



PACIFIC ENERGY SUMMIT

REMARKS

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Kingdom of Cambodia

2014 Pacific Energy Summit

June 30–July 1, 2014, Seoul, Republic of Korea

The 2014 Pacific Energy Summit continues to be a platform of collaboration and dialogue on the issues of energy security and climate change and seeks to forge lasting partnerships that address these challenges jointly. I am very much honored to join with experts from around the world. In this platform we learn, share, and exchange views between each other to enhance and expand the scope of the energy and environmental outlook for Asia-Pacific cooperation. I would like to thank the National Bureau of Asian Research (NBR) and the Government of Korea for organizing this year's Pacific Energy Summit on *Charting the Course to a Secure and Cleaner Energy Future*.

We are aware that the problems of energy security and global warming are of worldwide concern. Many approaches, on both the supply side and demand side, are being tried to lessen the impact, but renewable energy remains the most viable option and most cost-effective way forward. These innovations consist of a particular energy source, a device, or a technology used to convert that source into a usable or more convenient form of energy. Developing countries, including Cambodia, need diverse, renewable energy products and services, which must be developed locally to make them affordable, as well as a focus on sustainable energy, energy efficiency, and conservation. Energy Efficiency is essential for economic and social development.

Cambodia's main plan for electricity generation is the development of cleaner energy resources. There is substantial hydropower potential both in the West of the country and on tributaries of the Mekong River, with a total capacity of around 10,000 megawatts (MW). All western hydro resources are in use with a total capacity of around 1,000 MW. The national grid is being progressively developed to connect load centers with these hydro power plants, provide electricity supply to most parts of Cambodia, and to interconnect with neighboring countries. Cambodia is also promoting the development of solar power plants to supplement the operation of hydropower plants in the dry season, as well as the development of biomass for power generation using rice husks, trees, plants, and bagasse from sugar cane mills.

The progressive development of these hydro resources and the extension of the grid supply will replace a large number of existing small, isolated diesel generating units. This will help reduce greenhouse gas emissions and increase the share of clean energy in Cambodia. This will also result in providing lower cost electricity to its industry and consumers as well as opportunities for power trade and exchange with neighboring countries.

On the other hand, Cambodia has promoted and supported energy efficiency and conservation (EE&C) activities in various programs. We are continuously encouraging the private sector's involvement as we have confidence that they are one of the key factors of the implementation and success. We are also constantly cooperating with various agencies, local and international, on different collaborative projects on EE&C and also finding ways to develop our regulations and policies.

The concept of energy efficiency does not mean saving energy by reducing the overall comfort and well-being of the consumers, but it aims at providing the same (or even better) energy services using fewer energy inputs. The Cambodian Ministry of Mines and Energy has well identified the challenges ahead and is eager to increase energy efficiency as the most cost-effective strategy for economic and social development with reduced energy consumption as well as for protecting the natural environment of Cambodia. To achieve these goals, Cambodia is developing the National Energy Efficiency Policy, Strategy and Action Plan, which incorporates the following objectives:

- The **National Energy Efficiency Policy** is based on analysis of energy consumption by sector, which defined national energy saving potential nationally as a reduction in future national energy demand by 20%, or 1,190.7 kilotonne of oil equivalent (ktoe), until 2035, and a reduction in national CO₂ emissions in 2035 by 3 million tons of CO₂.
- The **National Energy Efficiency Strategy** develops strategic objectives that follow economic, social, and technical rationales and defines specific goals for each of the five priority sectors as follows:
 1. The energy saving potential in the industry sector is estimated at 20% to 70%.
 2. In the end-user product sector, the energy saving potential is estimated at up to 50%.
 3. The energy saving potential in the building sector is estimated between 20% and 30%.
 4. The energy saving potential in rural electricity generation and distribution is estimated at up to 80%, corresponding to reduction of the huge generation and distribution losses of the rural electricity enterprises by enforcing the connection to the national grid and the use of a standardized distribution network.
 5. Concerning the use of biomass resources for residential and industrial purposes, an energy saving potential is estimated between 30% and 50% by introducing improved cook-stoves and more efficient charcoal kilns and char briquettes, substituting fuel wood and charcoal.
- The **National Energy Efficiency Action Plan** outlines short-, medium-, and long-term activities, including estimated budgets to be implemented for each sector's specific strategic objectives. The total budget required to realize this objective will amount to about \$9 million annually.
 1. An annual budget of \$5,580,000 is required in the industry sector to promote good energy-management practices, provide technical training, and encourage interested companies to implement energy-efficiency policies.
 2. An annual budget of \$570,000 is required in the end-user product sector to make the use of a national energy-efficiency labeling system for household appliances compulsory and to organize information campaigns in TV, radio, and newspapers.
 3. An annual budget of \$1,280,000 is required in the building sector to establish an energy-efficiency building code and green building standards.
 4. An annual budget of \$925,000 is required in rural electrification to establish and enforce distribution standards.
 5. An annual budget of \$596,000 is required in biomass to promote improved and efficient cook-stoves and apply charcoal kiln technology.

At the 31st ASEAN Ministers on Energy Meeting, held in Bali, Indonesia, last September, the ministers congratulated the Energy Efficiency and Conservation Sub-Sector Network on promoting and improving energy efficiency in the region. The network's efforts resulted in reduction of ASEAN-wide energy intensity in 2010 by 7.56% based on 2005 levels, and the ministers noted that ASEAN is on track to meet the collective target of 8% reduction by 2015.

Finally, I hope this Summit will be very productive and expect it to enhance our cooperation in working toward a secure and clean energy future. I would like to convey my sincerest gratitude and appreciation to the Republic of Korea Ministry of Foreign Affairs and the Korea Energy Economics Institute for supporting and hosting this event and NBR for serving as the secretariat.