



# GMS ETTF Operation Strategy Proposal



December 2023



# (1) the clear economic and decarbonisation benefits of regional power trade requires a much broader dialogue – beyond the GMS and stronger cooperation with ASEAN



## Complimentary objectives of GMS and ASEAN/HAPUA present opportunities for collaboration

GMS	ASEAN
GMS Masterplan	ASEAN Interconnection Masterplan Study (AIMS)
GMS Grid Code, Performance Standards, and Wheeling Pricing	ASEAN Plan of Action for Energy Cooperation (APAEC)
Energy Transition Task Force (ETTF)	ASEAN Power Grid Consultative Committee (APGCC), AREN, HAPUA,
	ASEAN Centre for Energy (ACE)

**The scope of regional power trading and its knock-on effects increasingly necessitates a broader base of stakeholders in the conversation.**

- The dialogue around regional power trade needs to be substantially broadened to not only include energy ministries and key utilities, but also government departments covering finance, trade and investment.

### There are also several opportunities for cooperation between GMS and ASEAN/HAPUA

- Both ADB and ASEAN/HAPUA have convergent policy priorities existing in key areas for their respective interconnection working groups. For ADB, regional interconnectivity falls under the purview of the RPTCC whilst for ASEAN, the Heads of ASEAN Power Utilities/Authorities (HAPUA) oversees activities.

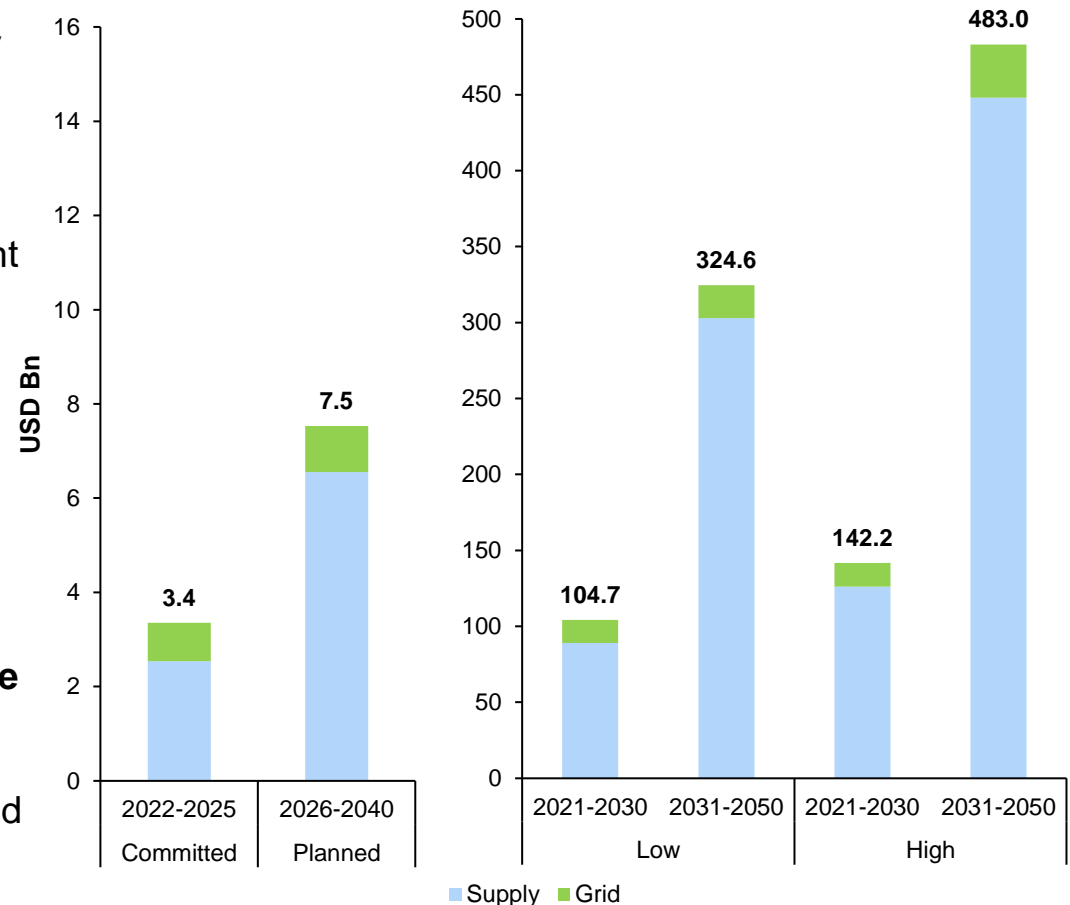
**There are multiple flagship infrastructure projects under way as part of the ASEAN/HAPUA agenda that GMS can offer expert advice on.**

- The GMS working groups on policy and regulation are particularly well placed to consult on projects such as the APG, with the ASEAN Interconnections Masterplan Study (AIMS) a particularly important area where ADB and ASEAN can and should foster greater cooperation.

## (2) Generation and transmission investment requirements are vast, even from preliminary figures, and cannot be entirely financed by SOEs, and **requires private sector participation**

- Across **ASEAN as a whole**, demand for green investment from 2016 to 2030 has been estimated by DBS at a whopping **USD 3 trillion** – with transmission infrastructure (USD 0.7 trillion), renewable supply and energy efficiency (USD 0.4 trillion each).
- From sector planning across the GMS, investment requirements are not always clear. However, from Cambodia and Viet Nam’s recent releases, sector needs are becoming clear particularly for grid infrastructure.
  - Cambodia aims to focus on grid upgrades for its high voltage network in the next three years with USD 816 million committed for key projects by 2025.
  - Viet Nam’s are heavily weighted to integrating and scaling renewables.
- With constraints on public expenditures, the **private sector and financing community have the potential to offer support for the energy transition** through either direct investments in supply and grid development (both domestic and cross-border infrastructure).

**Planned Sector Investment Needs for Cambodia (RHS) and Viet Nam (LHS)**



# Looking to the future – three strategic approaches



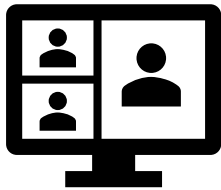
## **Strengthening the partnership with the ASEAN bodies (HAPUA, APGCC, AREN, ACE), subregional programs (LTMS), and other development partners**

- i. Implementing a shadow and pilot regional power market project jointly
- ii. Organizing joint or back-to-back meetings and workshops
- iii. Expanding virtual invitations to other organizations or programs



## **Increasing and engaging private sector participation**

- i. International regional power market operators and interconnector operators
- ii. Existing and potential private IPPs
- iii. Large corporate energy procurement programs



## **Deploying flexibility in operating ETTF meetings and events**

- i. ETTF Chair country to choose the format of the meeting (physical and virtual) and the location of a meeting venue at the places where synergies can be maximized with other regional critical events such as (ASEAN SOME+3, Asian Clean Energy Forum (ACEF), etc.)