

30 July 2023

The Honorable Jennifer Granholm
Chair, APEC Energy Ministerial Meeting
Secretary of Energy
United States

Dear Secretary Granholm,

On behalf of the APEC Business Advisory Council (ABAC), it is my pleasure to convey our key recommendations to APEC Energy Ministers. As representatives of the business community within the APEC region, we acknowledge the critical role that energy plays in driving economic growth, enhancing sustainable development, and ensuring the well-being of our societies.

We commend the efforts of the APEC Energy Ministers in advancing regional dialogue and cooperation on energy-related matters. As we face unprecedented challenges in the energy sector, and set against the context of the urgent climate crisis, it is crucial that we work collaboratively to address issues such as energy security, sustainability, affordability and accessibility.

ABAC recognizes the importance of a well-functioning energy market that fosters innovation, enhances energy efficiency, rapidly and substantially reduces carbon emissions, and supports sustainable energy transition. Additionally, we applaud the APEC Energy Working Group (EWG), including the Asia Pacific Energy Research Centre (APEREC) and the APEC Sustainable Energy Centre (APSEC), contributions to advancing these objectives in the APEC region.

Your meeting presents a critical opportunity for members to advance concrete actions that will address both the immediate challenges facing our region and contribute to realizing the Putrajaya Vision by 2040, including through the Aotearoa Plan of Action, and the Bangkok Goals on Bio-Circular-Green Economy, to achieve the vision of an open, dynamic, resilient, and peaceful Asia-Pacific community, for the prosperity of all our people and future generations. ABAC remains steadfast in our support for these efforts, as a way to enable opportunity equity, security and sustainability for our energy future. To that end, we put forward the following recommendations:

- 1) **Supporting an ambitious, realistic, sustainable and just energy transition** consistent with ABAC's Climate Leadership Principles. To that end, APEC economies should:
 - a) Reduce carbon emissions substantially and quickly based on economies' Nationally determined contributions¹ (NDCs).
 - b) Rapidly eliminate inefficient fossil fuel subsidies.

¹ NDCs are the expressions of efforts to be made by economies in reducing emissions and adapting to the impact of climate change.

- c) Develop clear and credible transition roadmaps toward achieving the net zero/carbon-neutral goals for high-emitting and hard-to-abate sectors based on examination of the current and future forecast around energy in each economy. These efforts should be coordinated across the region to enable the international financing of verified projects that are aligned with the respective economy's sectoral roadmap and development of low-carbon technologies.
- d) Pursue a diverse range of transition pathways, including renewable energy, hydrogen/ammonia, energy-saving technologies, biomass, carbon capture, usage and storage (CCUS), carbon recycling, natural gas, and nuclear power. Further strengthen adoption of new and renewable energy and other clean and low-carbon energy technologies with a coordinated approach of carbon reduction, pollution control, green transition and growth orientation, in order to support high-quality economic and social development.
- e) Promote the sharing of low-carbon technologies and energy transition pathways within the APEC region. ABAC underscores the importance of public-private collaboration and the sharing of low-carbon technology to enable APEC economies, particularly developing economies, and MSMEs to adopt clean and sustainable energy solutions.
- f) Prioritize efforts to enhance reliable energy access, particularly in remote and underserved areas, to empower communities to benefit fully from a just and realistic energy transition.

2) Enhancing Energy Infrastructure: ABAC recognizes the importance of resilient and modern energy infrastructure to support sustainable economic growth. We encourage APEC economies to invest in the development of energy infrastructure, including smart grids, energy storage systems, and efficient transmission networks.

ABAC notes APEC economies' efforts to encourage greater private sector investment in energy infrastructure, and commits to provide support and insight, where possible, such as utilization of the Asia-Pacific Financial Forum (APFF) and the Asia-Pacific Infrastructure Partnership (APIP) task force.

3) Promoting Energy Trade and Investment: Recalling ABAC's Trade and Investment in Renewable Energy and Low-Carbon Emissions Technologies Roadmap, we call on APEC Energy Ministers to create an enabling environment for private sector investment in renewable energy infrastructure and services and low to zero emissions technology, including the physical infrastructure to support its use, in order to reduce the carbon footprint of the energy sector. Clear and stable policy frameworks, transparent regulatory processes, and market-based solutions are essential to unlock private sector investments and drive technological advancements.

4) Energy Security, Accessibility and Resilience: With the increasing frequency of natural disasters and other challenges, ABAC stresses the need for APEC economies to enhance energy accessibility, resilience and emergency preparedness. Developing contingency plans, promoting regional cooperation, and sharing best practices will contribute to mitigating energy supply disruptions and market volatility during crises.

5) Digital Transformation of the Energy Sector: As the digital transformation continues to reshape our economies, we recognize the growing importance of digitalization in the energy sector. Digital technologies have the potential to revolutionize the way we generate, distribute,

and consume energy, while improving efficiency, resilience, accessibility, and sustainability. We encourage APEC economies to embrace digitalization and explore opportunities for collaboration in areas such as smart grids, energy storage, energy management systems, and data analytics.

We look forward to discussing these recommendations with you in Seattle, including how ABAC can best continue to support your important work to implement the Putrajaya Vision of a more open, dynamic, resilient, and peaceful Asia-Pacific community.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Dominic Ng', with a large, sweeping underline that loops around the bottom of the signature.

Dominic Ng
ABAC Chair 2023

References:

Energy Institute Statistics Review of World Energy 2023; bp Statistics Review of World Energy 2024.

IEA, IRENA, United Nations Statistics Division, The World Bank and World Health Organization, Energy Sector Management Assistance Program. <https://trackingsdg7.esmap.org/results>

APERC, “APEC_Outlook_8th_Edition-Appendix”; International Energy Agency, *Net Zero by 2050: A Roadmap for the Global Energy Sector*, p. 198.