

A wide-angle photograph of an offshore oil field at sunset. The sun is low on the horizon, casting a golden glow across the sky and reflecting on the calm sea. Several oil rigs are visible in the water, their silhouettes dark against the bright sky. The clouds are scattered and catch the low light of the sun.

How resilient is Southeast Asia's clean energy transition?

OCTOBER 29, 2021

PROPERTY OF ECO-BUSINESS (NOT FOR CIRCULATION)



BY JUNICE YEO, EXECUTIVE DIRECTOR

ISEAS – SIEW ROUNDTABLE 2021

About Eco-Business

Established in 2009, Eco-Business is Asia Pacific's leading media and business intelligence organisation on sustainable development.

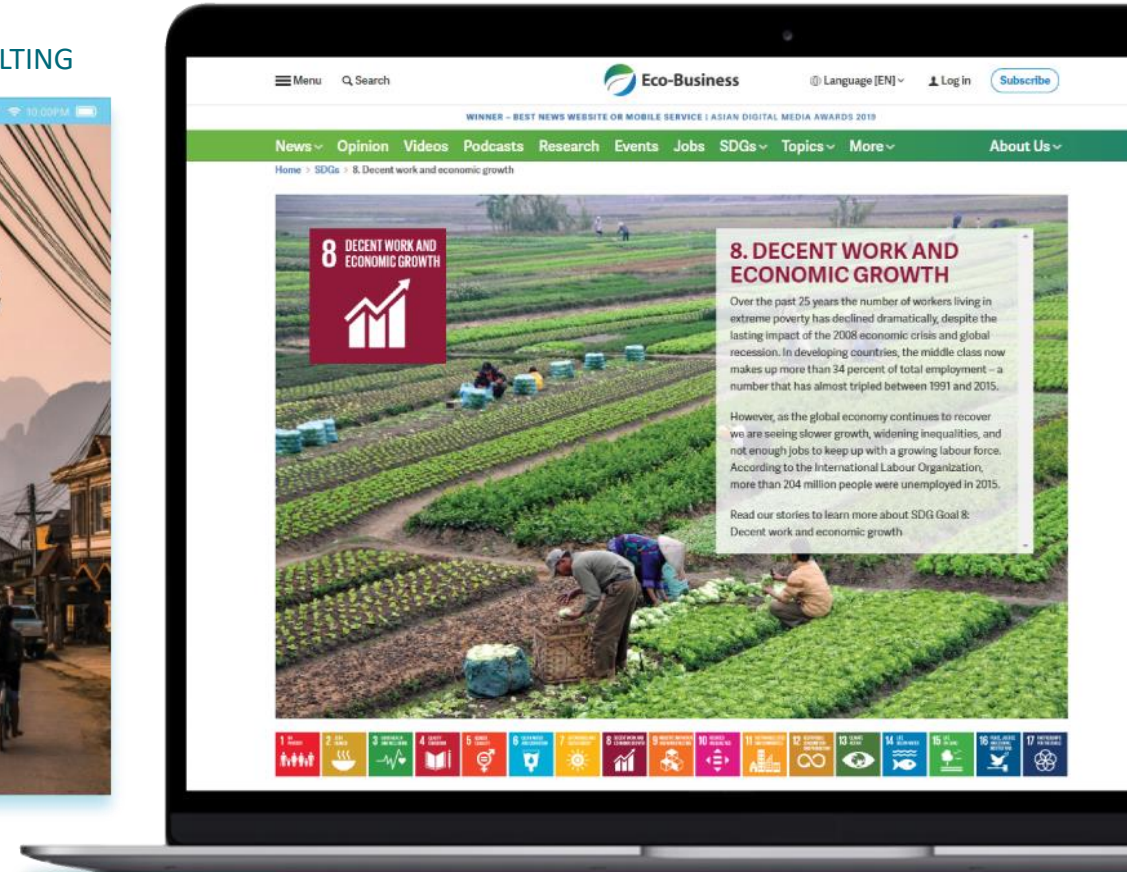
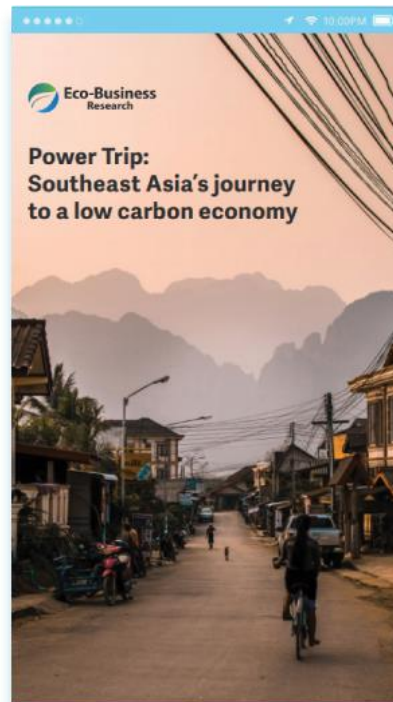
Its independent journalism media unit publishes high quality, trusted news and views that advance dialogue and enables measurable impact on a wide range of sustainable development and responsible business issues.

Based in Singapore, we have offices in Beijing, Manila, Kuala Lumpur, and Zurich, and correspondents across every major city in Asia Pacific.

NEWS & ESG CONTENT



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SOUTHEAST ASIA'S CLEAN ENERGY TRANSITION

This is a new initiative to chronicle the region's clean energy transition, highlighting the opportunities and challenges faced by government, business and society.

A series supported by:
EB IMPACT

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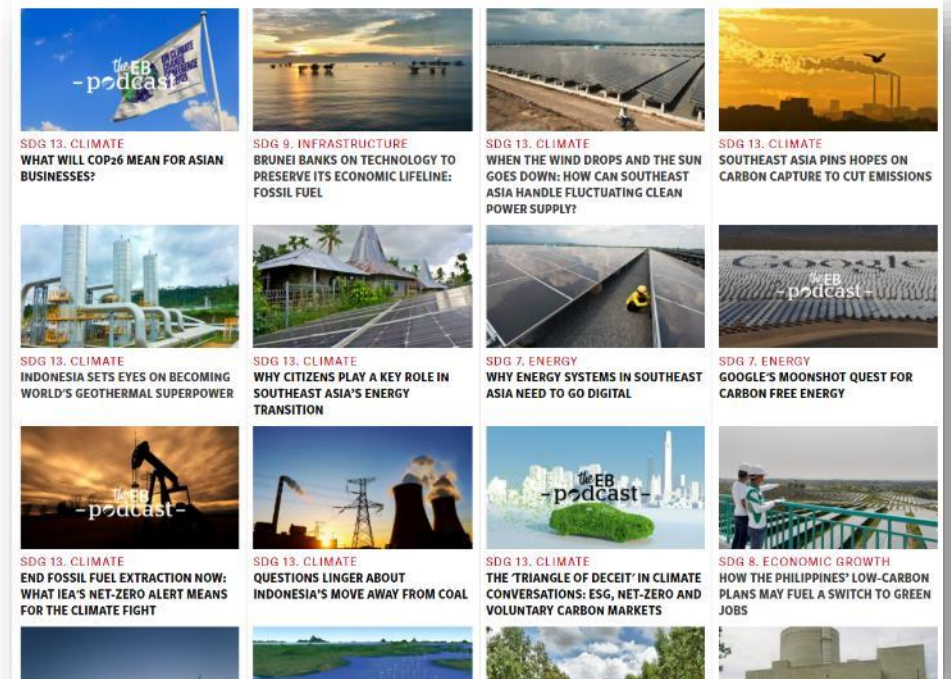
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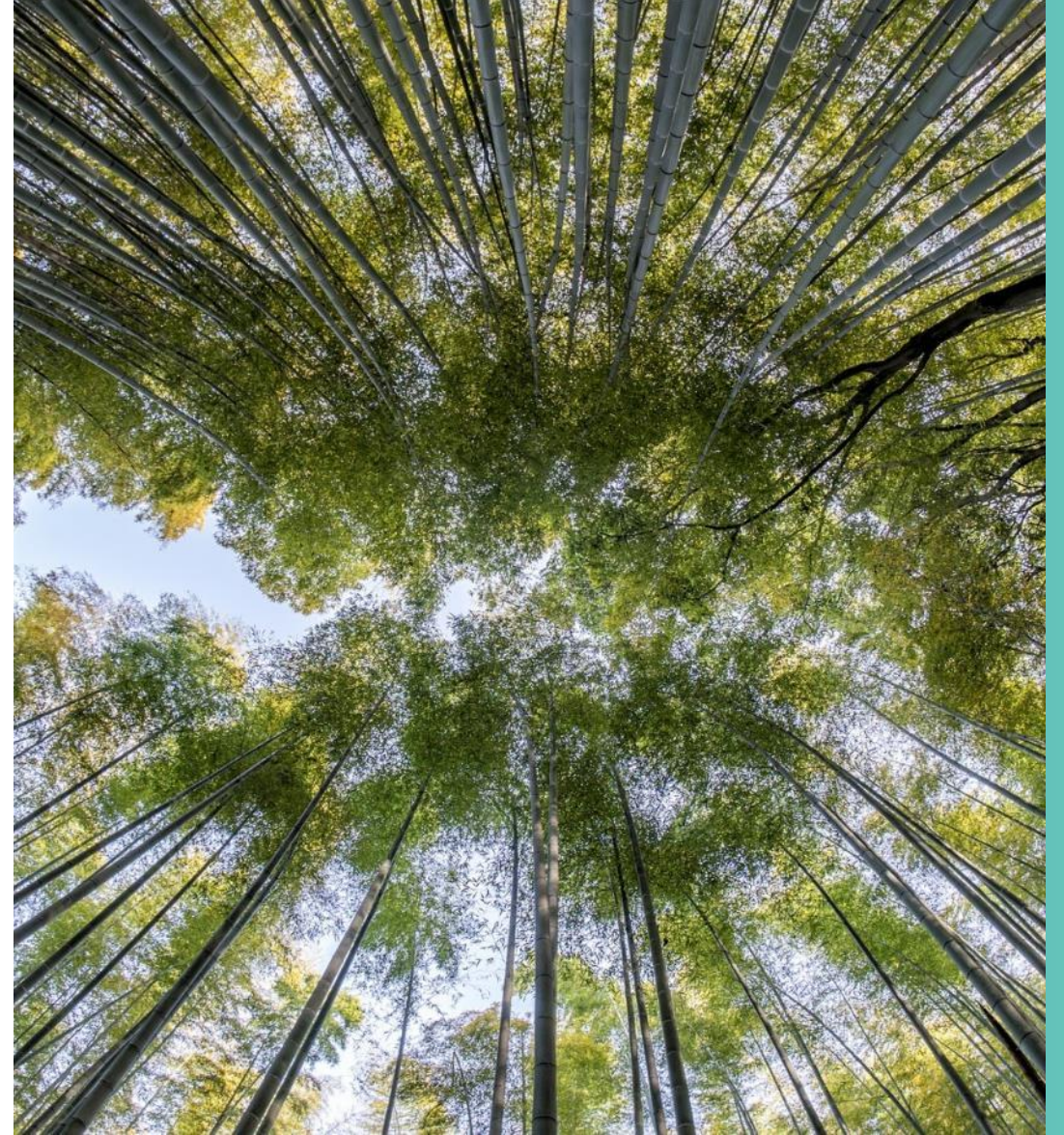
Eco-Business has been covering Southeast Asia's clean energy transition for over a decade.

Visit our microsite <https://www.eco-business.com/southeastasia-clean-energy-transition/> for all our stories.

You may search via the SDGs.

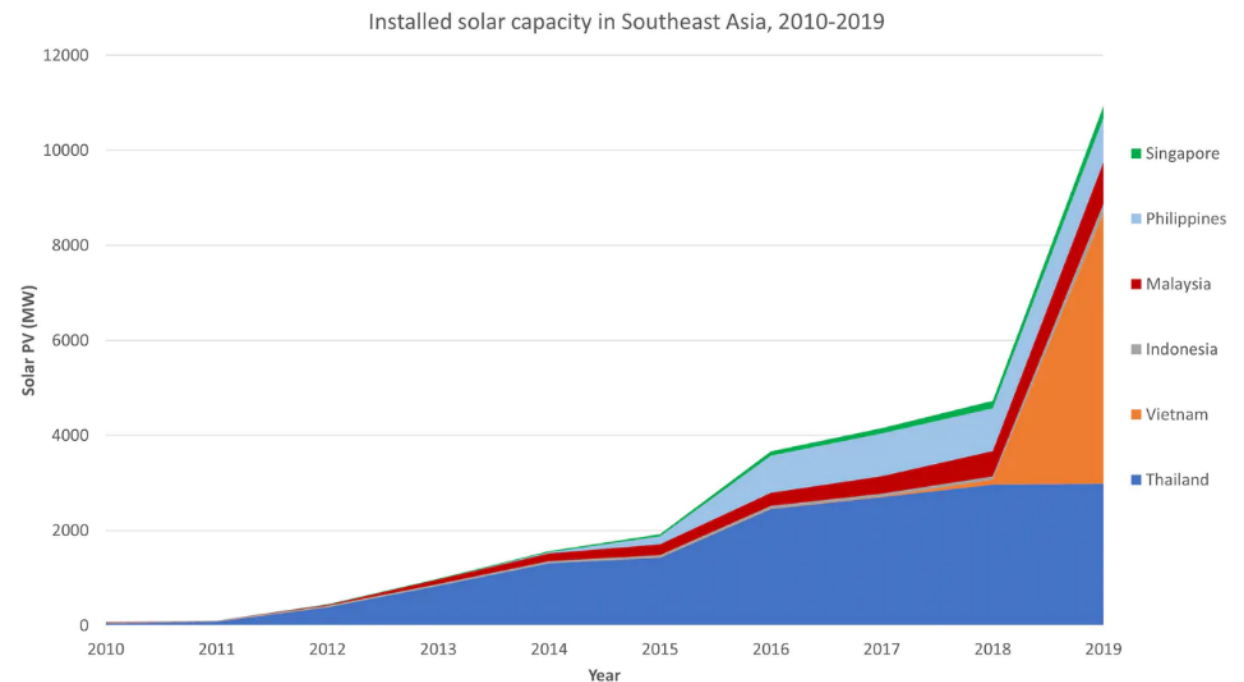


Key opportunities



Southeast Asia's clean energy market is becoming one of the most successful energy transition stories today

Type of policy		Philippines	Vietnam	Indonesia	Malaysia	Thailand	Singapore	Myanmar	Laos	Cambodia	Brunei Darussalam
Regulatory policies	Renewable energy in INDC or NDC	•	•	•	•	•	•	•	•	•	•
	Renewable energy targets	•	•	•	•	•	•	•	•	•	•
	Feed-in tariff/auctions/premium payment	•	•	•	•	•	•	•	•	•	•
	Net metering/billing/direct consumption-supply	•	•	•	•	•	•	•	•	•	•
	Biofuel blend obligation/mandate/target	•	•	•	•	•	•	•	•	•	•
	Electric utility quota obligation/RPS	•	•	•	•	•	•	•	•	•	•
	Tradable REC	•	•	•	•	•	•	•	•	•	•
	Renewable heat obligation/mandate	•	•	•	•	•	•	•	•	•	•
Fiscal incentives and public financing	Tax incentives	•	•	•	•	•	•	•	•	•	•
	Public investment/loans/grants/subsidies/rebates	•	•	•	•	•	•	•	•	•	•
	Reductions in sales, VAT or taxes	•	•	•	•	•	•	•	•	•	•
	Tendering	•	•	•	•	•	•	•	•	•	•
	Investment or production tax credits	•	•	•	•	•	•	•	•	•	•
	Energy production payment	•	•	•	•	•	•	•	•	•	•



Renewables are booming in Vietnam. Will the upswing last?

Vietnam's upcoming power development plan is set to scale up its trajectory towards clean energy. Experts say the plan's success will depend on energy planners' ability to integrate renewables into the power system.

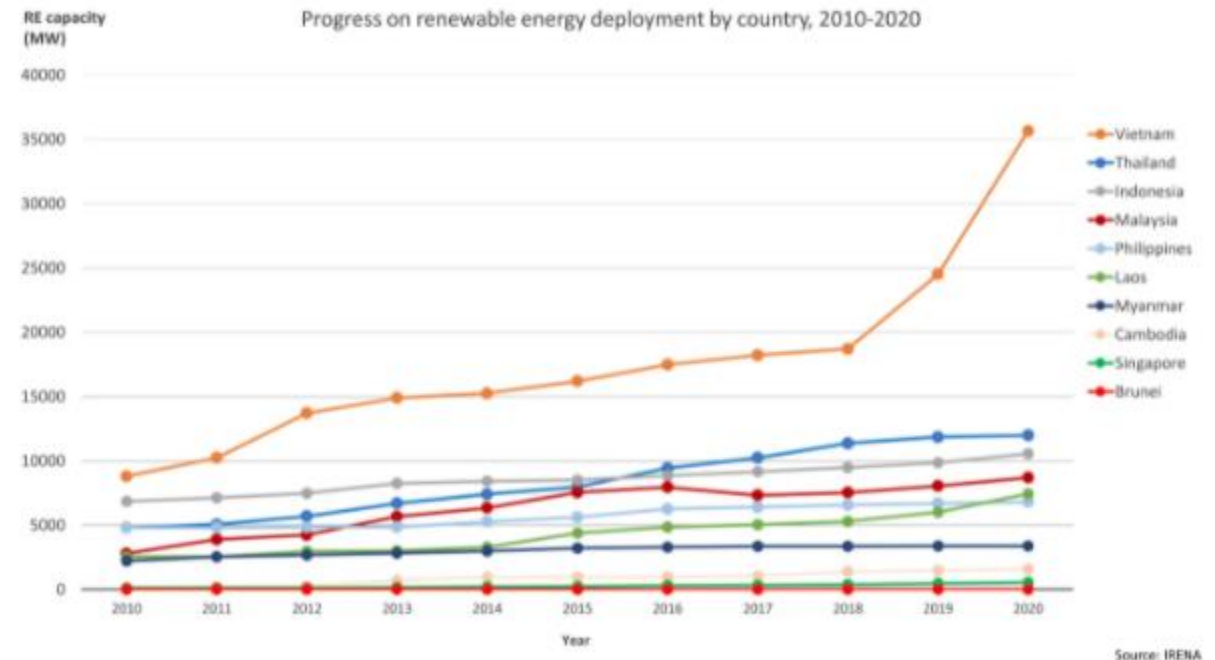


Will renewables keep thriving in Vietnam when grid challenges and looming policy uncertainties have left industry players on tenterhooks? Image: Pixabay

For market watchers observing Vietnam's energy landscape, the nation's upcoming electricity development blueprint is set to be the strongest sign yet of how fast the country strives to move towards renewables in the decades ahead.

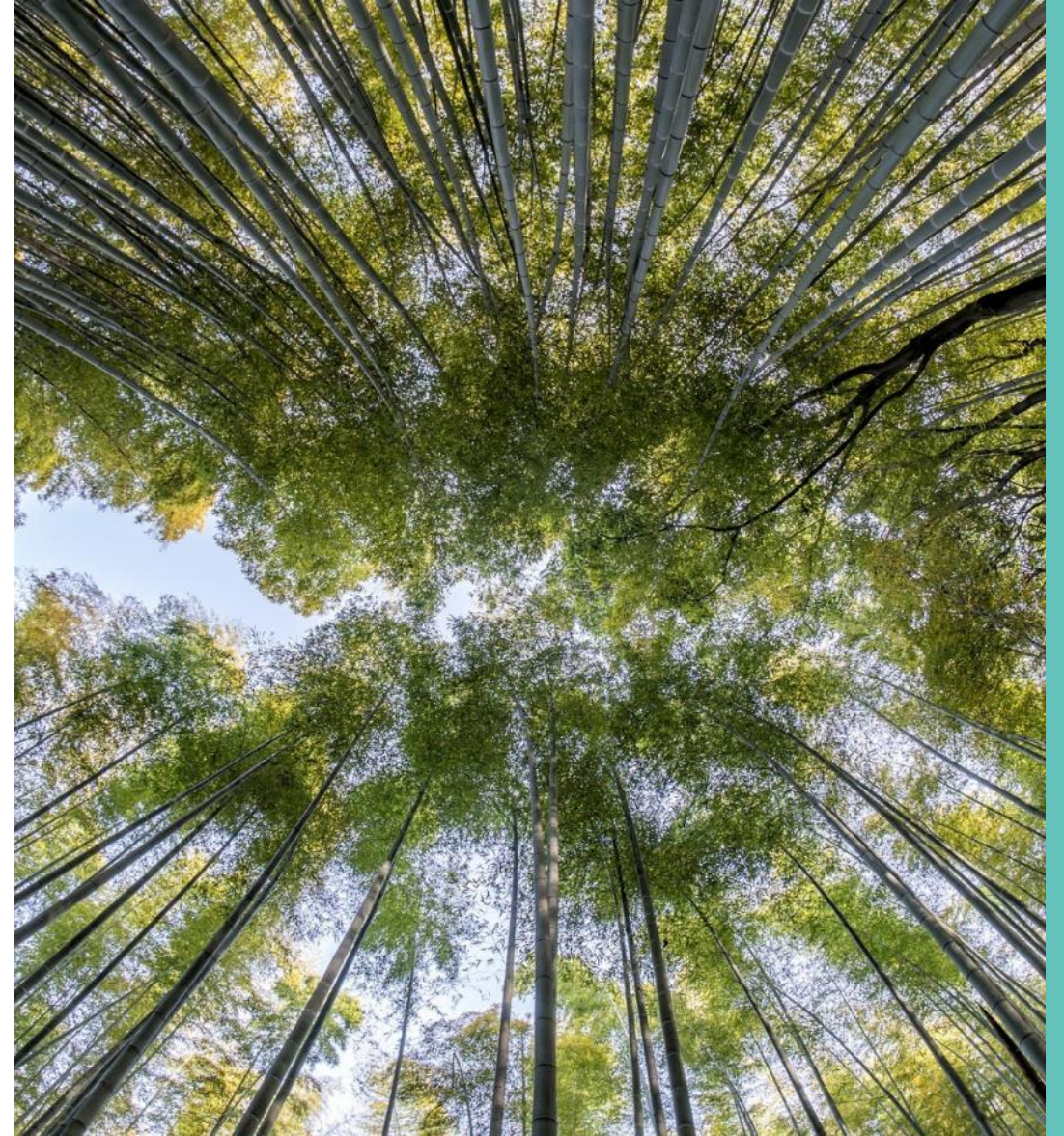
The highly anticipated Power Development Plan VIII (PDP8), expected after the general elections next month, will reshape Vietnam's energy market in a bid to

Bright spark to watch: Vietnam



Eco-Business graphic: Vietnam installed more renewables than all its Southeast Asian neighbours combined last year.
Source: International Renewable Energy Agency

Challenges to overcome



Supporting the needed infrastructure



“Private investment is essential to improve grid infrastructure in most Southeast Asian countries because the state lacks the funds, not least due to the pandemic. But the key obstacles in most states continue to be domestic vested interests and high transaction costs. Deal with these, and funds should flow.”

Philip Andrews-Speed, senior principal fellow with the Energy Studies Institute at the National University of Singapore (NUS)

Stronger political will is needed

Development dilemma: How did coal sneak into Laos' energy plans?

Coal is gaining traction on Laos' energy scene, throwing the nation's dream of becoming the 'battery' of Southeast Asia into question. As the country thirsts for foreign investment, has poor governance placed it at the mercy of rogue firms?



A coal-fired power plant. Image: Danicek via Shutterstock

The plan to turn Laos into a hub of Southeast Asia's rising cross-border power trade was never without controversy. But amid the nation's recent approval of yet another coal power plant, a question looms large: In its thirst for foreign capital, has Laos fallen prey to rogue firms doing more harm than good?

At the end of May, the government signed a deal with two corporations, greenlighting a feasibility study on the development of a proposed 1,000 megawatt (MW) coal plant in the country's southern province of Sekong. The firms are Singapore-based energy firm Evolution Power Investment Corporation (EPIC) and Lao company Khounmixay Bridge and Road Construction and Repair Company.

In the absence of foreign corporates or foreign governments providing green finance, Laos will take whatever it can get.

Tim Buckley, director, energy finance studies, Australasia, Institute for Energy Economics and Financial Analysis

ASEAN's diversity needs uniformity sometimes

Energy policies among the SEA nations diverge significantly

Perception that hydrocarbon resources is still the most reliable option

Lack of mutual trust, and a gap in willingness to cooperate as a bloc



A delicate balance



“For renewables such as wind and solar, the price story is their major advantage over coal and LNG, given ongoing deflation and improving technology.”

Clyde Russell, an energy columnist at Reuters

Much more to be done

Four things Asia's energy sector must do in 2021 to meet climate goals

Renewables could spur the post-pandemic recovery in Asia. But as this year's climate change conference approaches, the region's energy planners have a lot of catching up to do.



A woman installs solar panels on a roof in Bhutan. Image: Asian Development Bank/ax, CC BY-NC-ND 2.0 via Flickr.

2021 is a pivotal year for Asia's energy transition. As the region claws its way out of the Covid-19 crisis, renewables could drive the economic recovery, creating green jobs and ensuring energy security. Meanwhile, pressure is piling on governments to commit to tougher climate action ahead of the upcoming [United Nations Climate Change Conference](#), or COP26.

But from hostile regulatory environments to unreliable power grids, Asia's nascent clean energy markets still face significant barriers. Despite their increasingly attractive price tag, a policy push is needed for renewables to gain ground. Here are four issues that need to be addressed this year to put the region's energy sector on a greener path.

1. Place efficiency front and centre of post-pandemic recovery
2. Clean up policy environments
3. Make smart investments
4. Groom tomorrow's clean energy workers, and support a just transition for fossil fuel employees



Can we advance on the elusive ASEAN grid?

“The Asean grid will be an important initiative to decarbonise the region’s power sector. But while it’s technically feasible, there are political issues that need to be resolved before it can happen. The question is, who will lead it?”

Quirapas-Franco, Research fellow NUS’s Energy Studies Institute



Thank you

JUNICE YEO

Eco-Business

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