

EEI Update – July 2007

A progress bulletin of ADB's Energy Efficiency Initiative



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EEI Supports Asia Clean Energy Forum

The Energy Efficiency Initiative (EEI) supported the *Asia Clean Energy Forum: Policy and Finance Solutions for Energy Security and Climate Change* held on 26–28 June 2007 at the ADB Headquarters. The forum brought together about 400 experts to share best practices in clean energy policy, finance, and the scaling up of clean energy technologies. The participants came from 36 countries and represented a diverse group of stakeholders from governments, national and multinational banks, carbon and clean energy investment funds, project developers and service providers, academe, civil society, and development organizations. The forum was jointly organized and sponsored by ADB and the United States Agency for International Development (USAID). The U.S. Department of State and the Asia Pacific Economic Cooperation (APEC) also supported the event. *Samuel Tumiwa, 6624*

Forum Builds Regional Consensus to Address Quality Needs of CFL Scale-up

In a dialogue shortly after the Asia Clean Energy Forum, more than 60 representatives from at least 11 countries in the Asia and Pacific region agreed to work together to tackle the problem of substandard compact fluorescent lamps (CFLs) in the regional lighting market. The consensus was driven by the potential 50 megawatt (MW) of generating capacity that can be freed up by every 1 million CFLs used to wash off incandescent bulbs from developing member countries' (DMC) markets. Participants recognized the need to establish regional standards for CFL performance and testing to pave the way for the replication of utility-led demand-side management projects involving the bulk procurement and distribution of CFLs in support of national energy conservation programs. Along this line, manufacturers represented in the workshop will work with an international nonprofit organization, the Efficient Lighting Initiative (ELI) to certify the quality of CFL products. CFL manufacturers and bulk purchasers, including governments, will adopt the standards on a voluntary basis. For its part, ADB expressed its support to scale up investments in CFLs and build necessary capacities in its DMCs. *Alexander Ablaza, 70365*

Australia and Japan Contribute to CEFPP

Australia has pledged AUS\$32 million for ADB's multidonor Clean Energy Fund (CEF) under the Clean Energy Financing Partnership Facility (CEFPP). This is in addition to the \$50 million–\$70 million committed by Japan to set up the Asia Clean Energy Fund, a bilateral trust fund. Discussions with other donors to the CEFPP are ongoing. The implementation guidelines for CEFPP funds are being finalized. *Samuel Tumiwa, 6624*

Baseline of ADB's Clean Energy Investments Established

ADB's clean energy investments have increased from \$206 million in 2003 to \$833 million in 2006. Established by RSID, this baseline will allow ADB to monitor and evaluate future investments in clean energy against the EEI target of \$1 billion a year beginning 2008.

Based on methodology employed, clean energy components account for 3% to 100% of total project cost depending on type of project.

ADB's Clean Energy Loans: Past and Future

Year	Total Approved Loans \$ million	Total Loans with Clean Energy Component \$ million	Clean Energy Component \$ million
2003	6,120	1,243	206
2004	5,203	1,426	381
2005	5,957	1,709	638
2006	7,657	1,777	833
2007*		4,032	911
2008*		2,503	1,234
2009*		3,021	1,124

* Pipeline Loans

The pipeline of projects for 2007 to 2009 indicates that ADB's annual clean energy operations is expected to exceed the EEI target starting 2008. *Marcial Semira, 70428*

EAEN Collaborates with PRC's NDRC for EE and RE Study

The Energy Division of ADB's East Asia Regional Department (EARD/EAEN) and the National Development and Reform Commission (NDRC) of the People's Republic of China (PRC) agreed to conduct a detailed assessment of the energy efficiency (EE) and renewable energy (RE) markets in PRC. With \$81,000 support from EEI, the study will identify opportunities and challenges in these markets and recommend measures to facilitate their development. The study will be completed by December 2007, with NDRC's Foreign Capital Utilization Department (FCU) as the implementing agency. The study is the first step of broader cooperation between EAEN and FCU to more efficiently and effectively utilize external assistance for promoting EE and RE in PRC. *Kangbin Zheng, 6876; Alexander Ablaza, 70365*

SEID Helps Viet Nam Draft Energy Conservation Law

Following the national multistakeholders consultation on EEI in Hanoi on 14 June 2007, the Infrastructure Division of ADB's Southeast Asia Department (SERD/SEID) will assist Viet Nam's Ministry of Industry (MOI) in preparing a draft energy conservation law. SEID and the MOI's Energy Efficiency and Conservation Office will complete the draft in about six months for submission to the inter-ministerial committee for review. In parallel, SEID is set to develop the pipeline of EE investments for Viet Nam after the inception report and strategies for the country is finalized by the end of July 2007. The EEI Task Force has earmarked \$200,000 to support the two activities. *Duy-Thanh Bui, 6944; Alexander Ablaza, 70365*

ADB's EE Activities at a Glance

Alexander Ablaza, 70365

Unit	Activity Status	Next Steps / Outlook
CWID	<ul style="list-style-type: none"> Ongoing formulation of EE framework for Pakistan Government of Pakistan considering ADB as lead donor agency for EE programs 	<ul style="list-style-type: none"> Complete draft report of EE framework for Pakistan
DER	<ul style="list-style-type: none"> Developed core messages of the communication plan for the Clean Energy and Environment Program (CE & EP) 	<ul style="list-style-type: none"> Work with RSID and ODs to update clean energy website, develop/manage campaign materials
EAEN	<ul style="list-style-type: none"> Collaborating with NDRC to develop framework for external assistance in EE and RE development in PRC Working with provincial governments, utilities and private sector partners to develop "efficiency power plant," wind and hydro projects in PRC 	<ul style="list-style-type: none"> Mobilize study team and hold inception workshop in early Aug 2007 EE and RE project pipeline development Guangdong EPP to serve as model for other provinces and cities
OCO	<ul style="list-style-type: none"> Led discussions with CEFPF donors (e.g. Australia, Japan, and Norway) and drafting of implementation guidelines 	<ul style="list-style-type: none"> Finalize implementation guidelines Continue to discuss with other CEFPF donors
PAHQ	<ul style="list-style-type: none"> Ongoing formulation of Samoa Power Sector Expansion Project and piggybacked TA to support transmission loss reduction, climate change adaptation, increased hydro utilization through tariff restructuring, and DSM through prepayment meters and policy incentives (taxation and import regulations) 	<ul style="list-style-type: none"> Finalize Samoa project and TA Pursue other EE initiatives mainly in Fiji and PNG
PSOD	<ul style="list-style-type: none"> PSCM is issuing calls for proposals for private equity fund managers to invest in clean energy projects; Continue support to other CE funds (SCAF, FEGACE) PSIF2 to support energy service company (ESCO) transactions in PRC 	<ul style="list-style-type: none"> PSCM to evaluate proposals in Sep 2007 PSIF2/PSIF1 to explore ESCO/CE opportunities in other DMCs e.g. GE RE equity investment
RSID	<ul style="list-style-type: none"> Led efforts to establish the CEFPF. Along with OCO, held discussions with donors. Circulated draft implementation guidelines for interdepartmental review Established ADB's baseline for CE investments through 2003–2006 Led public consultations on draft Energy Strategy, which strengthens EE/RE Organized the Asia Clean Energy Forum, 26–28 Jun 2007 Provide inputs to DER for developing and implementing CE & EP campaign plan 	<ul style="list-style-type: none"> Continue to discuss with other CEFPF donors Revise draft Energy Strategy for approval Build on post-forum opportunities/linkages Work with DER and ODs to update clean energy website, develop communication materials
SAEN	<ul style="list-style-type: none"> Completed national consultations and draft inception report for India Working with the Assam State Electricity Board (ASEB) to investigate supply- and demand-side opportunities for new and clean energy investments Working with state governments to establish Energy Conservation Funds 	<ul style="list-style-type: none"> Finalize EEI inception report for India Mobilize TA for ASEB. Explore opportunities to replicate in other states Explore opportunities with GAIL, PFC, BEE
SEID	<ul style="list-style-type: none"> Completed multistakeholder consultations and draft inception reports for Viet Nam and Indonesia Forged MOU with MOI for drafting of energy conservation law for Viet Nam (with EEI support) and capacity building for Vietnamese ESCO sector (with Spanish assistance) Initiated discussions with DOE of Philippines for innovative ESCO financing 	<ul style="list-style-type: none"> Finalize EEI inception reports for Viet Nam and Indonesia Initiate TA on energy conservation law assistance. Commence EE pipeline development in Viet Nam Pursue ESCO opportunity in the Philippines