INSTITUTIONAL AND REGULATORY ISSUES ON POWER INTERCONNECTIONS IN NORTH-EAST ASIA

KOHJI IWAKAMI

ENERGY CONNECTIVITY SECTION

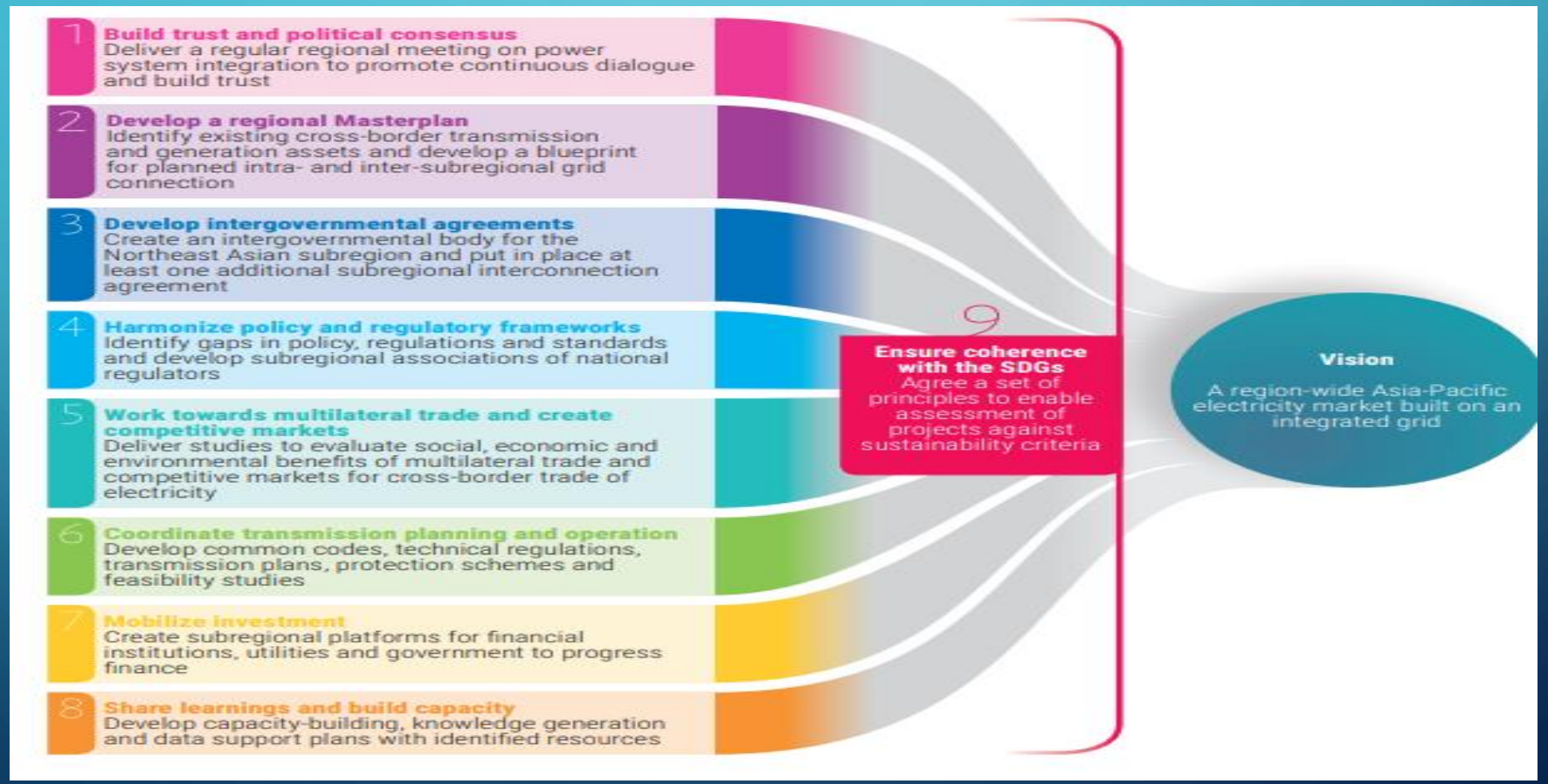
ENERGY DIVISION

ESCAP

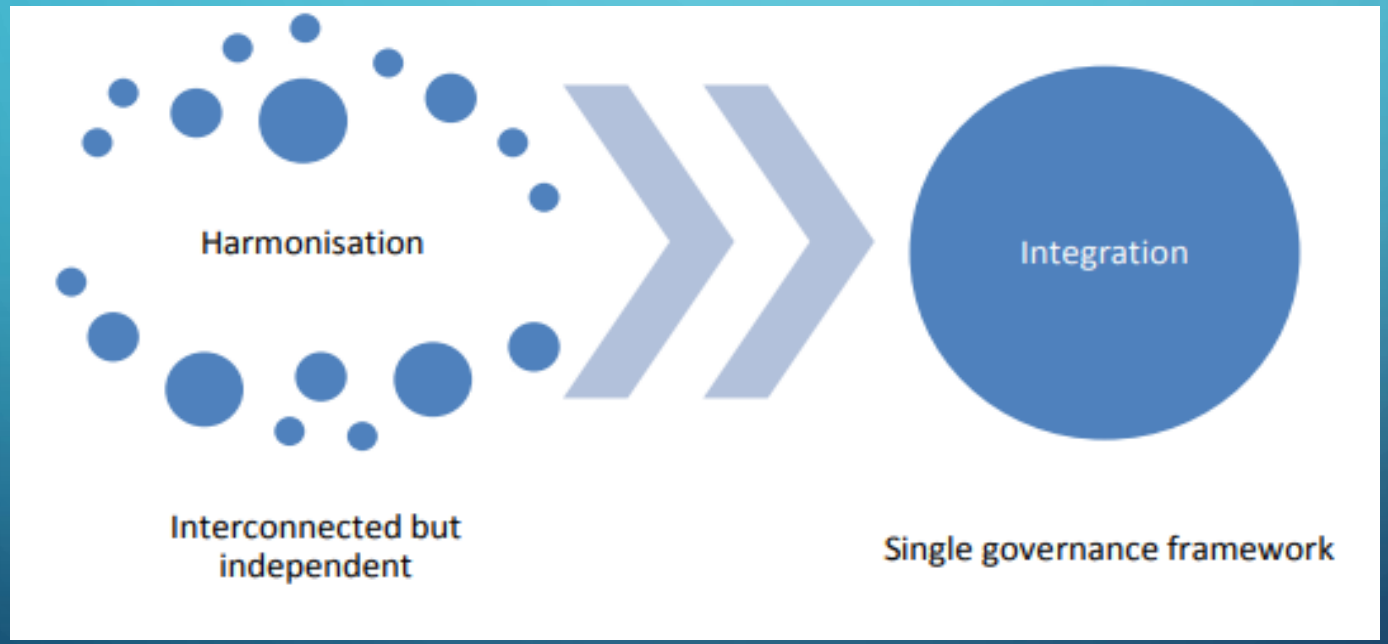
OUTLINE

- 1. Introduction: Regional Road Map on Power System Connectivity
- 2. Institutional Arrangements from the region (SAARC and ASEAN)
- 3. Institutions for North-East Asia

1. REGIONAL ROAD MAP ON POWER SYSTEM CONNECTIVITY: PROMOTING CROSS-BORDER ELECTRICITY CONNECTIVITY FOR SUSTAINABLE DEVELOPMENT



2. INSTITUTIONAL ARRANGEMENTS -1



INSTITUTIONAL ARRANGEMENTS-2

Aspect	Institutional functions
Political	Mobilizing and granting long-term political commitment.
	Coordination with other regional initiatives.
	Trust building among member countries.
	Development of interfaces between political and technical levels.
	Balancing regional and national interests.
Policy and regulatory	Coordination and harmonization of policies and regulations.
	Facilitation the development of a common set of regulations (regional regulatory guidelines).
	Facilitation of data and knowledge sharing.
	Coordination with national regulators.
Technical	Information-sharing mechanisms.
	Ensure smooth coordination between regional and national rules.
	Regional harmonization of grid codes and technical standards.
	Security of systems, such as cybersecurity.
Economic and financial	Assessment and sharing of benefits/costs and pricing arrangements (e.g. wheeling charges/transit fee mechanism).
	Investment-friendly framework for construction and operation.
	Facilitation of transboundary PPAs (including the development of model PPA/TSA) and/or electricity markets.
	Preparation of regional power development plans.
	Promoting open market access.
Social	Benefit-sharing with and protection of affected local communities.
	Promotion of spillover cooperation initiatives.
Environmental	Special consideration to transboundary impacts and sharing of benefits.
	Addressing environmental impacts in natural borders.
	Facilitating the development of common set of environmental standards.
Legal	Securing rights of way.
	Enforceability contracts and conflict resolution mechanisms.
	Coordination of all related regional agreements with national legal systems.

Sources: Author, based on dimensions from (UN-DESA, 2006), and expert insights.

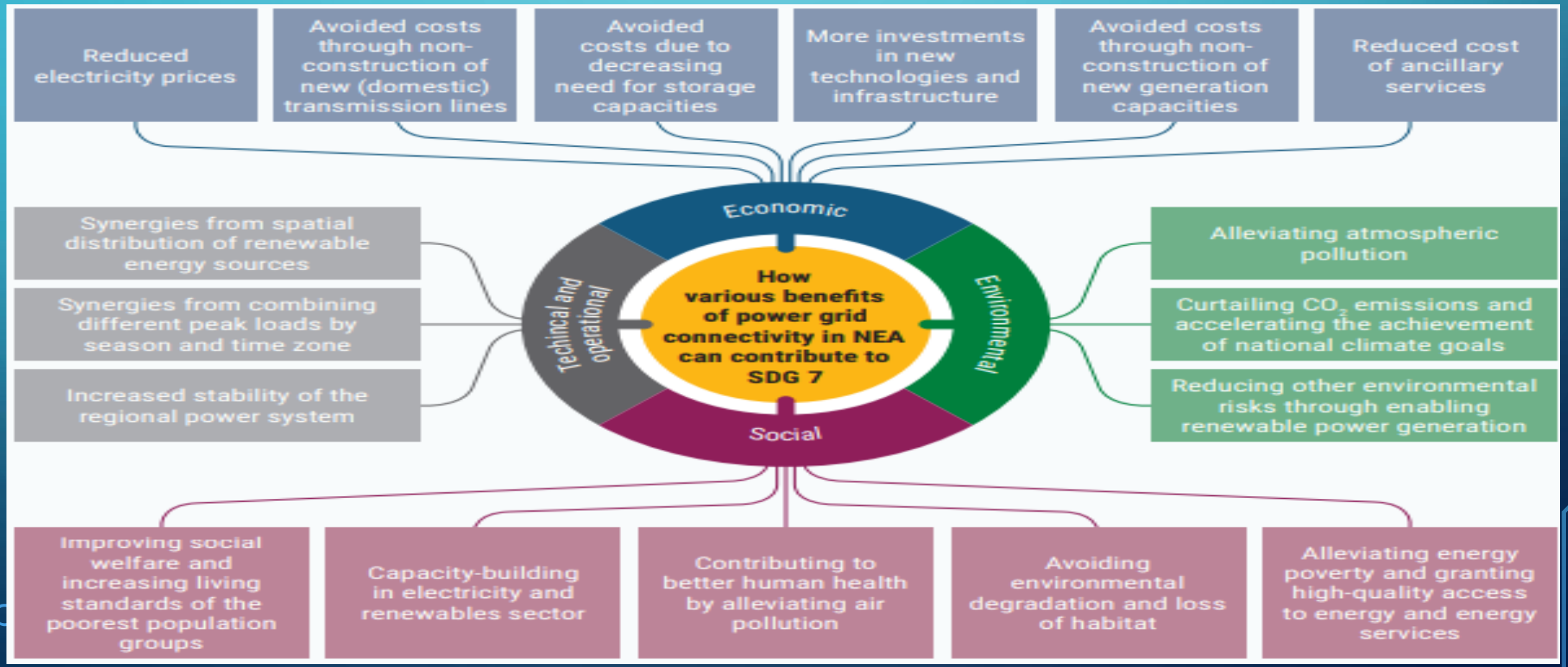
INSTITUTIONAL ARRANGEMENTS : REGIONAL EXPERIENCES-3

- South and South-West Asia
  - SAARC Charter (8 countries of the SAARC subregion) (1985)
  - Working Groups: formulating and overseeing programmes and activities to strengthen and promote regional cooperation
  - Technical Committee on Energy (2000)
  - SAARC Energy Centre (2006), Islamabad, Pakistan
  - The Working Group of Energy proposed the Regional Inter0-Governmental Framework Agreement in 2009, which was signed by all member States in 2014.

- South-East Asia
  - ASEAN Framework of Energy Cooperation:
    - ASEAN Power Grid (APG) mandated by the ASEAN Head of States in 1997 under the ASEAN vision 2020 The 17th ASEAN Ministers on Energy (AMEM) in 1999 adopted the ASEAN Plan of Actin and Energy Cooperation for 1999-2004 tasked to implement the APG programme.
    - APEAC is the regional blueprint for the energy sector in the framework of ASEAN Economic Communities (AEC).
    - Heads of ASEAN Power Utilities (HAPUA) is in charge of the APG implementation



4. INSTITUTIONAL ARRANGEMENTS FOR NORTH-EAST ASIA – CONTRIBUTION OF POWER CONNECTIVTY



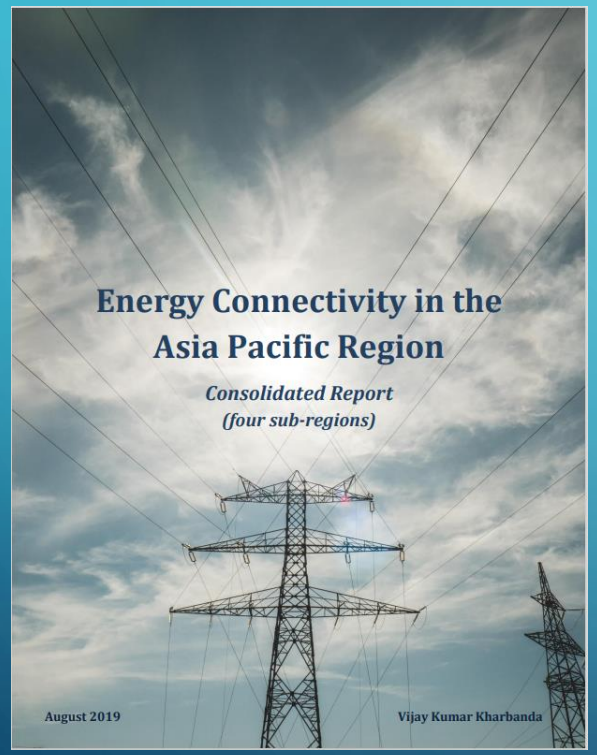
STRATEGY 3. DEVELOPING AND IMPLEMENTING INTERGOVERNMENTAL AGREEMENTS, CREATING A BROADER INSTITUTIONAL FRAMEWORK

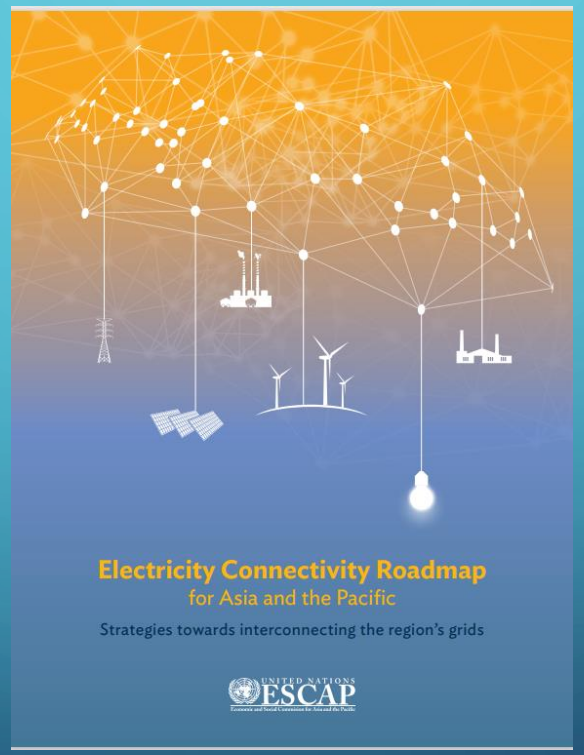
- Formal institutional frameworks : ASEAN and SAARC
- Bilateral arrangements:
  - Japan – Russia on Energy and Environment Dialogue (ERINA)
  - China-Japan annual Energy Conservation Forum
  - China-Russian energy dialogue
  - Russian Federation and Republic of Korea Energy Dialogue
  - DPRK-Russian Federation Intergovernmental Commission
  - Mongolia- Russian Federation energy cooperation agreement
  - MOU : Government of Mongolia and Russia's Gazprom
- Trilateral:
  - China, Japan and the Republic of Korea: summit and accompanying meetings between governmental and business representatives.
- Multilateral:
  - Greater Tumen Initiative : China, Mongolia, Republic of Korea, Russian Federation,

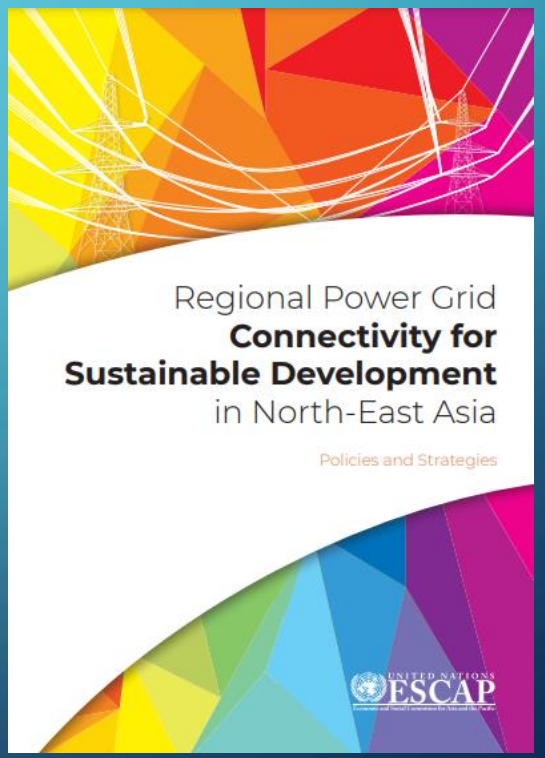
NEXT STEP

- Signing a comprehensive memorandum of Understanding on multilateral cooperation power grid connectivity
  - NEAPRIC- a multilateral platform for discussions, **member States** should jointly develop and sign a MOU.
  - Existing MOUs:
    - SoftBank Group – Sate Grid Corporation of China, Korea electric Power Corporation and PJSC ROSSETI on joint research and planning to promote and interconnected electric power grid in North-East Asia is an important agreement.
- Developing a set of agreements, creating a framework of cooperation
  - Agreement to be developed: arrangements institutions steering regional cooperation, stakeholders involved in the steering of process in establishing institutions
- Creating a formal North-East Asian Interconnection body
  - Covering different mechanisms for issues including cross-border power trade, security issues, harmonization efforts, coordination of operations etc.
- Ensuring the centrality of the Paris Agreement and the Sustainable Development Agenda for the political and institutional framework on power grid connectivity.

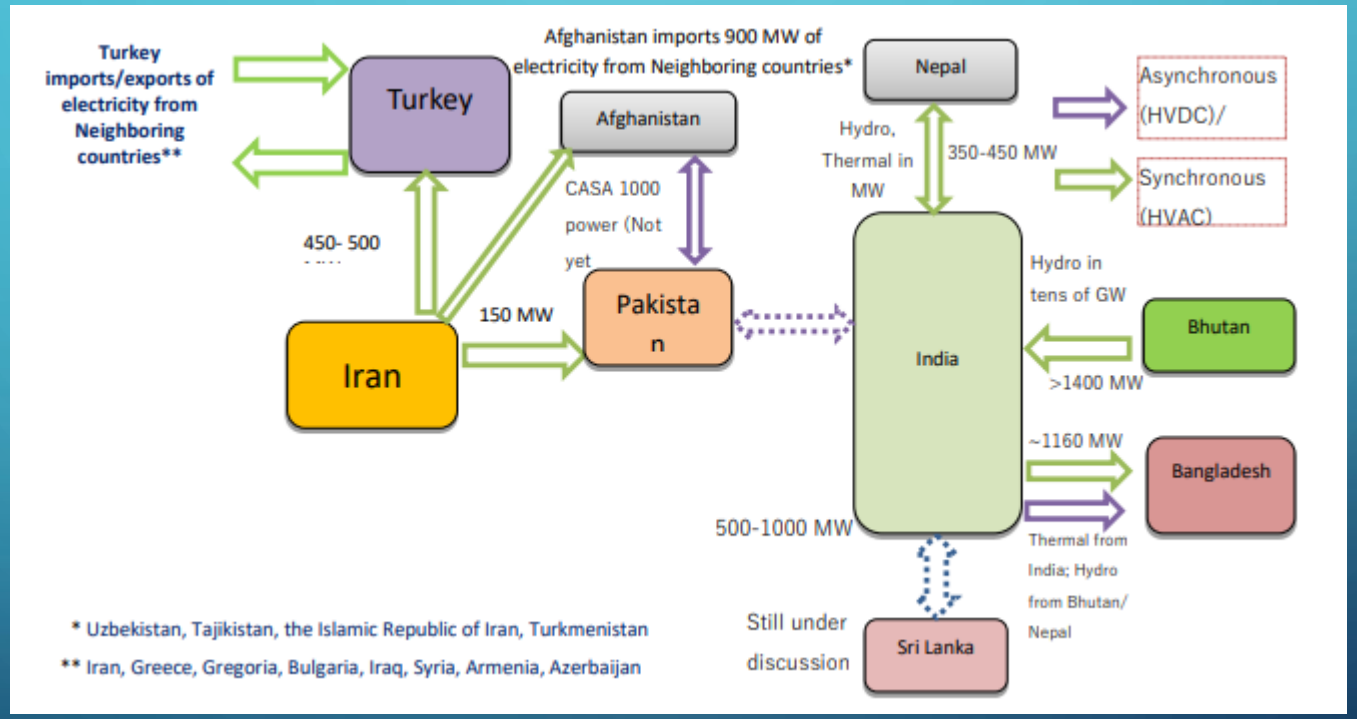
THANK YOU


Energy Connectivity in the
Asia Pacific Region
Consolidated Report
(four sub-regions)
August 2019
Vijay Kumar Kharbanda


Electricity Connectivity Roadmap
for Asia and the Pacific
Strategies towards interconnecting the region's grids
UNITED NATIONS
ESCAP


Regional Power Grid
Connectivity for
Sustainable Development
in North-East Asia
Policies and Strategies
UNITED NATIONS
ESCAP

POWER TRADE IN SOUTH, SOUTH-WEST ASIA



STUDIES AND AGREEMENTS BY THE RUSSIAN FEDERATION

Russia -	# of studies	# of MOUs/ Agreements/ Protocols/ Meetings
Russia - Mongolia Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation	3	5
China (Russia-China Joint Working Group on Cooperation in Electric Power)	7	9
DPRK (Russia-DPRK Jong Working Group on Cooperation in Electric Power)	3	3
ROK (Russia – RoK Intergovernmental Commission on Economic, Scientific and Technical Cooperation	1	6
Japan (Russia-Japan Intergovernmental Commission on Trade and Economic Issues)	2	4

POSSIBLE POWER TRADE IN NORTH-EAST ASIA (RUSSIAN PERSPECTIVE)

