



Outline of Revised Energy Strategy and Work Plan (2016 – 2020)

20th Energy Sector Coordinating Committee Meeting
Kuala Lumpur, September 2015



Topics for Discussion

- Background
- Proposed changes to the Energy Strategy
- Linking the Energy Strategy and the Energy Work Plan (EWP)
- Proposed actions under revised Energy Strategy
- Discussions and Conclusion

2008 Energy Strategy

Strategy Elements

1. Investment Measures for Regional Cooperation

Domestic investments:

- EE: energy production, transportation, distribution and end-use consumption,
- Clean Energy: retrofits for mitigation of pollution; reduction of fuel resources use; gas flaring elimination; and RE development.

Cross-border investments:

- Focus on clean energy and energy trade.
- Key areas are: cross-border energy transmission, production for export, access/transit to 3rd country energy markets, and joint energy resource development.

2. Capacity building and knowledge sharing

Focus on the following knowledge areas:

- Commercial operation of the sector;
- Sector regulation;
- Public Private Partnership arrangements;
- Demand Side Management, energy efficiency and energy conservation;
- Alternative and renewable energy;
- Riparian issues: focus on international experience in transboundary river management and protection.

3. Policy Measures

Policy measures to enhance:

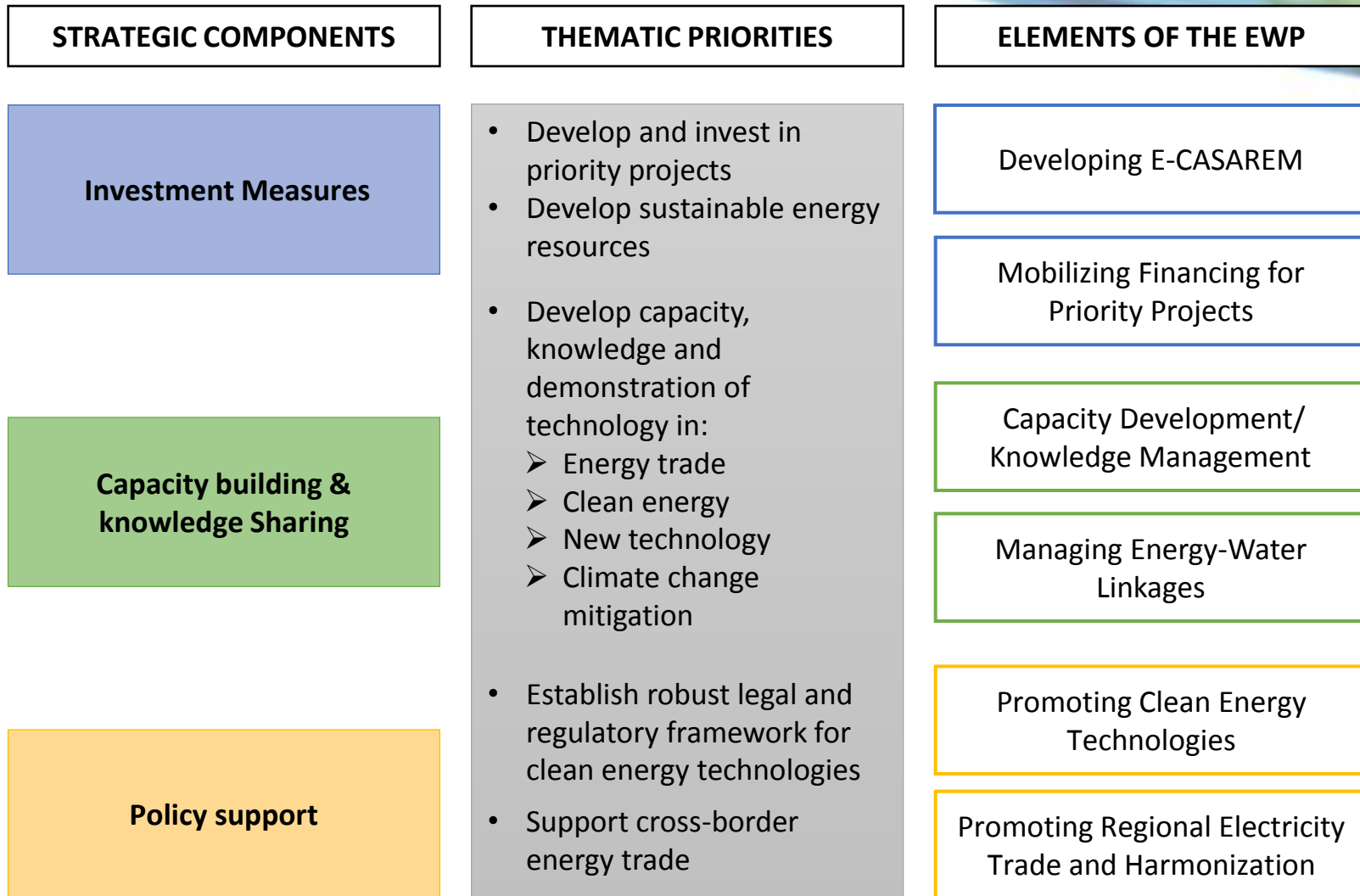
- Energy trade and security;
- Sustainability of energy services through enhanced financial viability;
- Social protection;
- Sector restructuring and commercialization;
- Sector regulation;
- Private sector participation;
- Cooperation in use of transboundary water courses;
- Littoral agreements;
- Alternative and renewable energy options; and
- Energy efficiency

Evolution of the Energy Strategy

Revisions since the 2008 Energy Strategy include:

- Incorporation of Energy Work Plan (EWP) elements
 - Strengthened the link between strategic components and work plan
 - Promoting clean energy technologies in EWP added, focus on dramatic advances and cost reductions in recent years
- Reduction of the scope of Policy Measures
 - Revised to prioritize support for measures for renewable energy, energy efficiency, and third party access to transmission assets

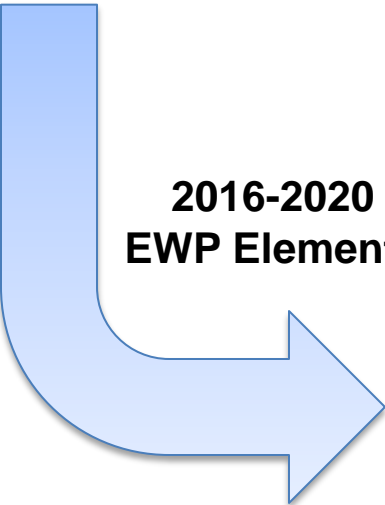
Linking the Energy Strategy and the EWP



Proposed Actions: Revised Energy Strategy

Strategic Component 1: Investment measures

- Investment in domestic and cross-border energy infrastructure is critical to achieving CAREC's vision of better energy security, stronger regional integration, and economic growth through energy trade
- Investment measures should prioritize clean energy technologies, including RE and EE, and development of cross-border transmission infrastructure.



**2016-2020
EWP Elements**

Developing the East-Central Asia-South Asia Regional Energy Market

Continuation of cross-border energy infrastructure projects under implementation in the CAREC region:

- i) TAPI gas pipeline,
- ii) CASA-1000 power transmission line, and
- iii) TUTAP power transmission project
- iv) East Asia Super Grid project

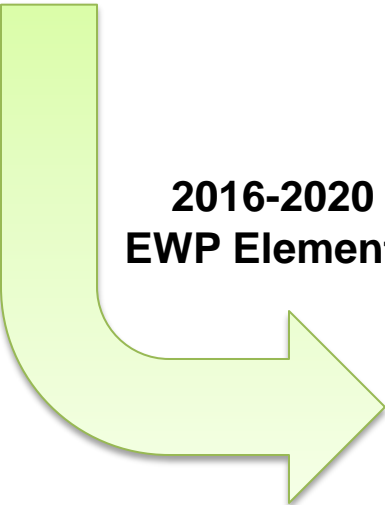
Mobilizing Financing for Priority Projects

- Confirm CAREC member countries' priority projects at this ESCC meeting (September 2015)
- Complete Power Sector Financing Roadmap (expected by early 2016.)
- Attract investment - investors' forum in March 2016, enabling environment

Proposed Actions: Revised Energy Strategy

Strategic Component 2: Capacity building and knowledge sharing

- Increasing institutional capacity is important for the identification, implementation, and sustainability of physical investments over time.
- Activities under this component will prioritize the knowledge areas of energy trade, clean energy technologies, and climate change mitigation.



**2016-2020
WWP Elements**

Capacity Development and Knowledge Management

- Focus on advanced technologies (smart metering, solar power, EE), planning (forecasting), and improving investment environment (tariff and regulatory)
- Highlight knowledge sharing, technology adoption, regulatory issues, and training
- Strengthen cooperation with energy entities outside of CAREC

Managing Energy-Water Linkages

- Completion of regional study on Energy Vulnerability to Climate Change (expected by September 2015 meeting)
- Further discussions on establishing a working group for water resource management issues

Proposed Actions: Revised Energy Strategy

Strategic Component 3: Policy Support

- Critical to attracting and ensuring sustainable investments and regional trade.
- Prioritize support for tariff, renewable energy, energy efficiency and transmission third party access policies.



**2016-2020
EWP Elements**

Promoting Clean Energy Technologies

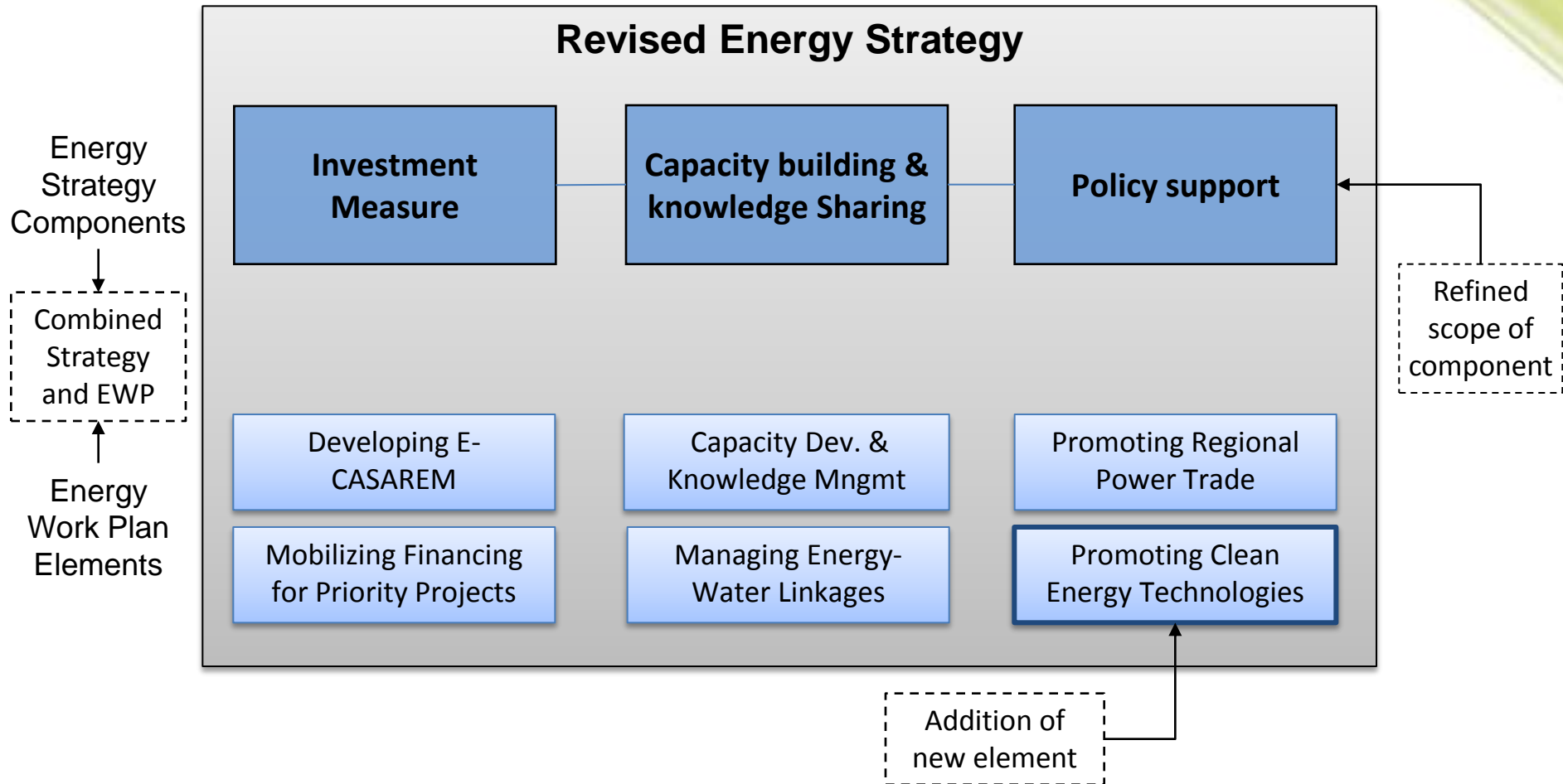
Accelerate adoption of new and appropriate technologies through:

- Raising awareness about new technologies
- Supporting country planning to capture new technology opportunities
- Securing funding to finance large projects in the region

Promoting Regional Electricity Trade and Harmonization

- Completion of Study on Regional Power Trade Development in Central Asia, which will build on previous regional trade studies
- Establishment of a working group on regional market arrangements to support the regional power trade study

Discussion and Conclusion



CAREC Energy Strategy

Suggestions and Comments?