

ASIA CLEAN ENERGY FORUM 2019

PARTNERING FOR IMPACT

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Deep Dive Workshop

Regional Cooperation Initiative: Multilateral Electricity Trading

Point of Contact:

Anthony Jude, ADB Consultant,

anthonyjjude@icloud.com

Background

Regional cooperation and integration (RCI) is a process by which national economies can become more connected regionally by allowing them to make greater connections, including on the global agendas. The process (a) builds stronger institutions and closer trade integration, (b) creates intraregional supply chains and develops stronger financial links, (c) reduces/removes barriers at the border, and (d) allows economies of scale to be tapped. Trade in goods and services, cross-border investments (energy and transport), labour mobility, technology transfers, and financial transactions all support the creation of a much larger, regionally integrated market. The supply chains and production networks that thrive on economic efficiency and integration have made Asia's enormous manufacturing growth possible.

The Asian Development Bank (ADB) and its development partners across Asia and the Pacific have recognized that RCI can be a powerful mechanism for unlocking the vast energy and trade potential in the Asia and the Pacific for the benefit of its people. There are rich experiences of RCI outside the Asia and Pacific Region. In East Asia and Europe, positive transformative changes have taken place. The RCI initiatives implemented have (i) supported and sustained economic growth and trade in East Asia; and (ii) improved multimodal cross-border transport networks that in turn have boosted intraregional trade and developed electricity markets that have continued supporting economic growth in Europe. Hence, regional integration for the ADB's developing member countries (DMCs) is critical for economic growth and shared prosperity as many countries in the Asia and Pacific region are not economically integrated. This lack of integration also directly impacts the region's economic development and greatly hinders the exploitation and utilization of the region's vast energy resources in natural gas, renewable energy (solar and wind), and hydropower resources as well as its trade and investment opportunities.

Objective

There are several benefits of regional cooperation in electricity trade and integration to DMCs economic development. In the long-run these are: (i) improved access of DMC power utilities to new electricity markets, consumers, and to a reliable and efficient supply of electricity; (ii) enables the development of

renewable energy resources that are site specific (hydropower, solar, wind, geothermal, and biomass) and to bring the electricity generated from these remote sites to load centres via high voltage transmission lines; (iii) enables the diversification of power generation source to a least-cost generation source (hydropower or solar/wind) during peak load periods or even during normal duration if coupled with energy storage systems to reduce operational costs; (iv) lowers overall electricity costs; (v) adoption of modern power generating technologies among countries and support the harmonization of performance-based generating capacities; (vi) development of electricity markets provide the flexibility to customers choose when and how much electricity they need to purchase; (vii) complements environmental policies; (viii) ensures customer's security of supply by providing the customer with a continuous and uninterrupted electricity supply; (ix) enables spare generation capacity to cover for understated demand forecasts and for generating plant being unavailable due to plant breakdown, routine shutdowns, delay in commissioning of new units or adverse weather; and (x) helps in reducing frequency response as system frequency varies continuously and requires careful balancing between demand and generation side. The Asia Clean Energy Forum and DMC participants will get to learn how other countries in developing regions like the Latin America and Caribbean Power Pool and South African Power Pool established their power markets. The DMCs will gain insight to developing policies, institutions, and regulations in establishing similar power pools within their respective regions.

Agenda

7.30 a.m. – 8.30 a.m.	Registration
8.30 a.m. – 8.45 a.m.	Opening Remarks by Yongping Zhai, Chief of Energy Sector Group, ADB
8.45 a.m. – 9.00 a.m.	Welcome Remarks by Arjun Goswami, Chief of RCI Thematic Group, ADB
9.00 a.m. – 9.30 a.m.	Thailand's Role in Developing a Multilateral Power Trade in ASEAN by His Excellency Dr. Siri Jirapongphan. Minister of Energy. (TBC)
9.30 a.m. – 9.45 a.m.	Q & A
9.45 a.m. – 10.00 a.m.	Coffee Break
10.00 a.m. – 10.30 a.m.	Feasibility Study on Establishing a Multilateral Trading in Electricity in ASEAN by Matthew Wittenstein, International Energy Agency
10.30 a.m. – 10.45 a.m.	Q & A
10.45 a.m. – 11.15 a.m.	The key drivers that led Latin American Countries to take measures in establishing a Regional Power Pool. (TBC)
11.15 a.m. – 11.30 a.m.	Q & A
11.30 a.m. – 12.15 p.m.	Experiences and Challenges of the Latin American Power Pool (TBC)
12.15 p.m. – 12.30 p.m.	Q & A
12.30 a.m. – 1.30 p.m.	Lunch
1.30 p.m. – 2.00 p.m.	Experiences from South African Power Pool (TBC)
2.00 p.m. – 2.15 p.m.	Q & A
2.15 p.m. – 2.45 p.m.	Experiences and Challenges in Central West Asia in Re-establishing the Central Asian Power Grid by CWEN/CWRD
2.45 p.m. – 3.00 p.m.	Q & A
3.00 p.m. – 3.15 p.m.	Coffee Break
3.15 p.m. – 3.45 p.m.	Experiences and Challenges in Southeast Asia/ASEAN in Establishing a Regional Power Market by SEEN/SERD
3.45 p.m. – 4.00 p.m.	Q & A
4.00 p.m. – 4.30 p.m.	Experiences and Challenges in South Asia in Establishing a Regional Power Market by SAEN/SARD
4.30 p.m. – 4.45 p.m.	Q & A
4.45 p.m. – 5.15 p.m.	Concluding Remarks

