

# Joint Ministerial Statement of the 30<sup>th</sup> ASEAN Ministers of Energy Meeting (AMEM)

12 September 2012, Phnom Penh, Cambodia

## ***“ASEAN GREEN CONNECTIVITY”***

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1. The 30<sup>th</sup> ASEAN Ministers on Energy Meeting (AMEM) was held on 12 September 2012 in Phnom Penh, Cambodia. H.E. Mr. Suy Sem, Minister of Industry, Mines and Energy of Cambodia chaired the Meeting. H.E. Mr. Jero Wacik, Minister of Energy and Mineral Resources of Indonesia was the Vice-Chairperson. The 9<sup>th</sup> Meeting of Energy Ministers of the ASEAN Plus Three Countries (China, Japan and the Republic of Korea), the 6<sup>th</sup> East Asian Summit Energy Ministers Meeting, and a dialogue with the International Energy Agency (IEA) were also held on this occasion.

2. The 30<sup>th</sup> AMEM and related meetings were officiated by Samdech Akka Moha Sena Padei Techo HUN SEN, Prime Minister of the Kingdom of Cambodia. In his Opening Remarks, the Prime Minister expressed that ASEAN cooperation has successfully enabled the Member States to enhance solidarity, build closed cooperation and improve integration in various sectors including energy connectivity. He also expressed that through the selection of the theme of ‘ASEAN Green Connectivity’, ASEAN Member States reflect their high participation in production and utilisation of energy to minimize any harm to the environment, ecosystem, nature and society aiming reduction on global climate change. With the view to achieve ASEAN goals of ASEAN Community Building, ASEAN Connectivity in the context of climate change, natural disasters threatening, with the increase of energy demand, fluctuation of fuel prices in the international markets, and to secure energy in the region along with resisting the increase of electricity pricing, He requested the ASEAN Ministers on Energy to look into the following issues: improve cooperation in order to produce technological facilities producing renewable energy-based electric power to enhance ASEAN Green Connectivity; improve Regional Power Trade toward establishing ASEAN Power Pool in the future; to initiate the connection of ASEAN Power Grid with large scale power sources due to tendency of increasing fuel price; as well as to archive the ASEAN Plan of Actions for Energy Cooperation 2010-2015.

3. In reviewing the region’s energy situation, the Ministers were pleased to note that as a result of measures to improve energy efficiency applied at both regional and national levels, ASEAN’s energy intensity has been reduced by 4.97% between 2005 and 2009. This demonstrates that the region is on the right track towards achieving the target set in the ASEAN Plan of Action for Energy Cooperation (APAEC) 2010-2015 to reduce regional energy intensity by at least 8% from 2005 levels by 2015.

4. The Ministers were, however, also fully aware of the tremendous challenges faced by the ASEAN energy sector, as the total final energy consumption of the region is projected to rise at an annual average growth rate of 4.4% from 375 Mtoe in

2007 to 1,018 Mtoe in 2030 under the Business-as-Usual scenario in the 3<sup>rd</sup> ASEAN Energy Outlook. The Ministers therefore reiterated their resolve to step up individual and collective efforts by ASEAN Member States to ensure secure, stable, affordable and environmentally sustainable energy supplies, so as to enable ASEAN to achieve the economic and social development goals of the ASEAN Community by 2015. In this regard, the Ministers endorsed the plan for the Mid-Term Review of APAEC 2010-2015, to be conducted by the ASEAN Senior Officials Meeting on Energy (SOME) through the ASEAN Centre for Energy (ACE) and in cooperation with the other ASEAN Specialised Energy Bodies, to identify necessary actions and measures to achieve the ASEAN Community goals. The Ministers tasked the Senior Officials to complete the Mid-Term Review through the Regional Energy Policy and Planning Sub-sector Network (REPP-SSN) and submit their appropriate recommendations for the Ministers' consideration at the 31<sup>st</sup> AMEM in 2013.

5. In strengthening the APAEC 2010-2015, the Ministers reiterated their commitment made in 2010 to further strengthen ASEAN efforts in addressing climate change and enhancing ASEAN energy cooperation towards a greener ASEAN energy sector and low-carbon economy, and the role of clean energy technologies towards this end. In this regard, the Ministers welcomed the inclusion of a dedicated chapter on ASEAN in the IEA publication "Energy Technology Perspectives 2012" as part of the Clean Technology Development project that ASEAN is pursuing with the IEA.

6. While noting the progress made in the implementation of the Trans-ASEAN Gas Pipeline (TAGP) project through bilateral interconnections between ASEAN Member States, the Ministers welcomed the new strategic focus of the ASEAN Council on Petroleum (ASCOPE) in oil and gas cooperation, to be implemented through a) bilateral connections; b) LNG cooperation with a focus on destination flexibility; c) harmonisation of LNG specifications; d) ship-shore compatibility; e) promotion of regional technical support; and f) studies on establishing proactive strategic gas supply buffer management to ensure supply availability during gas shortage, etc. The Ministers also endorsed the establishment of the Task Force on APSA/CERM Operationalisation to propose the necessary procedures, guidelines and plan of action, and required infrastructure for the operationalisation of the Coordinated Emergency Response Measures (CERM) Mechanism under the ASEAN Petroleum Security Agreement (APSA). The Ministers acknowledged the significant impact that global gas developments, particularly shale gas developments in North America, would have on the ASEAN region. The Ministers tasked the Senior Officials and ASCOPE to explore with the United States a specific platform where ASEAN could obtain information about shale gas developments and the US' LNG export regulatory framework.

7. The Ministers welcomed the new developments in the implementation of the ASEAN Power Grid (APG) project, particularly the signing of the MOU between Indonesia and Malaysia on the Interconnection Project No.4 Peninsular Malaysia-Sumatra (with its commercial operation date (COD) expected in 2017), and the agreement that the two Member States would start power exchanges of the Interconnection Project No. 6 West Kalimantan-Sarawak in 2015. The Ministers also welcomed the new structure of the Working Groups under the Council of the Heads of ASEAN Power Utilities/Authorities (HAPUA), which would enable the more effective implementation of the APG project. The Ministers welcomed HAPUA's

efforts to accelerate work on the harmonisation of regulatory framework and technical standards for the operation of the APG. The Ministers noted the need to better harmonise regulatory standards and systems, and to understand local conditions and regulations in order to bring the APG forward. They tasked HAPUA to prepare a report on these specific challenges and to propose initiatives to overcome these impediments and to report back to the 31st AMEM.

8. The Ministers commended the Energy Efficiency and Conservation Sub-Sector Network (EE&C-SSN) for the good progress made in promoting and improving energy efficiency in the region, which includes the establishment of National Councils of the ASEAN Energy Management System (AEMAS) in six (6) Member States; the award of certifications to 779 energy managers and 6 energy end-users under the AEMAS project; and the adoption of the Strategic Framework for the Harmonisation of Energy Efficiency Standards for Household Appliances in ASEAN, with air conditioners (A/C) being selected as the first product for harmonisation. The Ministers noted the successful completion of the 12-year long PROMEEC and MTPEC Projects; and welcomed the new initiatives under the ASEAN-Japan Energy Efficiency Partnership (AJEEP). The Ministers encouraged the EE&C-SSN to expedite work on establishing a long-term target for ASEAN Energy Intensity (EI) improvement beyond the current 8% reduction from 2005 levels by 2015 that could help transform ASEAN towards a low-carbon and smart-energy region and submit their recommendation to the next AMEM for adoption. The Ministers congratulated the winners and the runners-up of the ASEAN Energy Awards 2012 (Best Practices in Energy Management Award and Best Practices in Energy Efficient Building Award).

9. The Ministers noted the activities undertaken by the Renewable Energy Support Program (RESP) and the Renewable Energy Sub-Sector Network (RE-SSN) in promoting the development of renewable energy in the region, including: a) Study and Workshop on RE Support Mechanisms for Bankable Projects; b) Workshop on RE Technical Standards and Harmonisation in ASEAN; c) Study and Workshop on Innovative Rural Electrification Approaches in ASEAN; and d) the establishment of the Hydropower Competence Centre (HYCOM) as a training centre for Small-Scale Hydropower in ASEAN. The Ministers also noted that the Workshop on Trade and Investment in Renewable Energy and Energy Efficiency was held on 27-28 August 2012 in Thailand with cooperation of EE&C-SSN and RE-SSN. The workshop aimed to prepare ASEAN Member States for the removal of tariff and non-tariff barriers and harmonisation of standards to facilitate intra-ASEAN trade and investment in RE and EE products and services in the realisation of the ASEAN Economic Community (AEC) by 2015. The Ministers encouraged the RE-SSN to develop a mechanism for monitoring ASEAN's progress on achieving the regional target of 15% of renewable energy in total installed power capacity by 2015. The Ministers acknowledged that Distributed Green Generation (community-scale renewable energy power station) being promoted in Thailand could be an effective example for the region to enhance rural electrification, system stability and green economy. The Ministers congratulated the winners and runners-up of the ASEAN Energy Awards 2012 (Renewable Energy) coordinated by the ACE in the on-grid, off-grid and co-generation categories.

10. As coal is becoming an increasingly important component with a rapid rate of increase in the share of ASEAN energy mix (accounting for 11.1% in the region's primary energy consumption in 2005, 14.8% in 2007, and projected 29.3% by 2030),

the Ministers requested the Senior Officials to formulate regional cooperation in coal supply and trading, mutual assistance in emergency situations of coal supply in ASEAN Member States, and application of clean coal technologies and Carbon Capture and Storage (CCS) as key mitigation technologies to reduce the environmental effects of coal use.

11. The Ministers reaffirmed the commitment made by Leaders in the Phnom Penh Declaration, issued on the occasion of the 20<sup>th</sup> ASEAN Leaders' Summit on 3 April 2012, to develop a coordinated ASEAN approach that would contribute to the global undertaking to improve nuclear safety, in cooperation with the International Atomic Energy Agency (IAEA) and other relevant partners, as well as to promote and uphold the IAEA standards of safety and security in the development of nuclear energy for peaceful use. The Ministers noted the initiatives of the Nuclear Energy Cooperation Sub-Sector Network (NEC-SSN) in developing an ASEAN Action Plan on Public Education on Nuclear Energy and Nuclear as the Clean Energy Alternative Option with a view to enhancing public awareness and acceptance of the usage of nuclear energy for power generation. The Ministers noted the survey of country needs conducted by the ACE which would serve as a useful reference for the NEC-SSN in enhancing the work program with Dialogue Partners and International Organisations. The Ministers encouraged the NEC-SSN to continue to promote and intensify capacity building efforts, in collaboration with the IAEA and other relevant partners, so that the region will be more informed and kept updated on the latest nuclear safety standards, developments and technologies.

12. The Ministers noted that effective energy regulation promotes energy sustainability and facilitates the economic development of the region. In this regard, the Ministers welcomed closer collaboration among the ASEAN regulatory bodies through the establishment of the ASEAN Energy Regulators' Network (AERN). The Ministers requested ASEAN Energy Regulators to strengthen communication channels to promote mutual understanding of energy regulations of member states and regional economic development.

13. The Ministers endorsed a plan to enhance the ACE to ensure that it serves as a high-performing institution which builds a coherent, coordinated, focused and robust energy policy agenda and strategy for ASEAN that fulfills three critical roles: i) advance ASEAN energy goals; (ii) function as an energy data and knowledge hub; and iii) serve as an ASEAN Energy think tank. This includes the recommendations to (i) hire a professional Executive Director with a long-term performance-based contract; and (ii) establish a Task Force to execute the recommendations of the Study by McKinsey & Company which would include, inter-alia, the funding options for ACE to ensure its long term sustainability, reporting to the Senior Officials. The Ministers also reaffirmed the crucial role of the ASEAN Secretariat in providing necessary support to ASEAN energy cooperation, including to AMEM, SOME, and the SSNs and ASEAN Specialised Energy Bodies, as provided for under the ASEAN Charter.

14. The Ministers welcomed the following ACE database and publication initiatives in line with APAEC 2010-2015: (a) ASEAN Energy Review and Statistics, (b) ASEAN Energy Indicators, (c) 4<sup>th</sup> ASEAN Energy Outlook, (d) Energy Policy Review and Analysis Series, and (e) ASEAN RE Development 2006-2010. The

Ministers instructed ACE to consult with ASEAN Member States in defining the strategic thrusts of the publications to reflect ASEAN's energy priorities and issues.

15. In the Dialogue with the IEA Executive Director, the ASEAN Ministers and the IEA Executive Director were pleased to note that the first year of the implementation of the ASEAN-IEA MOU on Energy Cooperation had yielded important results. The ASEAN Ministers expressed their appreciation to IEA for its advisory role in the preparations for the operationalisation of the Coordinated Emergency Response Measures (CERM) Mechanism under the ASEAN Petroleum Security Agreement (APSA). On the Clean Technology Development project, the Ministers expressed appreciation to the IEA for the successful completion of the ASEAN Chapter in the Energy Technology Perspectives 2012 and looked forward to the next phase of the project on "Technology Development Prospects for the ASEAN Power Generation Sector". The Ministers agreed with the IEA's suggestion of exploring further collaboration in the areas of energy efficiency and renewable energy.

16. The Ministers noted that energy cooperation between ASEAN and its Dialogue Partners had progressed further in the past year, and expressed their appreciation to the Dialogue Partners for the valuable assistance in supporting the implementation of the APAEC 2010-2015. The Ministers noted the recent convening of the 13<sup>th</sup> SOME-METI Consultations, the 3<sup>rd</sup> SOME-EU Dialogue on Energy Cooperation, the 3<sup>rd</sup> SOME-Russia Consultation, the 3<sup>rd</sup> SOME-US Consultation, the SOME-IEA Dialogue, the 17<sup>th</sup> EAS-ECTF in July 2012 and the 11<sup>th</sup> SOME+3 in September 2012. The Ministers welcomed the adoption of the work plans and concrete cooperation activities with the respective Dialogue Partners for implementation, including the activities under the SOME-METI Energy Cooperation Program Priorities 2012-2013, the SOME-EU Energy Cooperation Annual Work Plan 2012-2013, the ASEAN-US Energy Cooperation Work Plan 2012-2014 and the EAS-ECTF Work Plan 2012-2013. The Ministers welcomed the continued sharing of best practices and capacity building activities through the ASEAN-US Energy Efficiency Education Workshop on 4-5 July 2012 and the ASEAN-EU Seminar on Energy Security and Investment Regulation Framework on Interconnections on 10-11 September 2012 in Phnom Penh, Cambodia. In this connection, the Ministers expressed their appreciation to the Economic Research Institute for ASEAN and East Asia (ERIA) for its support in research and valuable recommendations for energy cooperation in ASEAN and EAS member countries.

17. The Ministers agreed to convene the 31<sup>st</sup> ASEAN Ministers on Energy Meeting and its Associated Meetings with Dialogue Partners in Indonesia in 2013.

18. The Ministers expressed appreciation to the Government and the people of the Kingdom of Cambodia for the warm hospitality accorded to them and for the excellent arrangements made for the 30<sup>th</sup> AMEM and its Associated Meetings.

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## ASEAN MINISTERS FOR ENERGY

1. **Hon. Pehin Dato (Dr.) Mohammad Yasmin Umar**, Minister of Energy at the Prime Minister's Office of Brunei Darussalam;
2. **H.E. Mr. Suy Sem**, Minister of Industry, Mines and Energy of the Kingdom of Cambodia;
3. **H.E. Mr. Jero Wacik**, Minister of Energy and Mineral Resources of the Republic of Indonesia;
4. **H.E. Mr. Soulivong Daravong**, Minister of Energy and Mines of the Lao People's Democratic Republic;
5. **H.E. Dato' Sri Peter Chin Fah Kui**, Minister of Energy, Green Technology and Water of Malaysia;
6. **H.E. U Than Htay**, Union Minister for Energy of the Republic of the Union of Myanmar;
7. **H.E. Mr. Jose Rene D. Almendras**, Secretary, Department of Energy of the Republic of the Philippines;
8. **H.E. Mr. S. Iswaran**, Minister in the Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry of the Republic of Singapore;
9. **H.E. Mr. Arak Chonlatanon**, Minister of Energy of the Kingdom of Thailand;
10. **H.E. Mr. Le Duong Quang**, Vice Minister of Industry and Trade of the Socialist Republic of Viet Nam; and
11. **H.E. Dr. Surin Pitsuwan**, Secretary-General of ASEAN.