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# A Proposal to Conduct an e8 United Nations Financing Electrification Workshop in Eastern Europe in 2010

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E8.org

- E8 is an international coalition of 10 power companies with a common interest in promoting sustainable energy development.
- The companies in e8 are:
  - AEP, Duke Energy (USA), Hydro-Quebec, Ontario Power Generation (Canada), Enel, EDF, RWE, RusHydro, Tokyo Electric Power, KANSAI (Japan).
- We share our experience and financial resources on these utility scale projects, but we don't take any profits from them.



## Leaders of developed and developing countries expect

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- Advanced clean electricity technologies will:
  - Ensure that electricity remains affordable, reliable and secure from domestic sources
  - Address rising demand
  - Stabilize price increases
  - Sustain economic and job growth
  - Increase environmental protection, especially reducing global climate change risks



These goals can be achieved through accelerated widespread deployment and use of these technologies

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Countries will realize the benefits of clean electricity technologies if they:

- implement energy development plans with firm, aggressive timelines,
- with established enabling public policies and
- with effective financing mechanisms
- under strong public-private partnerships.



# Investing in new low CO<sub>2</sub> emitting technologies

- These new technologies include:
  - New advanced coal technologies to gasify coal and carbon capture and storage/ to retrofit to existing and new coal and natural gas units;
  - Renewable energy;
  - Supply and demand side energy efficiency;
  - New nuclear units;
  - New transmission infrastructure to make our system more efficient;

*Power to Change Deployment Plan at [www.wbcasd.org](http://www.wbcasd.org)*





# e8-GEF-UNDESA-UNESCAP-USEA Human Capacity Building Programme Initiative

## 'Financing Sustainable Electrification Dialogues'

### The e8 Initiative:

- The e8, together with relevant private sector partners and key international organisations, can share with counterparts in developing and emerging countries, unique perspectives, experience and practical business-oriented options to financing the deployment of low-carbon, advanced power technologies.



## The Initiative

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### Global Context:

- Increasing investment needs in the global power sector:
  - >10 trillion dollars of investment required in the upcoming decades to satisfy new power demand with advanced, low-CO2 emitting generation, delivery and end-use efficiency technologies.
  - > 50% will go to developing and emerging countries where demand and production increase the most.

*(IEA World Energy Outlook 2007)*

- New available funds for climate change mitigation technological transfer: multilateral banks (MDB'S) initiative -sponsored by the G8-: Clean Technology Fund (CTF); and funds through the Global Environment Facility (GEF), UNFCCC's financial mechanism.



## The Initiative cont'd

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### *Current Challenges:*

- Necessary but insufficient public funding to meet investment needs in the power sector;
- Need appropriate policy and regulatory frameworks and incentives which will enhance local and foreign investment;
- Need innovative financial models for the financing of R&D and the deployment of power generation and transmission technologies and projects, adapted to local contexts in developing and emerging countries;
- Need effective investment and use of available funds (multilateral, bilateral, public and private funds).



# Expected outcomes from the workshop program

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- Country specification plans to address these questions:
  - From an investor's perspective How can the policy environment in your country be optimized to reduce risk and attract capital for sustainable power projects?
  - From each country's perspective, How can my country and those in my region optimize our capacity to attract investment in sustainable power projects?



## Participants from the Region

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- High-level representatives from the Finance and Energy Ministries.
- High-level representatives from the national financial and energy regulatory agencies.
- Executive representatives from national power utility(ies).
- Local private sector representatives with existing or potential investment capacity in the local power sector.



## Partnerships

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### International Organizations:

- The Global Environment Facility (GEF);
- The United Nations Department of Economic and Social Affairs (UNDESA).
- The UN Economic and Social Commission for Asia and the Pacific (UNESCAP)

### Participation of private sector investors and international funding institutions:

- International and local financial institutions;
- International and local power utilities;
- Power technology vendor, construction and engineering firms;
- Regional development banks.



## Content

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Discussion topics will include:

- Current policy, institutional and financial obstacles to local and foreign investment in electrification projects in the region of focus;
- Business opportunities and key policy strategies to attract power project investment.

*Specific discussion topics will include:*

- Legal and regulatory frameworks;
- Financial and energy policy environment;
- Tariffs;
- Subsidies and cost reduction incentives;
- Risk and liability mitigation;
- Financial model options (Joint Ventures; CDM; PPPs; DI etc.)
- Low and zero CO<sub>2</sub> emitting technology options and associated costs;
- Regional cooperation



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# APPENDIX



# Objectives and Expected Outcomes

Designed to be a four-year long HCB programme:

- A series of eight region-specific dialogues over a period of four years, scheduled to start in the summer 2009.

Objectives:

- To share, through interactive dialogues with counterparts and key relevant actors in developing and emerging countries, business-oriented know-how and sector-specific expertise:
  - To contribute to enhancing countries' capacity to attract capital for the development and deployment of power generation and transmission technologies and projects, through the establishment of appropriate regulatory frameworks and policies.

Expected Outcomes:

- Participating countries to discuss general guidelines and factors for the development and implementation of an action plan including strategies and specific policy options relative to the issues addressed;
- Action plans to be monitored with the help of the e8 and partners following the completion of the dialogues.



## Dialogues Summer 2009

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### Workshop series launch:

- Host city: Bangkok, Thailand
- Scheduled date: September 8-10, 2009
- Regional focus: South-East Asia
- 8 countries to participate: Bangladesh, Bhutan, Indonesia, the Philippines, Pakistan, Sri Lanka, Thailand and Vietnam.  
India and China invited to enhance South-South dialogue.



## Contact

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**Financing Sustainable Electrification  
South and South-East Asia Dialogues  
*8-10 September 2009, Bangkok, Thailand***

**Daily Agenda**



**Monday September 7, 2009**

***-Arrival and registration opening-***

18:00-20:00

**Welcome reception/Dinner**

**Tuesday September 8, 2009**

**Investor expectations: How can policy environment be optimized to reduce risk and attract financing for sustainable power projects?**

08:30-09:00

**Opening and Introduction**

**-Brief welcome by ESCAP / UNDESA (Mr. Andy Yager) / GEF / e8**

**-Outline of workshop objectives/introduction of participants**



09:00-10:00

**e8 company perspectives on assessing policy frameworks that favor power project investment.**

- e8 member representatives to discuss current business models and the expanded set of business risk assessment and management approaches they use to make investments.
- Key issues covered include:
  - Transparency and stability of energy and rural electrification policies;
  - Adapted regulatory frameworks;
  - Existence and stability of financial markets (end-user needs, asset financing, risk mitigation);
  - Legal frameworks allowing the establishment of appropriate project legal structures, with mitigated liability and contract protection;
  - Local government support for project licensing, permit and rights authorisation.





12:00-14:00

**Lunch**

14:00-17:00

**Perspectives on risk and opportunities for power developers in the region:**

*14:00-15:30*

**Part I:**

***Moderated by Mr. Joel Laykin, Secretary General, the Independent Power Producers Forum (IPPF).***

**- Presentations by and interactive discussion with power project developers, technology vendors, and construction firms on key risk areas hampering power project investment in the region, with a focus on risk associated with the deployment of advanced clean power technologies.**

***List of panelists:***

Mr. James Berner, Managing Director - Asia, GE Energy Financial Services, **GE-Singapore.**

Mr. Michael Trivett, Business Development Manager, **Babcock & Wilcox Company-Asia.**

Mr. Peter Greenwood , Executive Director – Strategy, **CLP Holdings Limited**

Mr. Gordon Cumming, **Vice President, Alstom Global Power Sales Asia.**



15:45-17:00

**Part II:**

***Moderated by Mr. Peter Greenwood, Executive Director – Strategy, CLP Holdings Limited.***

**- Presentations and interactive discussion on investment opportunities in the South-East region's energy sector with a focus on the deployment of advanced clean power technologies.**

***List of panelists:***

Mr. Anil Terway, Senior Advisor and Practice Leader (Energy), Regional and Sustainable Development Department, **Asian Development Bank.**

Mr. Guang-Ming Chuang, Secretary General, **Association of the Electricity Supply of Eastern Asia and the Western Pacific, AESIEAP.**

**Mr Masato Ari, Japan Bank of International Cooperation – *To be confirmed***

**Mr. Richard Spencer, Country Sector Coordinator- the World Bank – *To be confirmed***

19:00-21:00

**Reception and Dinner**



**Wednesday September 9, 2009**

**How can countries in the region optimize their capacity to attract investment in sustainable power projects?**

**08:30-08:45                      Introducing the agenda of the day      *By e8***

**08:45-11:30                      Key policy strategies to attract power project investment [Working groups by discipline followed by plenary session] – Session I**

***Introduction by Mr. Joel Laykin, Secretary General, the Independent Power Producers Forum (IPPF)***

- **Participants to identify and discuss country-specific obstacles to investment and opportunities for change.**

- **Specific issues to be addressed include:**

**Legal and regulatory frameworks**

**Tariffs, Subsidies and cost reduction incentives**

**Financial model options and associated requirements (Joint Ventures, CDM projects,**

**Private-Public Partnerships (PPPs), direct investment etc.)**

**Low and zero- CO2 emitting technology options and associated costs**

**Regional cooperation**

- **Invited practitioners (*Panelists from Day I*) address individual country representative questions, on selected issues, and offer suggestions for action.**



11:30-12:00

**Summary of main discussion outcomes in a plenary session.**

***Moderated by Mr. Anil Terway, Senior Advisor and Practice Leader (Energy), Regional and Sustainable Development Department, Asian Development Bank.***

12:00-14:00

**Lunch**

14:00-17:00

**Key policy strategies to attract power project investment (Working groups by country followed by plenary session) – Session II**

***Introduction by Ms Celia Nork, Water, Energy and Strategies Branch, Division for Sustainable Development, United Nations Department of Economic and Social Affairs (UNDESA).***

- Country participants, with the support of practitioners and attending experts, draft and discuss general directions, strategies and guidance for the formulation of national action plans to be presented in a plenary on the following day.

[An action plan outline and presentation template to be submitted to all participants in advance to facilitate the action plan elaboration and presentation].

19:00-21:00

**Reception and Dinner**



**Thursday September 10, 2009**

## **Country Action Plans**

During this day, each country will share its proposed guidelines for the formulation of action plans, for discussion, additional solutions, and feedback from other participants, experts and power developers.

08:30-08:45            **Introducing the agenda of day**                            *by GEF*

08:45-12:30            **Country action plan presentations and feedback:**  
***Moderated By GEF***

- **Four country presentations (15 minutes), followed by discussion (45 minutes)**  
[15 minute-break]
- **Four country presentations (15 minutes), followed by discussion (45 minutes)**

12:30-14:00            **Lunch**



14:00-14:45

**Concluding Panel Discussion**

***Moderated By Mr. Andrew Yager, Senior Economic Affairs Officer, Division for Sustainable Development, United Nations Department of Economic and Social Affairs (UNDESA).***

- Summary of key issues, recommendations and questions.

14:45-15:15

**Ongoing support and follow-up of action plans by e8 and other practitioners – suggested platform of exchange**

***By GEF/Ms Celia Nork (UNDESA)/e8***

- Designation of contact focal point from each participating country.
- Presentation of a tool/platform to be used i) to follow-up on the progress of countries' action plan implementation and ii) to continue exchanging on issues addressed during the workshop, among the network of participants and practitioners involved.

15:15-15:45

**General feedback and survey by participants on the 3-day**

**workshop**

***Concluding remarks***

***By ESCAP/GEF/DESA/e8***

16:00

**Farewell Cocktail**