Groups to be addressed.

6.5 Minerals and Energy Exploration and Development

Members considered the report by Mr Tomas Astorga on the activities of the Group, and expressed their support for the Expert Group's activities.

Mr Astorga reported on the second meeting of the Expert Group held in Seoul, Republic of Korea, on 24 to 26 March 1997. The meeting reviewed progress on the development of the Group's data base covering mining and energy resources related opportunities, and other related data and venture capital financing resources. Mr Astorga emphasised that because of the nature of its work, the Group was committed to linking closely with other Expert Groups, especially the Expert Group on Energy Data and Outlook Group.

Mr Astorga informed members that the Expert Group had supported a proposal to hold an Environmental Workshop for Sustainable Mining Development which will be held in Tokyo in 27-31 October 1997 and hosted by Japan.

Members welcomed Canada's offer to host the next meeting of the Group in 1998 and Thailand's offer to host a meeting in 1999.

Action Arising/Next Steps

- Japan to hold an Environmental Workshop for Sustainable Mining Development in October 1997.
- Canada to host third meeting of the Group in 1998 with the theme "Sustainable Development in Minerals and Metals".

7. EWG PROJECTS FOR 1998

Members noted that 20 project proposals had been submitted for the consideration of the EWG. Of these, eleven were seeking funds from the Operational Account of the APEC Central Fund, two were seeking funds from the TILF Special Account and seven were self funded projects that did not require APEC Central Funding. The Chairman observed that a number of the EWG's key activities arising from the Group's Action Program were also self funded.

Following discussion of the projects for Operational Account funding members agreed that six projects be submitted to the APEC Secretariat in priority order.

Members noted that the EWG Secretariat would prepare the cover sheet to indicate how the selected projects will contribute to achieving the Working Group's goals.

It was noted that the project proposals need to be submitted to the APEC Secretariat by 30 June 1997. The highest priority projects selected for APEC central funding of US\$214,600 are listed in priority order below:

Table 1 (top priority projects)

Project Title	Budget \$	Operational Account
Establishing and Operating the Energy Data Base	200,000	20,000
Institutionalisation of a Benchmarking System for Data on the Energy Use of Commercial and Industrial Buildings	40,000	40,000
Coal and Natural Gas Competition in APEC Economies	62,150	24,600
Workshop on Emerging Energy-Efficient Industrial Technologies	40,000	40,000
Survey and Assess Analytic Methodologies to Incorporate Renewable Energy in Domestic Energy and Economic Planning	40,000	40,000
Assessment of Integrated Rural Energy and Village Power Programs for Potential Collaborative Projects in the APEC Region	50,000	50,000
TOTAL	382,150	214,600

TILF Projects

Project Title	Budget \$	TILF Special Account
Comprehensive Linked Database on Mining and Energy Related Opportunities and Regional Legal Framework Within APEC Member Economies	212,300	99,500

Self Funded Projects

Project Title	Budget \$
Workshop on Energy-Efficient Waste-to-Energy Technologies	40,000
Development of a Database on Cogeneration and Waste Heat Recovery Projects	40,000
APEC Joint Project for the Recovery and Utilisation of Methane Emitted from Municipal Landfills	115,000
Verification of Wind Energy Resource Assessment Predictions	50,000
Renewable Energy-Based Battery Charging Stations	73,000
Holding an Environmental Cooperation Workshop for Sustainable Mine Development	50,000
The Construction of Database on the Oil and Gas Fields in the APEC Region	30,000

With regard to the TILF Proposal "Assessing the Impacts of Liberalising the Energy Sector in APEC Member Economies", after discussion, it was agreed that this proposal be redrafted for further consideration of members.

The representative of the APEC Secretariat outlined to members the new consolidated Guidebook on Financial Procedures which he had distributed to members. He particularly emphasised the new format to be following for project proposals.

Action Arising/Next Steps

- Where relevant, the Expert Group Chairmen will finalise documents associated with 1998 projects in the required format and forward these to the Energy Working Group Secretariat by no later than 14 June 1997.
- The cover sheet to indicate how the projects will contribute to achieving the Working Group's goals will be prepared by the EWG Secretariat based on input provided by the Expert Group Chairmen.
- The Energy Working Group Secretariat will forward the complete list of projects, with the coversheet, to the APEC Secretariat by 30 June 1997, with priority ranking as agreed at the meeting.
- The TILF Proposal "Assessing the Impacts of Liberalising the Energy Sector

in APEC Member Economies" will be recast by the project proponent and circulated to members economies for comment. The revised proposal is to be circulated before next meeting.

8. SYMPOSIUM ON FEEEP INITIATIVE (IMPACT OF EXPANDING POPULATION AND ECONOMIC GROWTH ON FOOD, ENERGY AND THE ENVIRONMENT)

Members were informed that in response to the Leaders' initiative on the impact of expanding population and economic growth on food, energy and the environment, the chair of the Economic Committee would prepare a report to Economic Leaders in November 1997 identifying issues and setting the scene for discussion on practical options for joint actions. Input to the report will be drawn from a number of areas, including proceedings from the FEEEP Symposium to be held in Canada. This issue is proposed for discussion by Energy Ministers in Edmonton.

Members considered the EWG should actively participate in the FEEEP initiative.

Action Arising/Next Steps

- The EWG Lead Shepherd to participate in the FEEEP Symposium.

9. PROPOSAL FOR CLOSER COOPERATION BETWEEN THE INTERNATIONAL ENERGY AGENCY AND APEC

In opening discussion on this item, the Australian delegate outlined the activities of the IEA relevant to the Energy Working Group agenda. This included an already existing contribution to the work of the Energy Data and Outlook Expert Group and work on electricity and gas developments, promoting energy efficiency and conservation measures, and technology transfer and information. It was proposed that a representative of the Agency be invited to attend the next substantive meeting of the EWG and give a presentation on relevant activities and answer queries.

Members agreed to seek the approval of Senior Officials to invite the IEA to the next meeting of the EWG and to make a presentation on the work of the Agency.

Action Arising/Next Steps

- The APEC Secretariat to seek the approval of the SOM for the IEA to participate in EWG 15.

10. REVIEW OF CURRENT FOCUS AND FUTURE DIRECTIONS

The Australian delegate, in opening discussion on this item, stated that the EWG's Future Directions paper was agreed to in October 1994 and since then a number of important developments had taken place within APEC.

Members agreed that there had been many significant events since the Future

Directions paper was finalised affecting the work program of the EWG, and that these events were not adequately reflected in the current version of the paper.

Members asked the EWG Secretariat to prepare a revised Future Directions paper and present it to EWG 15 for consideration.

Action Arising/Next Steps

- The EWG Secretariat to prepare a revised version of the 1994 Future Directions paper and present it for consideration at EWG 15.

11. RURAL ELECTRIFICATION

Japan reported on the progress it was making in identifying the range of issues and specific actions it was taking to further rural electrification in the region. Information on successful examples of rural electrification is being gathered from a survey of member economies. A draft report is to be considered at a workshop on the Facilitation of Rural Electrification in the APEC region to be held in Tokyo on 24 to 25 June 1997. The results of the Workshop would form the basis for a report to EWG 15.

The Japanese delegate asked that members lodge their registrations for the workshop by 28 May 1997.

Action Arising/Next Steps

- Japan to finalise its Report on Rural Electrification and present it to EWG 15 for consideration.

12. Nuclear Energy

The Chairman advised members that the Chairman of the Small Group on Nuclear Energy had informed him that it had not been possible to arrange a meeting of the Group. After discussion, it was agreed that the Small Group on Nuclear Energy would reconvene at a time appropriate to interested members.

Action Arising/Next Steps

- A meeting of the Small Group on Nuclear Energy at a time convenient to interested economies.

13. REPORT OF APEC JOINT FORA MEETING

The Chairman advised members that a meeting of APEC Joint Fora representatives had taken place in February 1997.

Mr Hartwell, who had attended the Joint Fora meeting, briefed members on its outcome. Some of the issues discussed at the meeting included:

- The need for APEC to demonstrate its relevance by continuing to achieve results
- The need for Working Groups to regularly review their mandates to ensure they are focused on Leaders' and Ministers' directives.

Action Arising/Next Steps

- The EWG Secretariat to keep members informed of future developments in relation to the Joint Fora.

13.1 DRAFT GUIDELINES ON THE ROTATION OF LEAD SHEPHERDS/CHAIRS

In introducing this item, the Chairman informed members that the APEC Secretariat had circulated draft guidelines proposing Shepherds/Chairs serve a maximum of two - two year terms to encourage the sharing of leadership positions among all APEC economies.

Australia, as Shepherd of the EWG, indicated that, although it had held this position since the inception of the Group, it was prepared to continue in this role.

Members reaffirmed their support for the continuation of Australia as Shepherd and Chairman of the EWG. In doing so, members agreed that, under Australia's stewardship, the EWG had become one of the pre-eminent Working Groups within APEC.

Action Arising/Next Steps

- : Australia to continue in its role as Shepherd/Chairman of the EWG.

14. SECRETARIAT REPORTS

Members noted the presentations by the Energy Working Group Secretariat and the APEC Secretariat.

Concerns were expressed that in some documents presented at the EWG meeting terminology inconsistent with APEC protocols was used. Also some irregularities concerning participation in third tier group meetings were evident.

The meeting reconfirmed the importance of adhering fully with APEC protocols and procedures governing APEC documentation and guest participation in all EWG related activities.

The EWG Secretariat was instructed to develop a draft protocol governing the operation of third tier groups for the consideration of members. At that time the rationale for existing third tier groups and their terms of reference will also be considered, as was originally agreed at EWG 13, together with a review of Expert

Groups.

Action Arising/Next Steps

- The EWG Secretariat to develop a draft protocol governing the operation of third tier groups for the consideration of members at their next meeting. At that time the rationale for existing third tier groups and their terms of reference will also be considered, together with a review of Expert Groups.

15. OTHER BUSINESS

Members noted the presentation by the United States that issues pertaining to natural gas including LNG should be considered by the EWG as part of its future activities and to be raised at the Ministerial meeting in August 1997 for endorsement. The USA noted comments from members and will redraft a more substantive proposal for members' consideration.

Members appreciated the presentation by Colombia on the Colombian coal industry and the APEC economies.

Action Arising/Next Steps

- United States to prepare a more substantive paper on gas issues for EWG consideration.

16. DATE AND VENUE FOR NEXT MEETING

Members noted that the next meeting of the Energy Working Group will be held in Mexico in the week beginning Monday 23 March 1998.

Members will be advised of the precise dates out of session.

Malaysia indicated the possibility of hosting an EWG meeting in 1999.

17. SUMMARY RECORD OF FOURTEENTH MEETING

This Summary Record of the meeting was agreed.

18. REPORT TO APEC SENIOR OFFICIALS' MEETING

The report to Senior Officials will be prepared and circulated out of session by the EWG Secretariat.

Members recorded their appreciation for the work of the two Co-Chairs in making the meeting such a success, and thanked Chile for its hospitality and the excellent arrangements for the meeting.