

# Energy Saving Potential in the Asia-Pacific Region

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1 December 2008



## Why Should the APEC Economies Be Concerned About Improving Energy Efficiency?

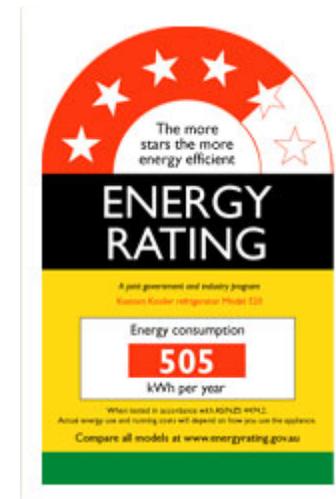
Energy efficiency is of the few energy policy approaches that is a winner in every respect:

- *Energy Security*: Reduced dependence on imported fuels, especially oil
- *Environmental*: Reduced greenhouse gas emissions, reduced air and water pollution
- *Health*: Warmer, healthier homes
- *Economics*: Reduces costs, improves competitiveness, promotes economic development

# If Energy Efficiency Is That Great, Why Doesn't the Market Do It?

There are several 'market failures' that reduce incentives to invest in energy efficiency:

- Lack of information for consumers
- Energy is often under-priced
- Access to capital
- Split incentives



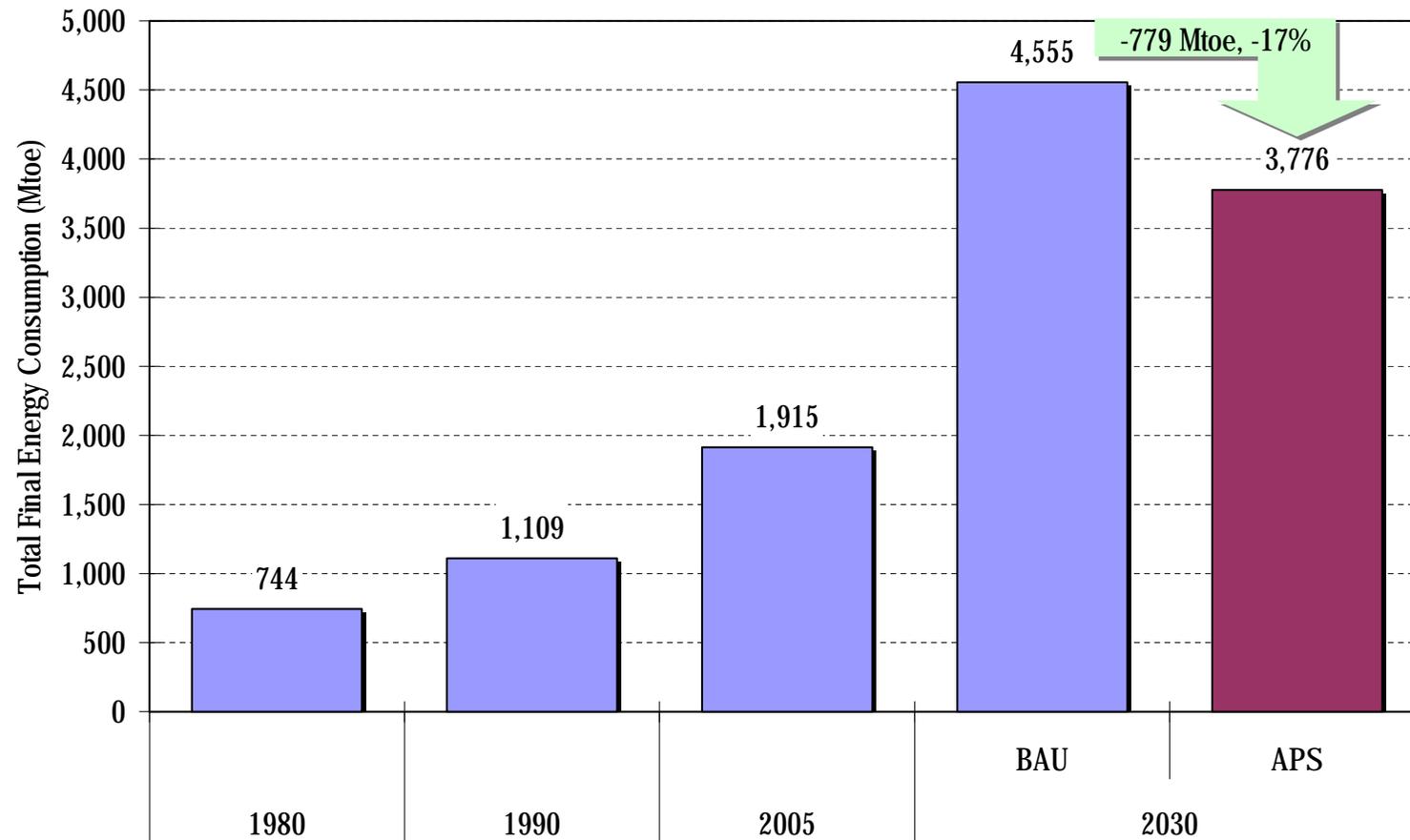
# How Big Is the Potential for Energy Efficiency Improvements in the Asia Pacific Region?

- Best source of information on this is the ERIA *Analysis on Energy Saving Potential in East Asia, 2008*
- Requested by East Asia Summit leaders in Cebu Declaration on East Asia Energy Security, January 2007
- 16 countries in Asia and the South Pacific participated in the Working Group

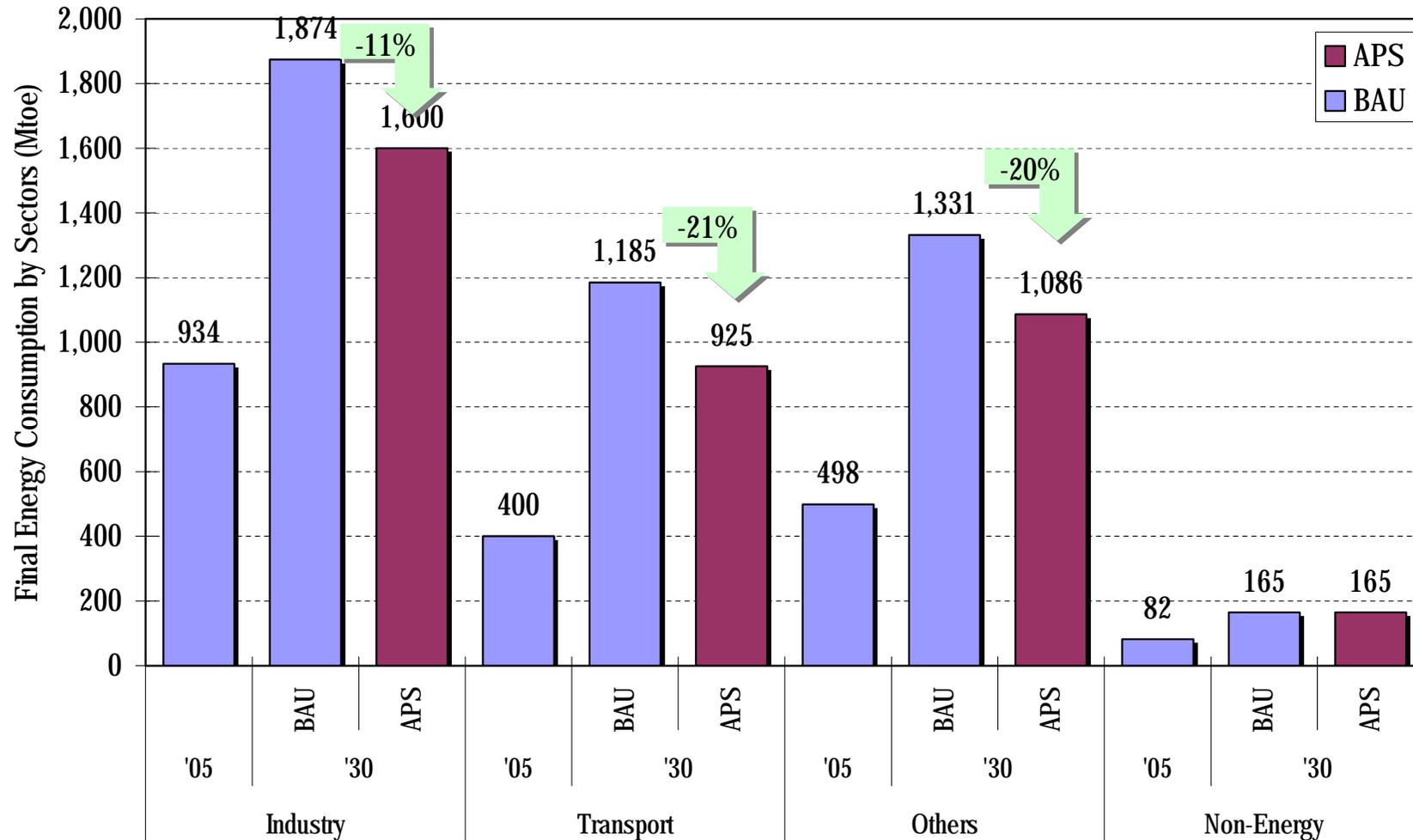
## How Did the Analysis Work?

- Analysis compared “Business As Usual” (BAU) to an “Alternative Policy Scenario” (APS) reflecting energy efficiency improvements
- The APS was based on each country’s existing or proposed energy saving goals or action plans
- Modelling was performed by the Institute for Energy Economics, Japan (IEEJ) based on data submitted by each country

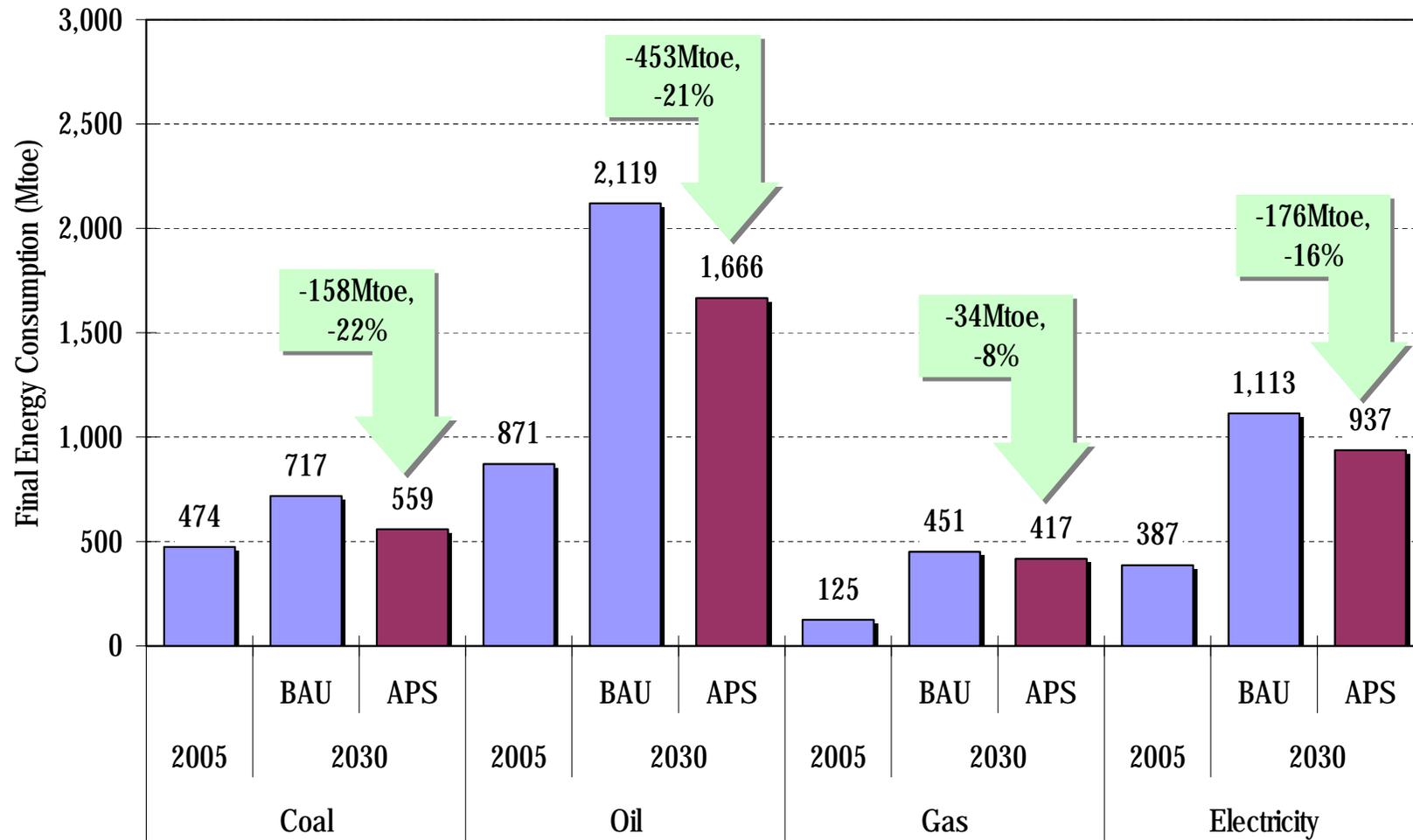
# Projected Impacts on Final Energy Demand



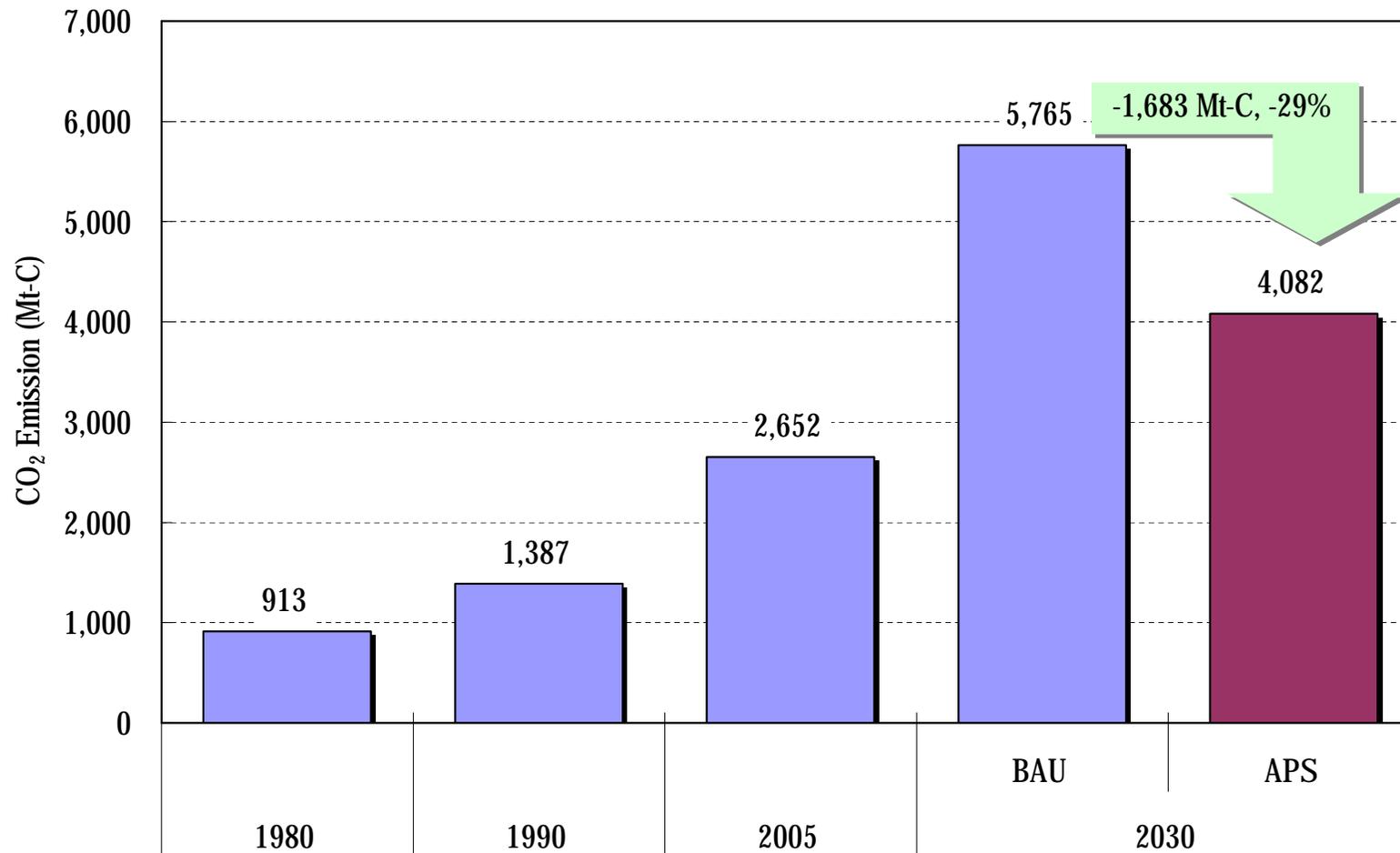
# Projected Impacts by Sector



# Projected Impacts by Fuel



# Projected Impacts on Greenhouse Gas Emissions



## What Else Did We Learn?

- Countries vary widely in the analytical and policy capabilities for improving energy efficiency
- Energy efficiency is hard to define and measure consistently
- ERIA analysis probably significantly understates actual potential
- More urgently needs to be done
- But actually achieving that potential—converting goals into results—is hard

## In Summary

- Energy efficiency offers lots of potential and is urgently needed
  - But every Asia-Pacific economy still has much to learn if the region is to achieve success
- > Great need for cooperative learning efforts like PREE!



# Extra Slides

# Projected Impacts by Country

