

Preface and Acknowledgements

In member states of the Association of Southeast Asian Nations (ASEAN) where electricity demand is rapidly increasing, there is a necessity to build up more generating capacity to meet the growing demand. At the same time, cheaper electricity will be required when considering the impact on the general public and economy, and the need for cleaner electricity will become stronger when considering the impact on pollution and the climate issue.

Towards this goal, each country has its policy or target for its future power supply mix. However, it is obvious that without appropriate implementation tools, a policy or plan will end up being merely a decorative notion. Moreover, the electricity market's structure will affect the capability or applicable option of government in policy implementation. For instance, in a liberalised market, in general, government has no direct means to control the market which makes it difficult to guide the market towards its goal in the future.

This kind of issue is not a matter only for ASEAN. Many developed countries have also experienced past and even ongoing challenges under the new circumstances. Therefore, ASEAN could learn much from these experiences.

Against this backdrop, the Economic Research Institute for ASEAN and East Asia (ERIA) organised a working group to carry out a study which aims to analyse the pros and cons of different market structures in terms of policy implementation. Experts from ASEAN member states were gathered to discuss their existing power development plans and the possibility for regional optimisation.

It is our hope that the outcomes from this study will serve as a valuable reference for policymakers in ASEAN member states and contribute to the improvement of energy security in the region as a whole.

This analysis has been implemented by a working group under the Economic Research Institute for ASEAN and East Asia (ERIA). It was a joint effort of the Working Group members from the ASEAN member states and the Institute of Energy Economics, Japan (IEEJ) as the secretariat of the Working Group. We would like to acknowledge the support provided by everyone involved. We would especially like to express our gratitude to the members of the Working Group, ERIA, and IEEJ's study project team.

Ichiro Kutani

Leader of the Working Group

June 2016