

ASEAN Low Carbon Energy Programme

Energy Efficiency in ASEAN

William Hudson, Carbon Trust

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ASEAN Low Carbon Energy Programme (LCEP)

The ASEAN Low Carbon Energy Programme (ASEAN LCEP) is a £15m aid programme of the UK's Prosperity Fund. In close collaboration with local and international entities from both the public and private sectors, the programme seeks to help ASEAN harness the benefits from the deployment of low carbon energy by leveraging the UK's extensive and proven expertise in green finance and energy efficiency.

2 key pillars



Green Finance



Energy Efficiency

4 areas of support



Policy support



Promotion /
Awareness Raising



Product Standards



Pilot Projects

6 partner countries



Indonesia



Malaysia



Myanmar



Philippines



Thailand



Vietnam

Targeted impacts

- ▶ **Primary benefits:** Inclusive growth and poverty reduction through increased energy efficiency and adoption of low carbon energy, through the use of green finance
- ▶ **Secondary benefits:** Improved trade in green finance, energy efficiency and low carbon technology between partner countries and rest of the world, including the UK

Timeline

Inception phase
Mar to Sep 2019

Implementation phase
Sep 2019 to Mar 2022

Interventions are designed based on stakeholder inputs, analysis of barriers and assessment of donor activities

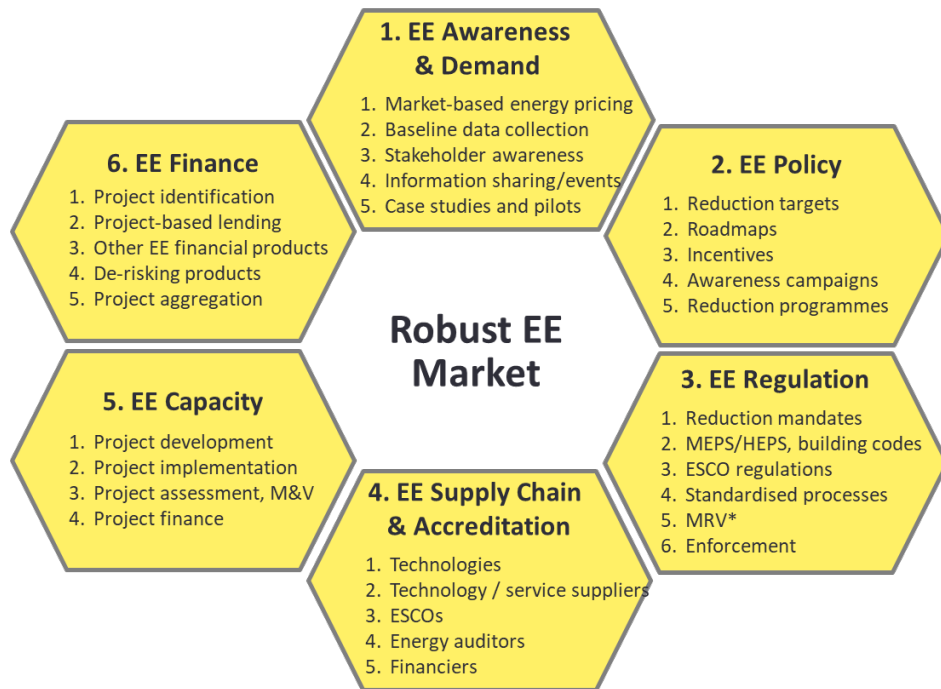
Barriers and Opportunities for EE in ASEAN

Key barriers:

- Energy subsidies
- Project sizes (often <\$1m)
- Core business focus
- Absence of supportive ecosystem

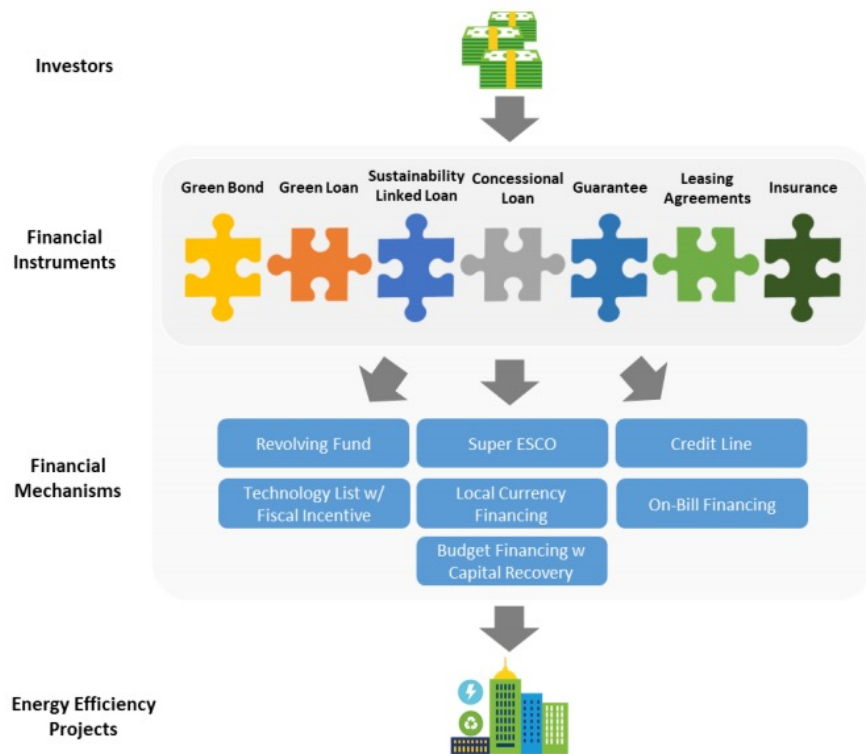
Key opportunities:

- Bigger and better data
- Comprehensive EE policy and planning
- More efficient products
- EE finance
- Innovative business models

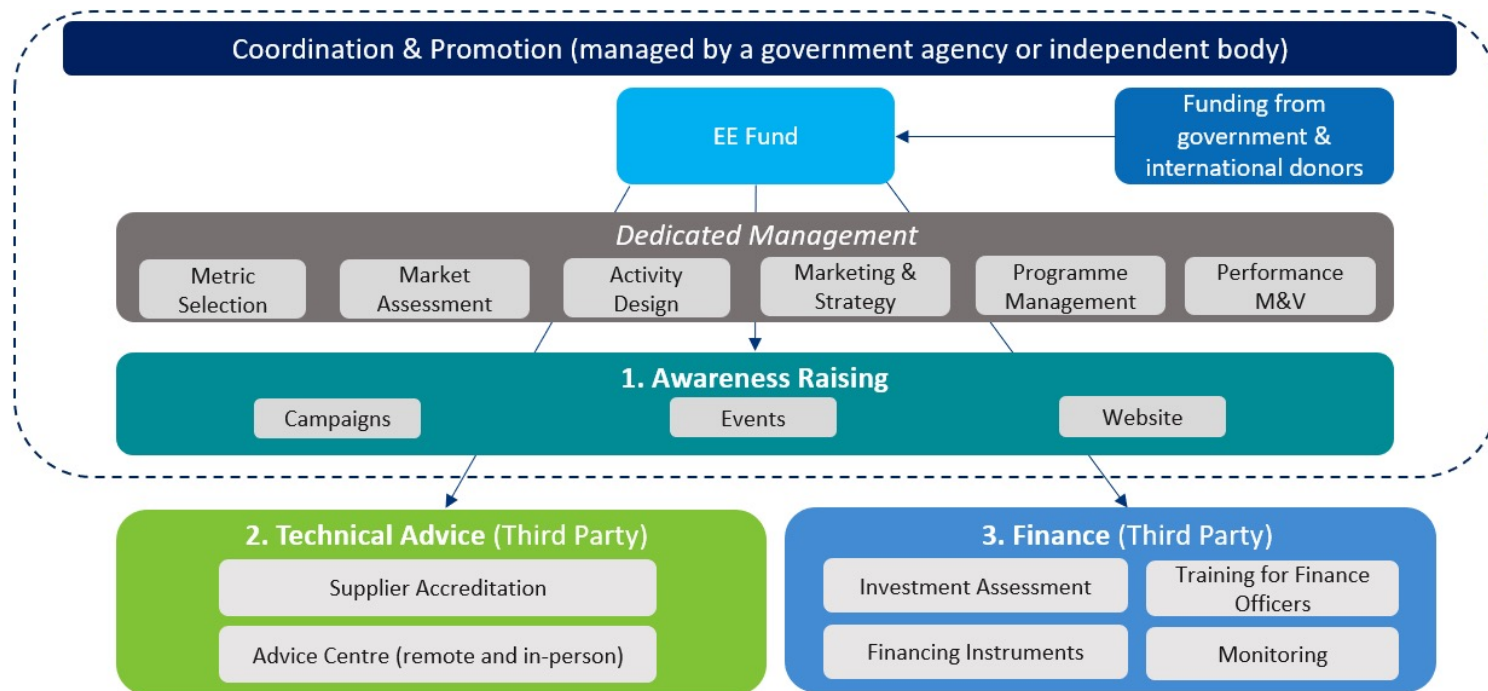


Financing Energy Efficiency




- EE financing covers a broad toolbox of instruments and mechanisms
- These can be selected, combined and tailored to best support the particular needs of a project, policy or programme
- EE financing activities are often targeted with the following objectives in mind:
 - Reducing associated/perceived risk;
 - Developing self-sustaining markets;
 - Overcoming capital barriers.



One Stop Shop for EE?



LCEP Case Studies

-  **An EE loans product in Indonesia:** working with PT SMI to develop an EE loan product manual (providing operational basis for implementation of EE loans) and an associated risk assessment framework for assessing EE projects
-  **Guidelines for Government Energy Management Programme (GEMP) in the Philippines:** working with DOE Philippines to develop guidelines for developing government EE projects, overcoming typical procurement, contracting and budgeting barriers, including for hiring 3rd party ESCOs
-  **Business model demonstration project in Thailand:** implementing a pilot energy efficient refrigeration project, rolling out a paid-from-savings ESCO model for local SMEs to replace emissions intensive refrigerators with low-GWP alternatives



Next Steps

- National EE policy and planning in Thailand and the Philippines
- MRV work in Vietnam and Thailand
- Expanding product standards work (MEPS and HEPS) to include Laos and Cambodia
- More EE finance work across the region!