

STRENGTHENING EMERGING ASIA'S POWER SECTOR: NEEDS, REQUIREMENTS, AND POTENTIAL ROLES FOR EAST ASIA SUMMIT ENGAGEMENT

Virtual Workshop

January 20, 2021 | 11:00 a.m.–1:30 p.m. Japan Standard Time
January 22, 2021 | 11:00 a.m. – 1:00 p.m. Japan Standard Time

Growth in electricity demand in South and Southeast Asia is among the fastest in the world. Yet questions remain about how countries across this region might be able to individually or collectively meet their demand requirements while navigating complex economic, environmental, and energy security considerations. Major market shifts, such as the shale revolution in the United States and the effects of the Covid-19 pandemic, have had a profound impact on the availability and affordability of a range of energy supply options. However, capitalizing on these opportunities is often deeply constrained by rigid, opaque, and uncompetitive energy markets (particularly for natural gas and LNG); unresponsive energy pricing arrangements; weak and inadequate transmission infrastructure; and the need to broadly strengthen energy sector policymaking, governance, and technical and local capacity. How might stakeholders from across the region come together to address these issues, and what specific facilitating roles can fora such as the EAS play in this process?

Day One | Wednesday, January 20, 2021

11:00–11:10 Welcome and Introduction

Alison SZALWINSKI
The National Bureau of Asian Research

Clara GILLISPIE
The National Bureau of Asian Research

11:10–12:25 *Powering Emerging Asia: Supply and Demand Outlooks and Paths Forward*

This panel will outline the current outlook for rising power demand and supply prospects across this region and potential scenarios for how the next 20 years of energy development

might proceed. What are the region's energy development trajectories under business as usual and pandemic-adjusted scenarios? How are stakeholders and policymakers across the region seeking to reshape power markets to balance the need to boost supplies while moving towards a cleaner energy mix? Where do initiatives like the Indo-Pacific Strategy, the Japan-U.S.-Mekong Power Partnership, and the Belt and Road Initiative fit into this picture? How might innovative partnership strategies help to better jumpstart any necessary sector reforms? What role does the East Asia Summit currently play in these processes, and what new roles might it be able to take on?

Setting the Scene: Shigeru KIMURA
Economic Research Institute for ASEAN and East Asia

Moderator: Ashley JOHNSON
The National Bureau of Asian Research

Speakers: Weerawat CHANTANAKOME
Ministry of Energy, Thailand

Hiroshi HASHIMOTO (*placement tentative*)
Institute of Energy Economics, Japan

Courtney WEATHERBY
Stimson Center

12:30-1:30 ***Resourcing the Toolkit: Building Technical and Human Capacities for Power Sector Transformation***

Strengthening local- and national-level capacities in power-sector management – whether via skill trainings, improved access to data or technical resources, or other people-people exchanges – is critical to how South and Southeast Asia might be able to navigate (and ultimately, take advantage of) recent market and technological breakthroughs. Meanwhile, the World Bank estimates that distortions in South Asia's power sector are already decreasing the sub-region's GDP by 4-7%, and weak governance in generation and delivery of electricity is a key factor in these losses. This panel will discuss ongoing efforts, emerging best practices, and potential new recommendations for strengthening technical and human capacity at a national-, sub-regional, and regional-level. How have longstanding international efforts driven by Japan's METI, USAID, or sub-regional fora such as ASEAN approached these challenges? What gaps remain? Where might efforts be more effective or better amplified via the East Asia Summit? How could a range of stakeholders contribute to a truly regional framework for knowledge sharing, and what might this look like?

Moderator: Tom CUTLER
Cutler International

Speakers: Mandira ADHIKARI
Nepal Electricity Authority

Nofri DAHLAN
Solar Research Institute, Universiti Teknologi MARA

Day Two | Friday, January 22, 2021

11:00-11:05 Welcome and Opening Remarks

11:05-12:30 *Mobilizing Energy Sector Investments*

As recently noted by the IEA, slowing global economic growth, the collapse in oil and gas prices, combined with disruptions brought on by Covid-19 have resulted in a historic drop in energy investment. At the same time, the Asian Development Bank estimates that Asia and the Pacific will require \$1.7 trillion per year in infrastructure investments through 2030, with more than half of the total need in the power sector. Moreover, energy industries and markets in emerging Asia were already straining to meet demand and mobilize investment before the pandemic. Nevertheless, global financial markets are awash with cheap capital looking for investment opportunities in a near-zero interest rate world. Pension funds, insurance companies, large investment funds, sovereign wealth funds, and global energy companies are looking for “bankable” energy infrastructure investment opportunities. What might it take to seize on the opportunity to “reset” approaches? This session will examine the potential to mobilize capital and investment partnerships to help fully unlock the potential of public and private financing for power sector and infrastructure investments. What does it look like to ‘leverage development finance and export credit to catalyze private investment’ under Asia’s new normal? What are the necessary financial, contractual, and policy preconditions to ensure that energy projects currently proposed or under construction are financially viable?

Moderator: Mikkal E. HERBERG
The National Bureau of Asian Research; University of California-San Diego

Speakers: Saleh ABDURRAHMAN
Ministry of Energy and Mineral Resources, Indonesia

Venkatachalam ANBUMOZHI (*placement tentative*)
Economic Research Institute for ASEAN and East Asia

Nao KAWAKAMI (*placement tentative*)
Japan Bank for International Cooperation

Twarath SUTABUTR
Ministry of Energy, Thailand,

12:35–1:00 *Crafting the Call to Action*

This session will kick-off with the sharing of a draft ‘call to action’ that aims to synthesize preliminary workshop findings and identify opportunities for greater EAS engagement to play a positive role in strengthening Emerging Asia’s power sector. All participants will then be invited to join in a facilitated discussion designed to further refine, test, and strengthen recommendations.

Moderator & Presenter: Clara GILLISPIE
The National Bureau of Asian Research