

# 2020 JOINT MINISTERIAL STATEMENT OF THE 38<sup>TH</sup> ASEAN MINISTERS ON ENERGY MEETING

*Issued on 19 November 2020*

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### **“Energy Transition Towards Sustainable Development”**

1. The 38<sup>th</sup> ASEAN Ministers on Energy Meeting (AMEM) was hosted virtually by Viet Nam on 19 November 2020. H.E. Dang Hoang An, Vice-Minister of Industry and Trade of Viet Nam, chaired the Meeting. Hon. Dato Seri Setia Dr Awang Haji Mat Suny bin Haji Md Hussein, Minister of Energy of Brunei Darussalam was the Vice Chair. Dialogues with the Heads of the International Energy Agency (IEA) and the International Renewable Energy Agency (IRENA) were conducted in conjunction with the 38<sup>th</sup> AMEM.
2. In his opening address, Mr. Hoang An highlighted the year 2020 as an eventful year for ASEAN as it marks the five-year milestone of the ASEAN Economic Community (AEC), with ASEAN having become the world’s fifth largest economy as it approaches its sixth decade of regional cooperation. He underscored the important role of energy in the development of the ASEAN community, highlighted the successful implementation of cooperation activities in the energy sector, and looked forward to deepening cooperation towards sustainable energy in the region. He welcomed the business sector and international organisations to the ASEAN Energy Business Forum 2020 and urged them to continue to enhance partnership with the governments of ASEAN to promote a sustainable, green, clean energy industry and to build strong connections in the ASEAN region to contribute to the collective development of the AEC.

### **ENDORSEMENT OF APAEC PHASE II: 2021-2025**

3. The ASEAN Energy Ministers pledged to continue to accelerate the energy transition of ASEAN towards a sustainable energy future, amidst unprecedented challenges posed by the COVID-19 pandemic on the global energy sector and overall economic growth.
4. It is in this context that the Ministers endorsed the ASEAN Plan of Action for Energy Cooperation (APAEC) Phase II: 2021-2025 with a sub-theme of *“Accelerating Energy Transition and Strengthening Energy Resilience through Greater Innovation and Cooperation”*. The APAEC Phase II frames the region’s energy cooperation agenda in the next five years as well as the longer-term work towards a sustainable ASEAN energy future. ASEAN energy cooperation will continue to be pursued under the seven (7) APAEC programme areas on the ASEAN Power Grid (APG), Trans-ASEAN Gas Pipeline (TAGP), Coal and Clean Coal Technologies, Energy Efficiency and Conservation, Renewable Energy (RE), Regional Energy Policy and Planning, and Civilian Nuclear Energy. In particular, the Ministers commended the aspirations to increase the energy intensity reduction target to 32% in 2025 based on 2005 levels, as well as to achieve a 35% share of renewable energy in the ASEAN installed power capacity by 2025.
5. The Ministers welcomed the APAEC Phase II as a key sectoral plan to implement the vision of the ASEAN Economic Community for the energy sector. It is complemented by analyses from the 6<sup>th</sup> ASEAN Energy Outlook (AEO6) by the ASEAN Centre for Energy (ACE), which outlines the various scenarios and pathways towards achieving the region’s energy goals. APAEC Phase II highlights the energy sector’s contributions to the overall goals of the ASEAN Community, including its response to cross-sectoral imperatives for economic recovery and sustainable development, expectations of sustainability, climate response and resilience, and the demands of rapid urbanisation, demographic growth, and digitalisation, amongst other emerging issues.

**ACHIEVEMENTS AND EFFORTS TOWARDS SUSTAINABLE ENERGY**

6. On the **ASEAN Power Grid (APG)**, the Ministers appreciated the continuing efforts to expand multilateral electricity trading in the region. The Ministers also welcomed the new thrust to enhance grid resilience and modernisation to provide affordable and resilient electricity supply, as well as to accommodate higher shares of renewable energy into the grid. The Ministers noted the actions collectively pursued in 2020 to advance this, including:
- i. completion of the APG plan led by the Heads of ASEAN Power Utilities/Authorities (HAPUA) to follow-up on recommendations to meet the minimum requirements to advance regional power integration and multilateral power trade in ASEAN, including timelines and incorporation into APAEC Phase II;
  - ii. progress on the third major APG study - the ASEAN Interconnection Master Plan Study (AIMS) III Phases 1 and 2, which set out the transmission infrastructure needed to support multilateral power trade in ASEAN and renewable energy integration into the ASEAN Power Grid, led by ACE under the ASEAN-US Energy Cooperation Work Plan;
  - iii. discussions on the role ASEAN Energy Regulators Network (AERN) may be recommended to play in multilateral power trade (MPT) in the future;
  - iv. the completion of the study on innovative mechanisms to mobilise capital to attract private investments for energy transmission infrastructure in ASEAN, by the IEA with Viet Nam for its 2020 ASEAN Chairmanship; and,
  - v. the initiative of the ASEAN Power Grid Consultative Committee (APGCC) to review its Terms of Reference, considering the region's deepening efforts towards regional power integration and clarifying the institutional roles and relationships of other MPT related bodies.
7. The Ministers noted that the AIMS III study's regional power system model potentially provides the lowest system cost, stimulate RE investment, create jobs, and minimising GHG emission. The Ministers looked forward to Phase 3 of the AIMS III study, which will focus on further development of minimum requirements for multilateral market development, regulatory framework, and grid code and technical standard.
8. The Ministers welcomed the Joint Statement by Lao PDR, Thailand, Malaysia and Singapore on the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP) during Vietnam's Chairmanship of the 38<sup>th</sup> AMEM. The four countries announced their commitment to initiate up to 100MW of cross-border power trade from Lao PDR to Singapore via Thailand and Malaysia using existing interconnections from 2022 to 2023, under the LTMS-PIP. The Ministers expressed their support for the LTMS-PIP as a pathfinder to complement existing efforts towards realising the ASEAN Power Grid and the ASEAN Economic Community, by creating opportunities for multilateral electricity trading in the region.
9. On the **Trans-ASEAN Gas Pipeline (TAGP)**, the Ministers emphasised the continuing role of natural gas in the region's cleaner energy future and the need to continue the pursuit of a common gas market for ASEAN by enhancing connectivity and accessibility of gas and liquefied natural gas (LNG). The Ministers noted that expansion of regasification infrastructure in ASEAN more than doubled since the start of APAEC Phase I. This amounts to a total capacity of 38.75 million tonnes per annum (MTPA) in nine (9) LNG regasification terminals in five (5) ASEAN Member States, complemented by some 13 cross-border pipelines with a total length of 3,631 km connecting six (6) ASEAN Member States. The Ministers further welcomed the construction of one (1) additional

small-scale LNG terminal (0.9 MTPA) in June 2020 to supply two power plant projects in Thilawa, Myanmar.

10. The Ministers noted the increasing development of LNG bunkering infrastructure and the growing demand of LNG bunkering in the ASEAN region, which could potentially reach 3-5 million metric tonnes per annum by 2030. The Ministers welcomed this as indicative of the growing gas market development in ASEAN and looked forward to the ASEAN Council on Petroleum (ASCOPE)'s identification of support needed from ASEAN governments to assist the development of small-scale LNG and LNG bunkering in the region.
11. On **Coal and Clean Coal Technology**, the Ministers noted the AEO6 projections where coal will continue to be significant in the region's fuel input mix in power generation through 2040, with an annual 4% growth rate and about 179 GW of additional power capacity. The Ministers thus agreed to strengthen and optimise the role of clean coal technology (CCT), including high efficiency low emission (HELE) coal, coal upgrading, coal gasification, biomass co firing, and carbon capture utilisation and storage (CCUS), in facilitating the region's transition towards a sustainable and low carbon economy. The Ministers noted the successful conduct of the first ASEAN Coal Business Roundtable Conference co-hosted virtually by Cambodia and Myanmar in July 2020 with about 200 participants involving various coal business stakeholders. The Ministers acknowledged the establishment of the Focus Group Discussion (FGD) hosted by Indonesia in September 2020 to discuss on the development of the concept note of the ASEAN Centre of Excellence for CCT (ASEAN COE CCT) as well as the publication on ASEAN Coal Database Information System (ACDIS) Statistical Monitor and noted the plans to revamp the ACDIS for integration into the ASEAN Energy Database System of ACE.
12. On **Energy Efficiency and Conservation**, the Ministers commended the 21% energy intensity reduction achieved by ASEAN energy intensity in 2018 based on 2005 levels. Noting that ASEAN is projected to achieve a 24.9% energy intensity reduction by 2020, the Ministers were pleased that the region surpassed in 2018 its target of 20% reduction set for 2020 and have thus agreed to the new target of 32% energy intensity reduction by 2025 over 2005 levels. The Ministers also appreciated the AEO6 analysis indicating about 70% potential final energy consumption savings from the transport and industry sectors including potentially huge gains from further expanding the region's energy efficiency programmes, notwithstanding the challenges and impacts of the pandemic. The Ministers tasked all relevant energy bodies to exert optimum efforts to expand the application of energy efficiency, especially in the transport and industry sectors.
13. To continue promoting efficient air conditioners (ACs) as an important measure to restrict energy demand growth in the residential sector, the Ministers noted the ongoing project on the Promotion of Higher Efficient Air Conditioners in ASEAN through the Harmonisation of Standards (ISO16358) and Strengthening of Market Verification and Enforcement Capabilities (CSPF) with the support of the Japan-ASEAN Integration Fund 2.0. The Project consists of three (3) work packages to: (i) develop technical recommendations on the harmonisation of evaluation methods, (ii) update regional and national policy roadmaps, and (iii) build capacity for testing laboratories. The Ministers acknowledged the collaborative work between ACE and the United Nations Environment Programme – United for Efficiency (UNEP-U4E) in the development of Regional Product Registration Database and National Lighting Roadmaps.
14. The Ministers acknowledged the continuous capacity building activities in the technical and management aspects to promote energy efficiency and conservation, including the various trainings and workshops under the ASEAN – Japan Energy Efficiency Partnership (AJEEP) in 2019/2020. The Ministers also noted the conduct of outreach activities for energy service companies (ESCOs) and energy efficiency technology providers at the ASEAN Energy Business Forum 2020.

15. On **Renewable Energy**, the Ministers noted that ASEAN achieved a 13.9% RE share in the Total Primary Energy Supply (TPES) and a 26.8% share in total installed power capacity in 2018. Discussing the challenges on accelerating the deployment of renewables in the region, the Ministers welcomed the robust measures in APAEC Phase II to accelerate energy transition and committed to achieve the new ASEAN RE target of 35% of total installed power capacity by 2025 which will contribute to achieving the aspirational RE target of 23% share in the TPES by 2025.
16. Towards promoting new technology as well as research and development (R&D) on renewables, the Ministers noted the efforts to develop and support nodal networks, such as the FGD on Nodal Network Framework of Research and Development on Renewable Energy in ASEAN in July 2020 with the ASEAN-German Energy Programme (AGEP). Preparations to develop a regional biofuels R&D mapping study is also on track, with another Workshop on Regional Biofuels Research and Development conducted in July 2020 with the National Science and Technology Development Agency (NSTDA) of Thailand. The Ministers also noted the series of policy briefs on renewable energy investment for all AMS by ACE, supported by the ASEAN Climate Change and Energy Project (ACCEPT).
17. On **Regional Energy Policy and Planning (REPP)**, the Ministers highlighted the need to accelerate energy transition and resilience in the region, as well as the need to leverage opportunities for innovation and multilateral partnerships to achieve these goals. The Ministers welcomed the Special Session held at the sidelines of the 19<sup>th</sup> REPP Sub-Sector Network Meeting in August 2020 to discuss the impact of COVID-19 on the ASEAN energy sector and how the region could implement post-pandemic measures in a sustainable manner. The Ministers also noted the discussions on designing affordable and clean energy for a resilient energy system in ASEAN during the Thinktank Roundtable organised by ACE at the 13<sup>th</sup> Singapore International Energy Week.
18. The Ministers commended the leadership of the APAEC Drafting Committee (ADC) led by Singapore on the new APAEC Phase II. The Ministers commended the achievements and progress under the APAEC Phase I: 2016-2020, including the key achievements of the seven (7) programme areas and an overall score of 4.94 out of 5 for APAEC Phase I.
19. The Ministers discussed the key findings of the AEO6, which provides analysis of the ASEAN energy landscape until 2040. The Ministers noted that the AEO6 supports the creation of pathways and scenarios to pursue the regional targets envisioned by the new APAEC Phase II. The Ministers commended the leadership of ACE for the launch of the AEO6 with support from AGEP that contributes to energy policy and planning towards energy transition and resilience in the region.
20. The Ministers acknowledged the new outcome-based strategy on promoting information sharing on the energy-climate nexus by ACE with the support from ACCEPT under the Norwegian-ASEAN Regional Integration Programme (NARIP).
21. On **Civilian Nuclear Energy**, the Ministers agreed to focus the programme on promoting regional initiatives to build human resource capabilities on nuclear science and technology for power generation. The Ministers noted the capacity building activities and increased cooperation with Dialogue Partners and International Organisations, particularly on improving public acceptance. These include (i) the Webinars on Civilian Nuclear Energy Facts and Practices in December 2019 and ASEAN Civilian Nuclear Energy Practices, Policy and Plans; (ii) the release of Civilian Nuclear Energy Factsheets to increase public understanding of the advantages and challenges of civilian nuclear energy in ASEAN; and, (iii) the development of the ASEAN Nuclear Energy Portal for information sharing and exchange. The Ministers looked forward to developing further collaboration with the ASEAN Network of Regulatory Bodies on Atomic Energy (ASEANTOM), International

Atomic Energy Agency (IAEA), Global Affairs Canada (GAC), Japan Atomic Energy Agency (JAEA), and World Nuclear Association (WNA).

### **COOPERATION WITH IEA TO RESPOND TO ASEAN'S ENERGY PRIORITIES**

22. The Ministers, at the annual AMEM-IEA Dialogue, expressed appreciation to the IEA for its support and engagement with ASEAN and its Member States during the COVID-19 pandemic, including to Viet Nam as 2020 ASEAN Chair. The Ministers welcomed the inclusion of ASEAN Ministers at the high-level IEA events in 2020, including the IEA Clean Energy Transitions Summit, and the 2<sup>nd</sup> Global Ministerial Conference on System Integration of Renewables organised by the IEA and Singapore at the 13<sup>th</sup> Singapore International Energy Week. The Ministers also welcomed the Singapore-IEA Regional Training Programme on Sustainable Energy Policies for Smart Cities, attended by more than 250 participants from 27 countries, including all ten ASEAN Member States, in capacity building of energy efficiency policies to develop smart cities. The Ministers acknowledged the significant progress made under the ASEAN-IEA Three Year Rolling Work Programme 2019-2021, including support for the development of the APAEC Phase II.
23. The Ministers noted that strong institutional ties now exist between ASEAN and the IEA, and that the IEA, as a strategic partner to ASEAN, plays an important supporting role in helping to meet energy cooperation objectives and accelerate clean energy transitions across the region. The Ministers looked forward to building stronger institutional ties with the IEA to assist the region in tackling its energy challenges together with ACE and the ASEAN Secretariat. The Ministers looked forward to the IEA's continued analytical input on regional power system integration through the achievement of the minimum requirements for power trade. The Ministers also welcomed the ambitious work programme with IEA on buildings and cooling efficiency, which has recently commenced with ASEAN-Australia Development Cooperation Program (AADCP) funding support for completion in 2021. Lastly, the Ministers requested continued IEA assistance to support achievement of the key priorities of Brunei Darussalam as ASEAN Chair in 2021 – including on the role of natural gas in the region's energy mix.

### **COOPERATION WITH IRENA TO ADVANCE RENEWABLE ENERGY DEPLOYMENT**

24. The Ministers welcomed the perspectives offered by IRENA's Global Renewables Outlook during the annual AMEM-IRENA Dialogue and appreciated the insightful analyses offered by the IRENA Director General on the challenges posed by the COVID-19 pandemic for global energy transformation and the critical role of renewable energy for sustainable economic recovery. IRENA highlighted that by investing in the energy transition, countries not only position their economies and people for the age of clean technology and sustainable development, but also move towards energy resilience by mitigating profound risks from future economic shocks due to volatility or climate change. The Ministers noted IRENA's analysis that embedding energy transition strategies within economic recovery measures could deliver a 1% increase in global GDP in the next three years, with every one million US dollars invested in renewables or energy flexibility creating at least 25 jobs.
25. To assist ASEAN in achieving its target of 35% RE in installed power capacity, contributing towards the aspirational target of 23% RE share in ASEAN's energy mix by 2025 and address the challenges of energy transformation, the Ministers welcomed the areas of focus proposed by IRENA for 2021, as part of the activities under the ASEAN-IRENA Memorandum of Understanding signed in 2018. These include: (i) finalising the development of the ASEAN Renewable Energy Outlook, with focus on assessing power systems flexibility and socio-economic benefits; (ii) accelerating deployment of sustainable and modern bioenergy; (iii) analyses of heating and cooling policies and renewable energy auctions; and (iv) the conduct of virtual capacity building activities on various renewable energy topics as well as the development country roadmaps for two ASEAN Member States. The

Ministers also welcomed IRENA's commitment to actively support renewables project development through facilitation of project preparation, financing and investments.

### **2020 ASEAN ENERGY AWARDS AND ASEAN ENERGY BUSINESS FORUM**

26. The Ministers congratulated the 87 awardees of the ASEAN Energy Awards 2020 recognised for best practices in energy efficiency and conservation, as well as renewable energy and excellence in energy management. The awards were given in the areas of: (i) ASEAN Green Building (7 awards); (ii) ASEAN Energy Efficient Building (18 awards); (iii) ASEAN Energy Management in Buildings and Industries (14 awards); (iv) ASEAN Renewable Energy (19 awards); (v) Awards for Excellence in Energy Management by Individuals conferred to senior energy officials in recognition of their significant contributions to advance ASEAN's energy cooperation goals (12 awards); and (vi) ASEAN Energy Youth Awards, (21 awards). The Ministers also congratulated the 6 trainers certified under the AJEEP Training of Trainers programme.
27. The Ministers commended ACE and the Ministry of Industry and Trade of Viet Nam on the successful organisation of the virtual ASEAN Energy Business Forum (AEBF) 2020, which featured a three-day high-level strategic conferences for industry leaders, policy makers, and academics to actively discuss strategies to navigate current global dynamics and industry growth, distil lessons learned, promote strategic partnerships and investment opportunities, and enhance collaboration within ASEAN and the global community.

### **39<sup>TH</sup> AMEM**

28. The Ministers agreed to convene the 39<sup>th</sup> AMEM in 2021 in Brunei Darussalam.

The Ministers expressed their sincere appreciation to the Government and people of Viet Nam for hosting the 38<sup>th</sup> AMEM and Associated Meetings.