

# **ASIA PACIFIC ENERGY REGULATORY FORUM**

## **TERMS OF REFERENCE**

### **Governance and Administrative Arrangements**

**Initial Work Plan  
2012-14**

**November 2011**

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# Asia Pacific Energy Regulatory Forum

## Last Updated February 2011

### Introduction

The Asia Pacific Energy Regulatory (APER) Forum was established as a recommendation at the 3<sup>rd</sup> Energy Regulatory and Market Development Forum, which operated under the Asia-Pacific Partnership on Clean Development and Climate (APP).

The APP was an international partnership between the United States, South Korea, Japan, India, Canada, China, and Australia aimed at addressing the challenges of climate change, energy security and air pollution in a way that encouraged economic development and reduced poverty. The APP commenced in January 2006 and formally ceased in April 2011.

The *Forum* is voluntary in nature and will provide an on-going opportunity to facilitate the sharing of information on regulatory and policy practice and experience in the Asia Pacific region, with a view to informing the development and application of appropriate best practice regulatory and market arrangements.

The APER *Forum* aims to bring together policy makers, regulatory bodies, energy industry participants, academics, regulatory research organisations, system operators and market operators from former APP Partners and other Asian and Pacific Countries to engage in meaningful information exchange on matters relating to both electricity and gas.

# Asia Pacific Energy Regulatory Forum

## Terms of Reference

- 1 The Asia Pacific Energy Regulatory Forum (the *Forum*) is a voluntary body, which was created following the wind up of the Energy Regulatory and Market Development (ERMD) Forum that existed under the Asia Pacific Partnership on Clean Development and Climate (APP). The APP formally ceased in April 2011.
- 2 Building on the achievements of the ERMD Forum, the *Forum's* main objective is to foster and facilitate the exchange and sharing of information and experience on regulatory policy and practice relating to the operation of energy industries and markets in participating Forum member countries within the Asia Pacific region.
- 3 It is proposed that the *Forum* would achieve its objective by:
  - providing a platform (the Forum) to facilitate the sharing of information, expertise and experience. The *Forum* will act to build a shared understanding of the regulatory framework and practices as well as market arrangements relating to the operation of electricity generation, transmission distribution and supply, as well as to gas distribution and supply in participating member countries within the Asia Pacific. The *Forum* will meet every two years in conference format;
  - developing a *Work Plan* containing projects and activities that support the effective sharing of information, the exchange of regulatory and technical expertise, as well as commissioned research on common interests/themes that may be included in the *Forum Meeting (Conference)* and can be shared between member countries; and
  - assisting with the exchange of information on regulatory issues amongst member countries, through such means as a *Forum* web site portal, and through published reports and research work undertaken within individual countries.
- 4 It is recognised that within the information exchange of the *Forum* there will be a wide range of experience in regulatory policy and practice reflecting the diversity of the energy economies of the Forum member countries.
- 5 It is not the role of the *Forum* nor its *Steering Committee* to make recommendations on the structure, operation or reform of the energy markets of individual member countries. *Forum* membership is entirely voluntary, and the application of any information gained is at the discretion of the individual member countries.
- 6 It is proposed that the *Forum* would comprise delegation membership from all member countries. Each *Forum* delegation could include leaders and senior level participants from: key government policy agencies; regulatory institutions (including relevant national and state regulatory bodies); energy industry and investment organisations; academics, energy market and system operators; and relevant regulatory research and statistics organisations.

- 7 To assist with the direction and management of the *Forum*, and the *Work Plan*, a *Forum Steering Committee* will be formed (based on the previous ERMD Forum Steering Committee structure), comprising delegates from the primary government agencies and regulatory institutions from all *Forum* member countries.
- 8 The role of the *Forum* Chair will rotate on a two year cycle between *Forum* member Countries. On rotation, a different member country will host the *Forum Meeting*, and provide Chair and administrative support secretariat services for the *Forum*, its *Steering Committee* and *Work Plan*.
- 9 *Forum* delegates and stakeholders from all member countries will be invited to participate in:
  - the *Forum Steering Committee* meeting;
  - the *Forum Meeting (Conference)*; and
  - one or more projects in the *Work Plan*.
- 10 The *Work Plan* (covering the initial two-year period) will be composed of key themes as endorsed by the *Forum Steering Committee*, with at least one project per theme underway each year.
- 11 For the first two years of the *Forum*, the *Work Plan* will focus on three areas of common interest in regulatory policy and practice:
  - Transitioning to a Low-Carbon Economy – examination of issues relating to policy settings, regulatory arrangements and standards that encourage energy efficiency and clean energy technologies and promote clean investment\delivery (including renewable and alternative energy) with the aim of reducing greenhouse gas emissions;
  - Energy Infrastructure and Market Regulatory Arrangements – examination of challenges and reforms relating to the operation and design of energy systems within the context of a market; and
  - Competition Reform – examination of issues relating to regulatory, policy and standards matters that influence and encourage competition (wholesale and retail) growth in the market.
- 12 It is expected that these Terms of Reference for the *Forum* will be reviewed at least once every two years.

## **Governance and Administrative Arrangements**

### ***Forum Membership and Delegations***

- 13 Foundation membership will be offered to all (former) Partner countries operating under the Asia Pacific Partnership on Clean Development and Climate (APP) and initially to Singapore and New Zealand.
- 14 Further membership will be extended to other countries within the Asia-Pacific region on a case-by-case basis. Consideration and decision will be made by the *Steering Committee* comprising of representatives from all APER *Forum* members.
- 15 Consistent with the *Forum's* Terms of Reference, each member country may nominate representatives to form its *Forum* delegation.
- 16 It is expected that a member country's *Forum* delegation would comprise up to 20 people.
- 17 It is proposed that each *Forum* delegation would include leaders and senior level participants from:
  - key relevant government policy agencies;
  - regulatory institutions (including relevant national and state regulatory bodies);
  - energy industry and investment organisations;
  - academic circles;
  - energy market and system operators; and
  - relevant research, analysis and statistics organisations covering energy regulatory, policy and economics.

### ***Forum Meetings and Conferences***

- 18 The formal meeting of the *Forum* will be held in conference format and presented in English. This meeting would provide information to delegates on the *Forum's* activities and *Work Plan*.
- 19 The *Forum Meeting (Conference)* will be held once every two calendar years commencing in mid 2012. Given the prospective size of the *Forum* delegations it would be expected to attract over 150 attendees.
- 20 Presenters and panellists at the *Forum Meeting (Conference)* would be drawn from the types of backgrounds which reflect the *Forum* membership (i.e. policy and regulatory specialists; energy industry and energy market practitioners; energy economic and regulatory research experts). Presenters and panellists would include people who are delegates to the *Forum*, as well as invited speakers.

- 21 Each *Forum* member country should develop and identify a list of participants that would form the member country's *Forum* delegation for the *Forum Meeting (Conference)* or the organisations likely to be involved, together with potential suggestions for speakers or panellists for the *Forum Meeting (Conference)*.

#### ***Forum Steering Committee and Administrative Support***

- 22 Consistent with the *Forum's* Terms of Reference, a *Forum Steering Committee* will be formed based on the previous ERMD Forum Steering Committee structure. The *Forum Steering Committee* will assist with the direction and management of the *Forum* and its *Work Plan*.
- 23 Each member country should develop and identify a list of representatives to form the *Steering Committee* delegation. Member Countries may choose to nominate up to 5 people. Each member country should nominate a lead or co-ordinating agency (to assist with Secretariat communication) and a designated spokesperson or head of delegation for each *Forum Steering Committee* meeting.
- 24 Australia has agreed to be the host for the first meeting of the *APER Forum Steering Committee* in late 2011. At this meeting the role\ of Chair and Secretariat for subsequent meetings shall be rotated to another member Country.
- 25 It is recognised that over time it is likely that the size of the delegations for the *Forum Steering Committee* meetings may reduce in number. However, for the purposes of seeking agreement on the *Forum's Work Plan* and to ensure a comprehensive commitment to the establishment of the *Forum*, Member Countries should look to utilise their full allocation of 5 representatives.
- 26 The *Forum Steering Committee* is likely to meet once each calendar year to determine a *Work Plan* for the following one or two calendar years, and review progress against the current *Work Plan*.
- 27 All *Forum Steering Committee* meetings will be conducted in English.
- 28 Hosting of the *Forum Conference*, as well as the *Forum Steering Committee*, will be rotated through Member countries on a two yearly basis or a longer period with the agreement of member countries.
- 29 The host country for the *Forum* will provide administrative support staff to support the *Forum*, the *Work Plan* and assist with the distribution of information between member countries, on direction from the *Forum Steering Committee*.
- 30 Where a *Forum* or related meeting or activity occurs in another member country outside the current *Forum* host country at any point in time, it would be expected that the relevant country would provide a Chair and administrative support for that event.

## Asia Pacific Energy Regulatory Forum

### Work Plan: 2012-14

The *Forum's Work Plan* will be made up of themes endorsed by the *Forum Steering Committee*, with each being a discrete subject area for cooperative projects. Each theme would have at least one project underway each year. The table below lists the themes and projects to be undertaken over the first three years of the *Forum*. A priority for the first *Work Plan* is to establish a common level of understanding of market operation in member countries. Additional research will focus around the three areas of common interest, being transitioning to a low-carbon economy, infrastructure and market design and competition. The *Forum Conference* will be the major activity of the work program for information exchange.

<b>Themes:</b>			
<b>I. Transitioning to a Low-Carbon Economy; II. Energy Infrastructure and Market Regulation; III. Competition Reform</b>			
	<b>Outcome</b>	<b>Objective</b>	<b>Forum Meeting (Conference)</b>
<b>Projects for 2012</b>	<ul style="list-style-type: none"> <li>• Each country to develop an information report covering their respective policy goals and experience across themes I, II and III. This would be presented at the first <i>Forum Meeting (Conference)</i> and published by the <i>Forum</i> as a major information publication.</li> <li>• Compile a catalogue of regulator training courses in each member country.</li> <li>• Possible site visit(s) to market operator(s) of Forum member countries</li> <li>• Establish a Forum web-based portal for the exchange of information reports from each member country on relevant matters to facilitate availability of information with and outside the Forum.</li> </ul>	<ul style="list-style-type: none"> <li>• To facilitate sharing of information across the respective themes for the Forum including policy goals that each member country has established, challenges and reforms relating to how energy markets are regulated and operated, and competition in the market.</li> <li>• To foster, develop and deliver training and capacity building for market regulators and operators.</li> <li>• To facilitate greater understanding of market operator practices in member countries.</li> <li>• To provide access to all information and documents relevant to the Forum and its members including Forum progress and achievements, as well as provide up to date information on the Forum Work Program, and Forum Conference Meetings.</li> </ul>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <ul style="list-style-type: none"> <li>• Undertake the first <i>Forum Meeting (Conference)</i>.</li> </ul> </div>

<p><b>Projects for 2013</b></p>	<ul style="list-style-type: none"> <li>• All countries to input into the development of a low carbon technology initiatives review, covering their respective policy goals, experience and the criteria for technology transfer\replicability. This would be presented at the <i>2013 APER Steering Committee meeting</i> and would be published by the <i>Forum</i> as a major information publication.</li> </ul>	<ul style="list-style-type: none"> <li>• To examine the issues relating to policy settings, regulatory arrangements and standards that encourage energy efficiency and clean energy technologies and promote clean investment with the aim of reducing greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare to undertake second <i>Forum Meeting (Conference)</i></li> </ul>
<p><b>Possible projects for 2014</b></p>	<ul style="list-style-type: none"> <li>• Each country to develop a second edition of the information report covering themes I, II and III of the Forum. Information report (Volume 2) published and presented at the second <i>Forum Meeting (Conference)</i>.</li> <li>• Compile a catalogue of regulator training courses in each member country.</li> <li>• Possible site visit(s) to market operator(s) of Forum member countries</li> <li>• Other research information projects to be nominated by the <i>Forum Steering Committee</i>.</li> </ul>		<div style="border: 1px solid black; padding: 5px;"> <ul style="list-style-type: none"> <li>• Undertake the second Forum Meeting (Conference).</li> </ul> </div>

