Workshop on Energy Connectivity and Transboundary Power Trade

Concept, Barriers and Opportunities

Co-organized by:

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Session 3: Transboundary power trade and main drivers

Recent Trends in Energy Trade and Investment in Asia and The Pacific



- Regional cooperation provides a major opportunity for individual countries to address barriers to sustainable inclusive economic growth, especially in the energy sector.
- Regional trade cooperation (through electricity system interconnection) in Western Europe resulted into 7%–10% reduction in generation capacity cost —lowering the capital costs of supplying reliable energy.
- Within the United States, successful cooperation in pursuing sound energy policies has been estimated to bring benefits on the order of \$20 billion.

A strong regional energy cooperation program can support:

- Efforts of individual countries in providing energy needs and supports through optimal development.
- Utilization of regional resources and energy infrastructure through increased reliability and efficiency.
- The harmonization of regional integration policies and legal and regulatory environments.

Harmonization may be challenging, but an effective first step may be 'shallow harmonization', or trying the process with those sub-regions which have existing economic corporation.

- Total investment in infrastructure for projects with private participation (PPP) in the energy, transport, and water and sanitation sectors increased 6% to US\$107.5 billion in 2014.
- The largest number of new projects were in energy (157), followed by transport (49), and finally water and sanitation (33).
- Although the energy sector had the most new projects, the sector with the greatest investment was transport, receiving US\$55.3 billion, or 51% of total global investment.
- The energy sector accounted for US\$48.2 billion, or 45%.

Global Investment Commitments in Energy, Transport and Water



- Electricity At US\$45.4 billion and 151 new projects, the electricity subsector continued its decline with 22% lower investment and 30% fewer projects than in 2013.
- Generation projects accounted for US\$39.9 billion. Distribution and Transmission projects accounted for US\$3.8 billion and US\$1.6 billion, respectively.
- Within electricity generation, approximately US\$22 billion was in renewable energy.



