



Executive Summary
Business Perspectives on Energy Security in APEC
November 11, 2010, Yokohama, Japan

The second in a series of energy security workshops organized by the US National Center for APEC and the APEC Business Advisory Council (ABAC) took place in Yokohama, on November 11, 2010. This year's workshop focused on the harmonization of standards for energy efficiency and on updating the *Strategic Framework for Energy Security* document. The workshops in this series are designed to provide private sector perspectives and recommendations on energy policy issues within APEC.

The workshop's first speaker, **Mr. Yasuo Morimoto**, Senior Advisor for Toshiba and ABAC Japan Member, summarized ABAC's 2010 recommendations to APEC, which include support for mutual recognition of labeling systems on a pathfinder basis, and a call for governments to adopt policies to incentivize the dissemination of energy efficient products.

US Congressman Kevin Brady (R-TX) encouraged more cooperation between the public and private sectors on the development of green technology and renewable and traditional fuels.

Jim Suci, President of Global Sales and Marketing for GE Energy, spoke on energy efficiency from the supply side of the issue, stating that energy savings from supply efficiency are more immediate, more efficacious, and easier to accomplish than demand-side efficiency. Mr. Suci offered several specific policy recommendations for APEC and its members to help in achieving greater energy efficiency goals, including:

- An Emissions Performance Standard (EPS) which can reinforce the retirements of older inefficient plants and/or the upgrading of existing plants.
- Demonstration projects and mandatory targets for cogeneration that can provide a strong incentive to deploy CHP.
- A range of tariff-based incentives for efficiency improvements that could support targets for efficiency once they are set,
- Phasing-out of fossil fuel subsidies as a low-cost way to drive resource efficient power generation.
- Finally, trade policies that promote the elimination of tariff and non-tariff barriers to trade in energy efficient goods and services, and promote harmonized standards and protect intellectual property are things that APEC is well positioned to promote among its members.

These opening remarks were then followed by a series of panels. The first panel addressed the issue of **Harmonization Standards for Energy Efficiency: What does it mean for Business?** The panel was moderated by **Yukari Yamashita** of the Institute of Energy Economics in Japan; panelists included **Cathy Kim**, Team Lead for the USC Marshall ABAC Team, **Trevor Goodwin**, President of Business NewZealand, **Sajeev Jesudas**, President of Verification Services for Underwriters Laboratories, and **Hiroshi Iizuka**, Chief Specialist for Strategic Planning for Toshiba. The panel agreed that business can take a strong leadership position in the efforts to increase harmonization of standards, but comprehensive government policies can ease uncertainties and increase private sector willingness to invest. ABAC recommendations of mutual recognition of standards on a path-finder basis, minimum performance standards, and common method of measuring standards will move the region toward greater harmonization and efficiency, benefiting companies, consumers and the environment.

Steve Del Regno, Managing Director of the Asia Region for Chevron Gas opened the second part of the workshop, which focused on recent developments in energy security in the region and the importance of the *Strategic Framework for Energy Security* update. He concluded that APEC economies need to adopt comprehensive policies that include tax policies, fair access and investment assurances.

Tomoko Hosoe, Project Specialist with the East West Center, outlined the areas of the *Strategic Framework* document update due out in fall 2011. The first key element is the expansion and diversification of energy resources. There will be an increased focus on smart grid technology, the actual performance of futures markets, clean energy use and technology innovation, and advancing technology in transportation.

The second panel was moderated by Underwriters Laboratory President, **Keith Williams**. He opened the discussion by asking panelists **Isabelle Courville**, Canadian ABAC Member and President of Hydro-Québec TransEnergi and **Kenji Uenishi**, President of GE Energy in the Asia Pacific for their thoughts on areas that the updated framework should incorporate. Priorities included harmonizing smart grid technology and standards, policies that would encourage energy diversification and investment in infrastructure.

Participants in the workshop clearly see APEC as a vehicle to make advancements in the region that will benefit consumers, producers and the environment while moving the 21 economies toward greater energy security.

The US National Center for APEC's next energy workshop will be November 2011 in Honolulu Hawaii.