

Existing policies, barriers existing and regional cooperation

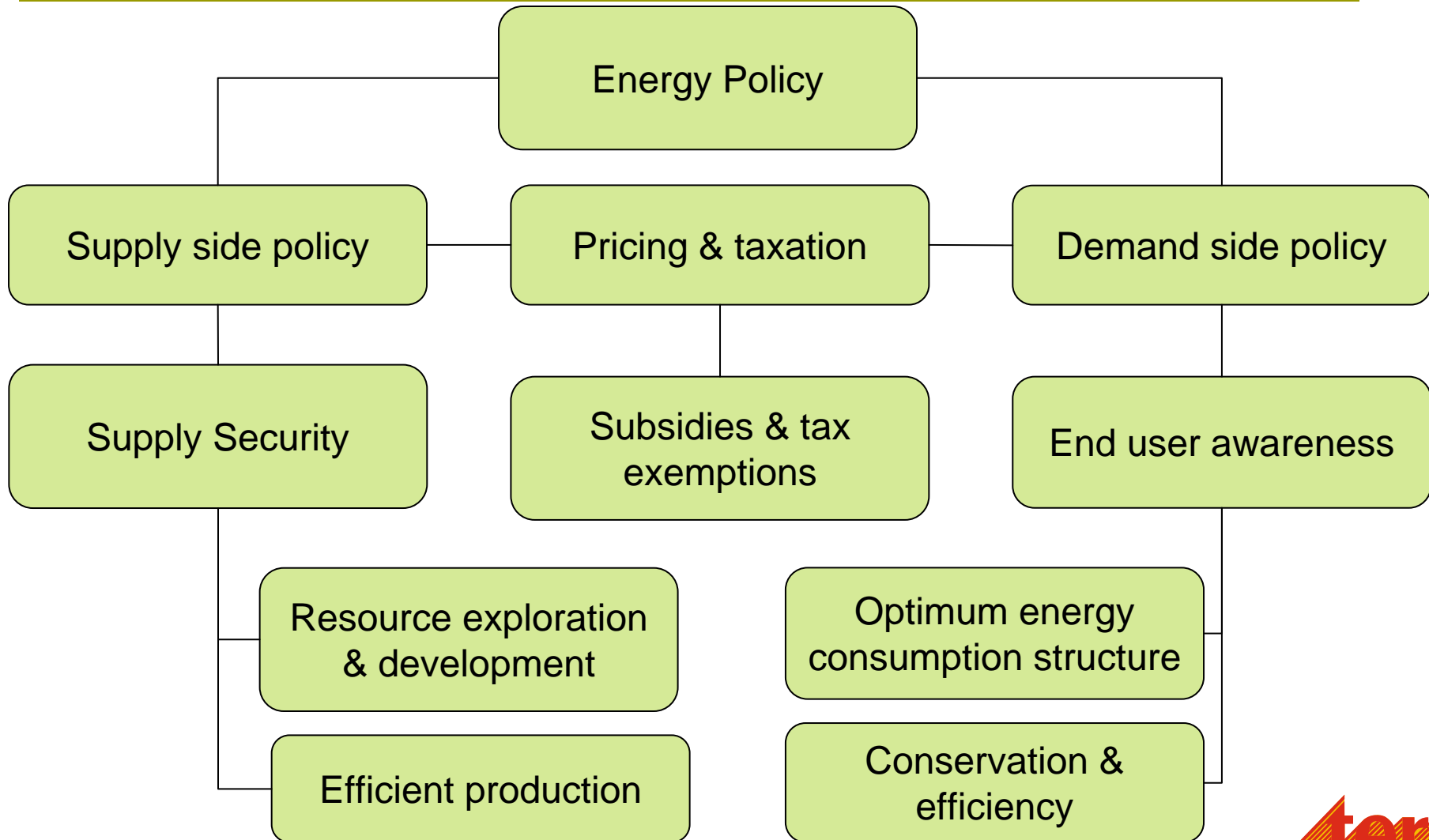
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Energy Policy Framework



Need for Energy Policy

- ❑ Market development
- ❑ Widen market access
- ❑ Mobilize private sector investment
- ❑ Encourage research and development
- ❑ Commercialization and development of RETs
- ❑ Increasing penetration of EE interventions

Energy policy preparation encompasses energy ministries and other ministries (finance, law etc.)

Possible EE and RE interventions

- Possible policy interventions for promoting RETs
 - Legislative interventions
 - Feed-in tariffs
 - Renewable Energy Portfolios
 - Renewable Energy Credits
 - Guarantee market access
 - Distributed generation policies
- Possible policy interventions for promoting EE
 - Mandatory targets
 - Standards and labelling
 - White energy certificates
 - Green procurement
 - Tax benefits to EE products
 - Awareness generation

Energy Policy Status 1

- ❑ Limited countries in the region have integrated energy policies/ energy security policies
- ❑ Different drivers for different countries in the region to promote RE & EE
 - Enhancing access through distributed generation e.g. Renewable Electricity Action Plan (2002 -12) in Cambodia
 - Bridging increasing energy shortages e.g. energy efficiency program in India
 - Decrease dependence on imported fuels e.g. transition of Japan into an energy efficient economy
 - Efficient utilization of available resources e.g. Nepal's biomass program

Status of Energy Policy 2

- ❑ RE & EE are not first choices but substitutes to fossil fuels
- ❑ Countries at different stages of energy market development and hence for energy policy frameworks
 - Few countries have regulatory frameworks in place for promoting RE and EE
 - Lack of private sector participation as the energy sector is still dominated by government/ public sector entities

Policy Barriers

- Barriers preventing mainstreaming of RETs
 - Energy pricing reform
 - Lack of full pricing of the conventional sources of energy
 - High capital costs
 - Lack of clarity in defining role of various stakeholders in promoting RE & EE
 - Lack of awareness w.r.t. characteristics of RETs
 - High capital costs

Policy Barriers

- Barriers preventing mainstreaming of Energy Efficiency
 - Energy pricing reform
 - Perverse subsidies in the energy sector
 - Lack of defined incentives for the utilities to undertake energy efficiency
 - Rebound impact
 - High upfront costs for the consumers
 - Lack of financing mechanism

Role of regional cooperation: Case of REEEP

- ❑ Multi-stakeholder private public partnership launched at the WSSD Johannesburg in 2002
- ❑ Objective – Development of RE & EE markets globally
- ❑ REEEP finances projects that address legal, regulatory, financing and business barriers

Asia-Pacific Partnership on Clean Development and Climate (APP)

- Regional partnership addressing challenges of climate change, energy security and air pollution in a way that encourages economic development and reduces poverty.
- Aims to:
 - create a framework and enabling environment to accelerate
 - development and uptake of clean technologies; and
 - provide a forum for exploring relevant policy approaches and sharing experiences.

Questions

- ❑ What in your opinion are the key policy barriers to RE&EE?
- ❑ Are regulatory reforms in the energy sector playing their role?
- ❑ What is the scope for technology cooperation within the Asian developing countries?
- ❑ Can market aggregation make technologies more affordable? Through what mechanisms?