

# Asia-Pacific Partnership on Clean Development and Climate Energy Regulatory and Market Development Forum



## Bulletin #001

Dear Steering Committee members,

Welcome to the first APP Energy Regulatory and Market Development Forum Bulletin. These Bulletins will be the key communication tool to update members on Forum progress, outcomes and upcoming events. Bulletins are also designed to manage input and communication between Partner countries to ensure effective Forum implementation. This first Bulletin outlines outcomes and actions from the recent Steering Committee Meeting and preparations for the Forum's Research Conference to be held in mid 2008.

### Outcomes of the Inaugural Steering Committee Meeting

While the Forum is intended as a mechanism to encourage an exchange of information and experience in energy market design and regulatory practice, the quality of the interaction and frankness of exchange at the Steering Committee meeting exceeded the expectation of all participants. The seniority of delegates was part of the success as this brought a level of authority to the discussion.

As a result of the Forum, the Steering Committee adopted the Terms of Reference, Governance and Administrative Arrangements and a forward Work Plan (these are attached). The major activity of the meeting was to commence information exchange between Partner countries through presentations and discussion sessions.

Of particular note was a realisation that challenges being faced were remarkably similar, despite significantly different market situations. Areas of common interest that emerged included:

- Ensuring that incremental reform achievements were continuously built upon. Each of the Partner countries identified areas currently being pursued to further enhance market structures, including bidding arrangements and dispatch algorithms, transmission planning, congestion costs, the economics of smart metering and the development of new generating capacity to meet economic and social needs;
- Measuring and communicating the success and benefits of energy market development and reform. Partner countries identified the need for policy measures that consider social and economic perspectives of energy reform; and
- Finding the balance between pollution and price. All Partner countries recognise the need to reduce CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub> emissions. A range of options are being explored by various Partner countries to offset the connection cost of remote renewable power such as wind, including emission trading, preferential dispatch and price regimes.

Continued information sharing along with research that will be commissioned under the Forum's Work Plan will assist Partner countries to address current challenges. Partner Countries made a strong commitment to progress the Work Plan and agreed to continued

dialogue on regulatory and market development issues. More detailed descriptions of meeting outcomes and actions are outlined in the attached Record of Meeting document. It is recommended that all delegates become familiar with these outcomes to ensure that Forum and Conference preparations are progressed.

## Preparations for the Forum Research Conference

The first meeting of the whole Forum will be held in Sydney in mid 2008, and will be delivered in Conference format. The Conference will commence with a Steering Committee meeting, followed by Conference activities and information sessions relating to energy regulation and market development. The Conference will be attended by policy makers, research organisation, regulatory bodies, energy industry participants and market operators from each Partner Country.

The Forum Secretariat has begun Conference preparations. This involves three main activities, namely: timing and logistic arrangements for the Forum Meeting (Conference); development of the first Energy Markets and Regulation Information Report; and the first Research project on 'Reliability and Standards Settings'. Details and expected outcomes of these projects are outlined in the attached, updated Forum Terms of Reference.

### Forum Meeting (Conference) Logistics

- The Forum Secretariat is currently working on logistics and specific timing for the meeting. A second bulletin will be issued shortly to advise of dates and initial details.

### Information Report

- Australia agreed to prepare a template to outline the type of information required from Partner countries to complete the Report. Australia will also distributed their completed version of the template as an example of the required information.
- A scoping paper for the Information Report is currently being prepared and template development will begin shortly.
- Partner Countries will be provided with the template before the end of the year.

### Research Project - 'Reliability and Standards Settings'

- Australia has begun development of the Project's Terms of Reference. Once this document has been finalised, the Forum Secretariat will commence engagement of a suitable contractor to undertake project implementation.
- The Secretariat will keep members informed of project progression.

## Actions from Steering Committee Members

1. Each Partner country needs to provide the Forum Secretariat with a primary contact person and organisation to facilitate information dissemination and requests.
2. Each Partner country needs to indicate likely composition of Forum delegations (organisations or individuals), heads of delegations and lead contact for the Forum Meeting (Conference).
3. Delegates will nominate possible subjects to be covered at the Forum Meeting (Conference).

It would be appreciated if Steering Committee delegates could ensure that the above actions are addressed by **Friday, 2 November 2007** to assist the Secretariat progress Forum activities and to then circulate updated information to members.

## Attachments

- [Record of Meeting](#) (for the inaugural Steering Committee meeting).
- [Updated Terms of Reference for the Energy Regulatory and Market Development Forum](#).

Kind Regards,

**Energy Regulatory & Market Development Forum Secretariat**  
**ENERGY & ENVIRONMENT DIVISION**

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