



Clean Energy, Good Governance and Regulation of the Power Sector

Asia Clean Energy Forum 2008
Asian Development Bank

Regulation and Clean Energy

- Context for electricity regulation
 - Global process of restructuring and reform
 - Specific country circumstances
- Broadening context
 - Social and environmental concerns
 - Global climate change
 - Regulators are stakeholders in international decisions
- Many efforts to grapple with clean energy

Tradeoffs

- Systems are set up to promote conventional options
 - Megawatts vs. “Negawatts”
- Promoting clean technology vs. increasing quality access
 - Intermittency of many RE technologies
- Tensions between additional costs of clean energy and affordability
 - Reasonable costs?
 - e.g. Low cost of coal vs. higher upfront costs of renewables
 - Evolving potential of clean energy options
 - New technologies e.g. concentrating solar or CCS
- Environmental and social impacts of conventional vs. clean technologies
 - Local issues vs. global climate change?

Balancing Interests...

The Importance of Governance

- Policy directives and mandate are crucial: but regulators can be creative
- The politics of energy efficiency are difficult to navigate
- Regulatory decisions involve judgment
 - Incomplete information
 - Multiple solutions
 - Competing interests
- Credible and effective regulation
 - Robust decision making processes
 - Technical capacity
 - Consumer and civil society engagement
 - “Input” vs. “Output” credibility