**SIEWCast Season 4: Episode 3**

*Interview with Nicholas Tan, Group Head, Global Energy, Infra & Utilities, Technology, Media & Telecom Global Corporate Banking, OCBC Bank*

**Lynlee Foo (MONEY FM 89.3)**

This SIEWCast is brought to you by Singapore International Energy Week and MONEY FM 89.3, in partnership with Saudi Aramco.Welcome to SIEWCast, featuring energy thought leaders with their insights on the energy landscape. I'm Lynlee Foo. Now, the global energy transition is at a crossroads, and nowhere is this more evident than in Asia, where balancing resilience with decarbonisation is both urgent and complex. Joining me is Nicholas Tan, Group Head for Global Energy, Infrastructure and Utilities, Technology, Media & Telecommunications at OCBC Bank, to discuss how OCBC is mobilising capital to accelerate ASEAN’s energy transition. Nicholas, thank you for being here.

**Nicholas Tan (OCBC Bank)**

Thanks for having me here, Lynlee.

**Lynlee Foo (MONEY FM 89.3)**

Now, when you look at the energy transition landscape, where are you seeing the real momentum right now?

**Nicholas Tan (OCBC Bank)**

The global energy transition is a dynamic journey and there is momentum being built up across the globe. In fact, last year alone, on a global basis, we have put on about 500 gigawatts of renewable energy. Firstly, on deployment, solar and wind as renewables are scaling rapidly around the world. China, for one, has come across as a powerhouse, who has put on in excess of 350 gigawatts last year alone. Today, more than 50% of their power sources are coming from renewable power. Closer to home, we are also seeing increased investment in renewables from countries such as Vietnam, Indonesia, and the Philippines.

Secondly, digitalisation and technology, which have been key enablers of the energy transition, are increasingly helping to integrate different sources of energy, improve grid efficiency and reliability, which in turn, reduces carbon emissions. Smart meters, for example, are being deployed in many places, which enable consumers to manage their usage more efficiently. Cheaper pricing to charge your EV cars at night, for example, also helps to stabilise the grid and maximise efficiency of power generation when electricity demand is the lowest. Finally, we're also seeing developments and increased adoption around technologies such as battery storage, as well as carbon-capture storage solutions. In early projects, it has shown that regulatory clarity, fair risk sharing, and a well-defined investment framework are essential to attract private capital.

**Lynlee Foo (MONEY FM 89.3)**

Okay, that's the side of the story we don't always hear, right? We tend to focus on generation, not the plumbing of the system. So, I think cross-border infrastructure is the next frontier.

**Nicholas Tan (OCBC Bank)**

Yes, definitely.

**Lynlee Foo (MONEY FM 89.3)**

OCBC has backed some of the UK's largest carbon capture and storage projects. What would it take for Asia to see similar breakthroughs?

**Nicholas Tan (OCBC Bank)**

Well, carbon capture is at quite an early stage in Asia today. In 2024, OCBC was the first and possibly the only Southeast Asian bank that has financed two of the UK’s landmark large-scale carbon capture and storage transactions, where the project allows the capturing of carbon emissions from power plants, as well as industrial plants, through pipelines into a depleted gas field offshore. These projects are a major milestone in the UK CCS landscape, and for us, they are not just a financing opportunity, but they were a learning experience, and we got involved to gain familiarity and understand its risks and opportunities, and hopefully we could bring those insights back to Asia. Like I mentioned, CCS is in the early stage in Asia, but it holds huge potential as it helps to provide an alternative to overreliance on renewable energy, and Asia continues to be fuelledby a young fleet of fossil fuel power plants.

Based on our experience in the UK transactions, some key learnings, such as the UK Government establishing a supportive regulatory framework, including carbon pricing and legal framework for CO2 storage. What we found particularly reassuring was the strategic importance that the UK Government placed on CCS projects and a robust revenue protection mechanism. For example, in a project that we financed, costs for fixing and maintaining the carbon capture reservoir could be shared with the government.

Now, mobilising private investments in CCS requires innovative financing structures that addresses risk allocation and bankability. In the UK, we adopt a unique financing structure that balances commercial viability with long-term sustainability. Thus, in Asia, we could leverage on the global expertise through technology transfer, looking at risk allocation as well as regulatory framework, which will help accelerate deployment and ensure solutions are fit for purpose across stakeholders and across markets.

**Lynlee Foo (MONEY FM 89.3)**

Sounds like it's not just about the technology, it's about the regulation and so many things coming together.

**Nicholas Tan (OCBC Bank)**

Right, the whole ecosystem.

**Lynlee Foo (MONEY FM 89.3)**

This year's SIEW theme is Envisioning Energy Tomorrow, Building Systems Today. In practice, what does that mean to you?

**Nicholas Tan (OCBC Bank)**

Well, I guess if we talk about the energy system tomorrow, we have to start work today. Luckily, the transition is already underway. With energy systems shifting from siloed, domestic setups to collaborative, cross-border networks. We're seeing this taking shape globally through the EU interconnected power grid and closer to home, hopefully with the increased interest in ASEAN power grid initiatives.

Asia faces a unique challenge. Building power solutions individually is costly and inefficient, but if we approach this collectively, as a region, we can unlock significant cost savings and more effective energy utilisation. Now think about this, energy that isn't used is wasted unless we have a huge capacity of battery storage. We can't put energy in the fridge and keep it for tomorrow during breakfast.

With regional connectivity, excess power from one country could be better deployed somewhere else, and you could monetise it. And we need to be realistic that renewables alone wouldn't meet all our energy needs. It's also impossible to rely purely on renewables, as there are rainy days or days without wind. We all need multiple types or switches in the energy mix, and natural gas, for example, will continue to play a key role as a transition fuel. But tomorrow’s infrastructure must evolve to accommodate low carbon alternatives.

**Lynlee Foo (MONEY FM 89.3)**

In other words, the transition isn't just a straight swap, it's layers of systems that have to work together.

**Nicholas Tan (OCBC Bank)**

That's right, yes.

**Lynlee Foo (MONEY FM 89.3)**

Nicholas, everyone acknowledges the urgency, yet financing doesn't always flow at the speed we’d like. What do you see as the main hurdles that need to be cleared to accelerate capital deployment?

**Nicholas Tan (OCBC Bank)**

Well, I think what is important is that we need to align the interests across the entire ecosystem, where we have the regulatory and policy framework in place. We need the region’s countries to understand the benefits of collaborating as a regional pack to actually enhance the region, for a more efficient and more sustainable future.

**Lynlee Foo (MONEY FM 89.3)**

In terms of technologies?

**Nicholas Tan (OCBC Bank)**

From a technology standpoint, I think today, very much in Asia, we are looking more into solar and wind. But for countries like Singapore, where we do not have the ingredients such as land, sun, I mean, well, yes, we are a sunny country, but there are also lots of clouds, right? And we don't really have wind. We do need to rely on different types, importation of renewables, or fossil fuels such as gas plants to continue to fuel Singapore’s power requirements.

**Lynlee Foo (MONEY FM 89.3)**

Nicholas, why are partnerships across borders and industries so critical to ASEAN’s energy future?

**Nicholas Tan (OCBC Bank)**

As mentioned, Lyn, unity as a regional bloc provides strength. ASEAN’s energy future depends on collaboration, because the scale and complexity of the energy transition simply can't be tackled in isolation. We have seen a lot of discussion on the importing of renewable energy and the ASEAN power grid. But unfortunately, without a good level of government-to-government commitment, the commercial sector will have no choice but to tackle these issues in isolation, which means it will take a longer time, and it will cost a lot more.

Most countries in ASEAN rely heavily on fossil fuels and their renewable capacity remains limited today. For these countries to sell precious renewable energy to Singapore at this stage can be politically sensitive from an ESG perspective. So, perhaps we want to first consider tackling the connectivity issues and understand what a connected ASEAN can bring us.

We all know that cross-border grids enable cost effective energy sharing, enhance grid stability, allow lower carbon emissions, and enhance national power security, not just for one country, but for the entire region. Sharing this resource and collaborating significantly reduces the infrastructure costs, and that makes projects more attractive to investors and makes it a lot more bankable for lenders like ourselves.

We should continue to have partnerships and have active dialogues with international organisations to help mobilise crucial investments share technical expertise and strengthen our policy framework. And SIEW is an excellent platform where it brings all stakeholders globally together and all the thought leaders in the event.

Meanwhile, OCBC is actively involved with several transition finance initiatives to mobilise capital into the energy transition space. We co-led the workstream in SSFA, which is the Singapore Sustainable Finance Association, to provide additional guidance on the application of the Singapore-Asia taxonomy, and work with Climate Finance Asia to launch the world’s first Facility-level Just Transition Guidelines for Banks in the phase out of coal-fired power plants. During the first half of 2025, OCBC was the top arranger for ESG loans in Southeast Asia.

Our partnership goes beyond financing, as we understand the value of bringing together different ecosystem players, from policy makers to think tanks within the ecosystem to shape the future of energy.

**Lynlee Foo (MONEY FM 89.3)**

That's fascinating, and I would imagine that the level of detail that goes into this sort of partnerships, I think, also gives confidence to stakeholders watching from the outside.

**Lynlee Foo (MONEY FM 89.3)**

Now, if we fast forward to 2030, what will success look like for OCBC?

**Nicholas Tan (OCBC Bank)**

Well, I would say that by 2030, success for OCBC means being a trusted partner in our clients’ transition journey and being recognised as a thought leader in Asia’s energy transition. This means that we go beyond financing to guide our clients to achieve real impact and decarbonisation through inclusive solutions and tailored transition advisory.

We have already surpassed our 50 billion sustainable finance commitment targets and have reached 74 billion as at first half of 2025, and we're not stopping here. We'll continue to channel capital into clean energy and drive the shift to renewables, green buildings, and the development of low carbon technologies across the region.

**Lynlee Foo (MONEY FM 89.3)**

Projects that genuinely move the needle in emissions.

**Nicholas Tan (OCBC Bank)**

That's right.

**Lynlee Foo (MONEY FM 89.3)**

Well, that's a big vision, Nicholas, and it's reassuring to know it's backed by tangible financing commitments today. Nicholas, thank you so much for joining us on SIEWCast.

**Nicholas Tan (OCBC Bank)**

Thank you, Lynlee.

**Lynlee Foo (MONEY FM 89.3)**

Nicholas Tan, Group Head for Global Energy, Infrastructure and Utilities, TMT at OCBC. This SIEWCast is brought to you by Singapore International Energy Week and MONEY FM 89.3, in partnership with Saudi Aramco.