

### THE 44<sup>TH</sup> GENERAL ASSEMBLY OF ASEAN INTER-PARLIAMENTARY ASSEMBLY 5-11 AUGUST 2023 Jakarta, Indonesia

Responsive Parliaments for a Stable and Prosperous ASEAN

(Res. 44GA/2023/Eco/05)

## **RESOLUTION ON**

### DRIVING ENERGY TRANSITION AND DEVELOPING GREEN ECONOMY IN ASEAN

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#### The Forty-fourth AIPA General Assembly:

**Noting** that the 40<sup>th</sup> and 41<sup>st</sup> ASEAN Summits, held in the Kingdom of Cambodia on 11 November 2022, reiterated ASEAN's commitment towards the implementation of the ASEAN Plan of Action for Energy Cooperation (APAEC) Phase II: 2021-2025, which sets the region's efforts towards energy transitions, resilience and promotion of sustainable development;

**Acknowledging** that the two important energy reports launched at the 40<sup>th</sup> ASEAN Ministers on Energy Meetings (AMEM) in September 2022, namely: the 7<sup>th</sup> ASEAN Energy Outlook and the 2<sup>nd</sup> Edition of Renewable Energy Outlook for ASEAN: Towards a Regional Energy Transition, complimented the continuing implementation of the APAEC, (Philippines) outline scenarios and potential pathways for achieving the region's energy agenda by monitoring access and social impacts and assessing options for accelerating the deployment of renewable energy, cleaner energy technologies and end-user electrification;

**Reaffirming** the commitment made in the 40<sup>th</sup> ASEAN Ministers on Energy Meetings (AMEM) regarding accelerating the development of renewable energy sources, promoting energy efficiency and sustainability, increasing integration of power infrastructure in the region while enhancing ASEAN's image and attractiveness as an investment destination in the energy sector, through cross-border collaboration and cooperation;

**Recognizing** that ASEAN recorded mixed results in its energy transition targets, prompting the ASEAN Member States to step up their commitment and effort to raise the proportion of renewable energy in their total primary energy supply from 23 percent by 2025 to 35 percent by 2035;

**Recognizing** that the International Renewable Energy Agency (IRENA) World Energy Transition Outlook 1.5-degree Celsius scenario aims to reach net-zero emissions globally by year 2050 by requiring ASEAN to increase investments in renewal energy; achieve notable improvement in energy efficiency; and scale-up carbon-capture and storage and clean hydrogen significantly from current negligible levels; **Acknowledging** that while the ASEAN Member States sent out mixed signal in coal power phase-out commitment to attain the net-zero emission goal, the 40<sup>th</sup> ASEAN Ministers on Energy Meetings (AMEM) still acknowledged the continuing role of coal-based power in ASEAN's current power mix and called for enhancing regional coal trade;

**Noting** that spurring energy transition in ASEAN countries is inseparable from the regional green economy agenda and also circular economy which was endorsed during the 20- ASEAN Economic Community (AEC) Council Meeting in Brunei Darussalam in 2021.

#### Hereby resolves to:

**Call upon** the AIPA Member Parliaments to support the integration of the regional power grid and enhance energy security by enabling greater renewable energy dispatch into the grid to improve regional power systems and increase energy security;

**Encourage** the AIPA Member Parliaments to implement economic policies and enact relevant laws to create investment attractiveness as a catalyst for renewable energy investments and urge financing facilities to tap into available climate funding at the national and regional levels;

**Encourage** the ASEAN Member States to plan towards Carbon Capture and Storage (CCS) readiness via systems that are capable of tracking the production, distribution and consumption of green commodities to push for decarbonization;

*Emphasis on* research, development, and innovation must be prioritized for short and long-term goals, and must be the key area of cooperation among countries (Indonesia);

**Urge** the AIPA Member States to give their full cooperation to achieve the net-zero targets with comprehensive and strategic plans through economic policies and relevant laws to facilitate and encourage renewable energy investment and boost private investments in ASEAN's sustainable energy transition;

**Suggest** AIPA Member Parliaments support each other in the latest technology adoption and knowledge and experience sharing to boost the renewable energy industry growth in the region;

**Recommend** interconnection plans that focus on capacity building and infrastructure to encourage renewable energy generation and grid interconnection which would enhance grid flexibility and demand-side management;

**Recommend** the strengthening collaboration with external counterparts that have advanced their energy transition in form of technology transfer, investment, and capacity building;

**Recommend further** AIPA Member Parliaments to establish a Roadmap on Renewable Energy to support the importance of regional cooperation, investment attractiveness, policy support, research and development, innovation and interconnection towards achieving common renewable energy goals in ASEAN.

Adopted on the ninth day of August 2023 in Jakarta, Indonesia.



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## EXPLANATORY NOTE

# RESOLUTION ON DRIVING ENERGY TRANSITION AND DEVELOPING GREEN ECONOMY IN ASEAN

The Resolution focuses on recommendations to the AIPA Member Parliaments regarding cooperation in affordable and sustainable energy planning for the entire ASEAN region. This effort involves energy infrastructure development, including a reliable and integrated power grid and energy provision in remote areas. In response, additional action should comprise the aims of the ASEAN region to reassess and increase renewable energy (RE) sources and make urban energy infrastructures more independent from remote sources and grids. Therefore, greater accessibility to affordable energy will help ASEAN countries promote inclusive economic growth and reduce the energy gap between urban and rural areas.

The AIPA Member Parliaments have committed to take action in delivering the 2030 Agenda for Sustainable Development. Following the United Nations Framework Convention on Climate Change (UNFCCC) towards climate action, the ASEAN Member States should take the lead by enhancing mitigation ambition, including setting net-zero emission targets with concrete policy and implementing renewable energy.

To achieve the targets, the AIPA Member Parliaments are responsible for cooperating in the energy sector guided by the ASEAN Plan of Action for Energy Cooperation (APAEC) in setting a sustainable future for the ASEAN energy landscape. During the 40<sup>th</sup> and 41<sup>st</sup> ASEAN summits held in Cambodia on 11 November 2022, ASEAN leaders reaffirmed their commitment to the implementation of the APAEC Phase II: 2021-2025, which defines how the region will implement energy transitions, clean energy technologies, and electrification of its citizens.

Two essential energy reports are launched and welcomed by the ASEAN Energy Ministers during the Joint Ministerial Statement of the 40<sup>th</sup> ASEAN Ministers on Energy Meeting on 15 September 2022, namely: the 7<sup>th</sup> ASEAN Energy Outlook and the 2<sup>nd</sup> ASEAN Renewable Energy Outlook: Towards Regional Energy Transition. Both reports have complimented the continuing implementation of the APAEC and outlined scenarios and potential pathways for achieving the region's energy agenda, monitoring access and social impact, and assessing options for accelerating the deployment of renewables, cleaner energy technologies and end-user electrification.

The region recorded a relatively stagnant share of renewable energy in total primary energy supply (TPES) for the past 5 years and at only 14.3 percent in 2021 - a far cry

from the aspirational target of 23 percent renewable energy in TPES by 2025. However, it recorded a substantial increase of installed renewable power capacity in recent years to 33.5 percent in 2020, only 1.5 percent short of 2025 target of 35 percent.

Additionally, the International Renewable Energy Agency (IRENA) World Energy Transition Outlook 1.5-degree Celsius scenario aiming to reach net-zero emissions globally by year 2050. IRENA requires ASEAN to i. scale investment in RE by 5 times to increase RE share on total electricity supply between 90 to 100 percent with 52 percent electrification rate in total final energy consumption by 2050, ii. achieve notable improvement in energy efficiency, and iii. scale-up carbon capture and storage (CCS) and clean hydrogen significantly from current negligible levels.

In terms of net-zero ambitions, although coal retirement is an important step in aligning net-zero targets of ASEAN Member States (AMS), AMS sent out mixed signal in coal power phase-out commitment: half of AMS namely Brunei Darussalam, Indonesia, the Philippines, Singapore and Viet Nam, are signatories to the Global Coal to Clean Power Transition statement during the 26th United Nations Climate Change Conference (COP26), which committed to transition away from unabated coal power generation in the 2040s (or as soon as possible thereafter) globally, but the 40<sup>th</sup> AMEM still acknowledged the continuing role of coal-based power in ASEAN's current power mix and called for enhancing regional coal trade.

In conjunction with the commitment, a continuation meeting was held by the Sustainable Energy Transition in the ASEAN Ministers on Energy Meeting, held in May 2023 in Labuan Bajo, Indonesia, on renewable energy investment, accelerating the development of renewable energy sources through cross-border collaboration and cooperation.

It is important that the AIPA Member Parliaments include an environmental, social, and governance (ESG) strategy in many business models with the collaboration of private sectors and international partners. Such collaborations can play a vital role in achieving the sustainable energy transition goal via facilitating technology transfer, investment, and financing for developing renewable energy infrastructure in the ASEAN region. The key component of the strategy is to utilise the financial institutions and development agencies to contribute towards the capacity development and implementation of renewable energy projects in ASEAN nations. Hence, education and training are significant in preparing a competent workforce in the renewable energy sector. Engaging local communities and building awareness of renewable energy is essential to ensure a positive environmental and social sustainability impact.

The AIPA Member Parliaments are encouraged to build investor confidence in upgrading the transmission grid to absorb the penetration of renewable energy. This is done by establishing a system capable of tracking green commodities' production, distribution and consumption and transparency policies. Such efforts will initiate readiness towards Carbon Capture Storage (CCS) within the ASEAN region in the long-term goal. Thus, regional collaboration in energy efficiency and the development increases including scaling up CCS and clean hydrogen.

The development of the 'ASEAN Long-Term RE Roadmap' and its recommendations for scaling up RE deployment in ASEAN would allow grid integration. The roadmap indicates seven key strategies: strengthening the enabling environment, attracting climate financing, promoting research and development, increasing investment attractiveness, establishing an ASEAN renewable facility, enhancing interconnection, and catalyse future investments. This is in line with realising the ASEAN Economic Community (AEC)'s goal of a well-connected ASEAN in driving an integrated, competitive, and resilient region. Therefore, ASEAN can be the forefront of global carbon neutral future with a triple win of reduction of carbon emission, improved energy security through energy sources diversification as well as creation of new green jobs and economic growth.

The proposed resolution should bring together the AIPA Member Parliaments to 'enhance energy connectivity and market integration in ASEAN to achieve energy security, accessibility, affordability and sustainability for all' and "accelerating energy transition and strengthening energy resilience through greater innovation and cooperation" based on the concept of the regional energy blueprint, ASEAN Plan of Action for Energy Cooperation (APAEC) Phase II: 2021 – 2025.