

# Potential New Energy-Related Goal(s)

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**EGNRET58 & EGEDA34 MEETINGS**

**HAWAII, THE UNITED STATES 5 APRIL 2023**

# 1. Background

## **Objective:**

Explore the possibility of EWG to set up new energy-related goal(s)

**Chair:** Deputy Lead Shepherd, Mr Barry CHU, Kei-Ming

**Research Centre (2):** APERC, APSEC

**Expert Group (2):** EGEEC, EGNRET

**Economies (13):** Australia, Canada, People's Republic of China, Hong Kong China, Japan, Republic of Korea, Malaysia, Republic of Philippines, Singapore, Chinese Taipei, Thailand, the United States, and Viet Nam

## 2. Progress

1. Three (3) online small group meetings were held on 19 August 2022, 16 September 2002 and 18 October 2022.
2. Recap the Development of the Current Energy Goals
3. Members' Views on New Energy-Related Goals are grouped into four categories:
  - (1) Timeframe;
  - (2) Energy Efficiency-Related Goals;
  - (3) Renewable Energy- Related Goals;
  - (4) Energy-Related Emission Goals.

## 3a) Views on Timeframe

1. EIR and RE goals in different timeframes are challenging to communicate with non-EWG members.
2. Member suggested to align the current goals with the same base year and target year.
3. Aligning the goals' target years to 2035 was generally supported;
4. Adjusting the base year would reduce the target percentage change which will give an impression of relaxation and disregard members' early contributions to the goals;
5. Convincing reasons to justify setting any new goals are necessary. (e.g. current EIR and RE goals were established nearly 10 years ago, to align with the decision of COP, the current goals have been achieved, etc.)

## 3b) Views on New Energy Efficiency-Related Goals

1. Aligning the target and base year of the current Energy Intensity Reduction goal with the renewables in energy mix goal.

Goal	Base		Target	Change (Target / Base -1)	
	Current	New	Current	Current	New
	2005	2010	2035	2035 / 2005	2035 / 2010
	3.77	3.46	2.08	<b>-45%</b>	<b>-40%</b>
REF Scenario forecast			2.03	-46%	-41%
CN Scenario forecast			1.79	-53%	-48%

2. Due to macroeconomic uncertainty, including Covid and post-pandemic recovery, regional instability, intensifying the goal or a long-term goal was only supported once detailed data were analysed.

# 3c) Views on New Renewable Energy-Related Goals

1. The target year is suggested to be adjusted to 2035 to align with the current EIR goal. Members' views are consolidated into two options..

Goal	Base		Target		Change (Target / Base)		
	New	Current	Current	New	Current	New 1	New 2
	2005	2010	2030	2035	2030 / 2010	2035 / 2010	2035 / 2005
	5.2%	6.1%	12.2%	13.7%	2.0	2.25	2.63
REF Scenario forecast			13.5%	14.3%	2.21	2.34	2.75
CN Scenario forecast			16.3%	20.2%	2.67	3.32	3.88

2. A long-term goal (e.g. 2050) to echo with CN in APERC's 8<sup>th</sup> outlook was proposed.

	Change (wrt 2010)				Change (wrt 2005)			
	2035	2040	2045	2050	2035	2040	2045	2050
REF forecast	2.34	2.48	2.67	2.85	2.75	2.91	3.13	3.35
CN forecast	3.32	4.15	4.97	5.60	3.88	4.88	5.83	6.57

## 3d) Views on New Energy-Related Emission Goals

1. A new goal related to emission is a holistic approach covering the improvement of renewable and energy efficiency and both the supply and demand side. The consolidated effort from member economies to meet COP21 Paris Agreement targets can be captured as many have set up policies to achieve carbon neutrality goals / net-zero commitments.
2. A mid-term (2035) and long-term goals (2050/2060).
3. The new goals must be related to energy, i.e. emissions related to energy supplies.
4. All greenhouse gas (e.g. CO<sub>2</sub> or methane) is expected to be accounted for, subject to data availability.
5. Emission intensity can be expressed in emission per GDP or emission per energy.

# 4 Options Paper

The outcomes were reported at the 64th EWG meeting in November 2022. Given that the EWG members raised diverse views on the potential new energy-related goal(s), the EWG LS suggested circulating an options paper to collect broader opinions from all members.

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## **Option 1 - Remain unchanged with current goals and explore new goals when data are available**

The current goals are considered adequate, up-to-date and yet to be achieved. Therefore, new goals or changes to the current goals are unnecessary.

Although the current goals are expected to be achieved ahead of schedule, new goals or long-term goals are suggested to be explored upon economic recovery, regional stability, and data are available.

## **Option 2 - Continue to explore new goals**

The current goals are expected to be achieved in 2034 and 2026, respectively, and are ahead the schedule. There is a need to continue exploring aligning the current goals or the possibility of setting a new energy-related goal(s).

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# 4 Options Paper

## **Option 1 - Remain unchanged with current goals and explore new goals when data are available**

- Encourage APEC member economies to focus on achieving the current energy goals during the time of economic recovery post-COVID.
- Setting long-term new goals to showcase and reinforce APEC's leadership and commitment to tackling climate change proactively in the region.
- Allow the APEC Expert Groups and Research Centres to gather relevant data for further analyses.
- Considering the current goals are expected to be achieved ahead of schedule, APEC members and the public might expect new goal(s) to be announced as goals are achieved.

## **Option 2 - Continue to explore new goals**

- Setting new goals to showcase and reinforce APEC's leadership and commitment to tackling climate change proactively in the APEC region.
- New goal(s) can be announced when any current goal has been achieved further ahead of schedule.
- Potential new goal(s) might not be reached due to macroeconomic uncertainty and lack of post-COVID data.

Thank You

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