

Remarks

by

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at the

AMEM-IRENA Dialogue on Renewable Energy Cooperation

Manila, the Philippines

28 September 2017

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Your Excellency Secretary Cusi,

Your Excellencies distinguished Ministers,

Ladies and Gentlemen,

It is a great honour to be with you here today and I wish at the outset to express my appreciation to ASEAN for the invitation to this first AMEM-IRENA Dialogue. Let me start by echoing the statement that Secretary Cusi made in his opening remarks which is that “renewable energy is the future of energy.” I could not agree more! This year, ASEAN celebrates its 50th anniversary, and it is widely hailed as a successful example of international cooperation that many are seeking to emulate. We are fortunate to have found in it a reliable and effective partner for our engagement in South-East Asia.

Although IRENA is a much younger organisation, established little more than five years ago, it has been developing rapidly. Its membership has grown to more than 152 countries, with another 28 actively engaged in its processes. It is now recognised as the global voice of renewable energy and actively engaged in a variety of international forums such as the United Nations, the G7 and the G20. Many of you

here today are also part of the IRENA family, and I would therefore like to take this opportunity to express our gratitude for your support which has made this success possible. No one could have anticipated this seven years ago.

Excellencies,

IRENA's growth cannot be dissociated from the extraordinary changes that the energy world is witnessing. In few years, renewables have moved to the centre-stage of the global energy landscape. In 2016, global renewable energy generation capacity increased by 161 GW, making it the strongest year ever for new capacity additions and the fourth consecutive year where renewable energy outpaced the growth of all other electricity sources, with a majority of these additions in developing countries. Investments in renewables reached nearly 300 US billion this same year.

Dramatic cost reductions coupled with innovation and enabling policies have paved the way for these record capacity additions and investments. The cost of solar PV has fallen by 80 % since 2009. Solar PV and wind projects are now offered for less than 3 US cents per kWh and just last week, a new record for CSP was set in Dubai where 700 MW were awarded at 7.30 US cents per kWh with storage. We expect

cost declines to continue with the cost of solar PV dropping by a further 60 %, over the next decade and the costs of offshore wind and CSP dropping by respectively 35 % and 45 %.

In addition to its strong business case, the global drive to address climate change is providing further impetus to the deployment of renewables worldwide, given that the energy sector accounts for two thirds of global emissions. Earlier this year, we released a study, under the auspices of the G20, which outlines how a decarbonisation of the energy sector by 2050, in line with the ‘below 2 °C’ objective of the Paris Agreement, is both technically feasible and economically attractive. In this scenario, renewable energy and energy efficiency will meet 90% of emissions reductions needed. This energy transition will fuel economic growth and create new employment opportunities. Global GDP will be boosted by around 0.8% in 2050, the equivalent of almost USD 19 trillion in increased economic activity between today and 2050. Renewable energy jobs would reach 26 million by 2050 from 9.8 million today. So, we now have a long-term vision of the energy transition and a better understanding of the immense socio-economic benefits it brings.

And we see everywhere countries raising their ambitions. Earlier this year, China announced its intention to invest USD 361 billion in renewable power generation by 2020, and that it was cancelling plans to build more than 100 coal plants. In April, Saudi Arabia launched its Renewable Energy Programme that aims to deploy 9.5 GW of renewables by 2023 and attract up to USD 50 billion in investments. Shortly after, Russia moved ahead with its largest-ever renewable energy auction of almost 2 GW. The increasing participation of the largest oil and gas producing countries is a testament that the transition to a sustainable energy future is now truly global in nature.

The growing engagement of cities, companies and private citizens is further strengthening the momentum of this transition. Major global businesses such as Google, Facebook, Apple and Microsoft are now procuring renewable energy to power their operations. Microsoft, for example, has directly purchased more than 500 MW of wind and solar energy in the US. At the same time, conventional energy companies like Statoil, Engie and Total are diversifying their investments and expanding their renewables portfolios.

Efforts to deploy renewables are now increasingly focusing on end use sectors. Bold announcements regarding sustainable transport have made headlines. France and the UK have announced plans to shift to electric mobility in the coming 25 years, China is rolling out electric vehicles at a fast rate and has announced plans to phase out conventional vehicles. The roll-out of EV offers a great opportunity to electrify the transport sector with renewable electricity.

Excellencies,

In this overall picture, South East Asia is key for the global transition to a sustainable energy future. It has made remarkable economic and social progress, nearly doubling its share in the global GDP and lifting millions of people out of poverty. At the same time, economic growth has been accompanied by soaring energy demand and the region has relied, to a great extent on energy imports and coal resources to meet it, though it is endowed with a wealth of renewable energy resources.

Through its aspirational target of 23% of total energy supply coming from renewable energy by 2025, ASEAN has demonstrated that it is well-aware of the potential of

renewables to fuel economic growth and address energy security and climate change challenges and I congratulate you for this positive vision of the future. This target builds on the commitment by individual ASEAN countries. Here in the Philippines, the deployment of renewables has witnessed a considerable acceleration in recent years, reflecting favourable policy frameworks and increased private sector investments. Most of the countries present here have been ramping up their efforts to scale-up renewables, and we have been working individually with several of them particularly through our RRA and REmap processes.

ASEAN countries are well positioned to reach their aspirational regional target of 23%, according to IRENA's "*Renewable Energy Outlook for ASEAN*" carried out in cooperation with the ASEAN Centre for Energy (ACE), which identified the technology options to close the gap of 6% between the target and the reference case. By 2025, renewable power technologies in ASEAN will have fallen within the cost range of conventional generation, or slightly below. Around half of the region's potential to achieve its objectives lies in power generation, especially in solar PV that can increase from 2 to almost 60 GW. Considerable advances can also be made in end-use sectors, where Southeast Asia's vast biomass endowment can allow to

make solid progress in end-use sectors such as transport, buildings and industry. This could bring up to USD 40 billion in savings from reduced expenditure in fossil fuels across the region by 2025, and produce savings from reduced externalities related to by climate change and outdoor air pollution by more than USD 10 billion per year, which is a conservative estimate if we factor in extreme weather events.

Achieving a goal of 23% of renewable energy over total energy supply by 2025 would also benefit from a regional approach as the one outlined in ASEAN's far-sighted Plan for Action for Energy Cooperation (APAEC) 2016-2025. We are currently completing our regional market analysis for South East Asia which will provide a comprehensive assessment of opportunities and barriers for renewables deployment in the region. We hope it will be a useful contribution towards the implementation of this Plan for Action.

Excellencies,

ASEAN has a long-term vision in place to reach a sustainable energy future. Its countries have the technology and know-how to make it reality. IRENA as the global organisation mandated to promote renewable energy can support your efforts

along this path through sharing of best practices as well as sound policy and technical advice to address the challenges ahead whether it is integrating higher share of renewables in your grids, promoting interconnections or maximising the socio-economic benefits of renewables for employment and local manufacturing. IRENA values cooperation with strong regional organisations that can catalyse action among their Members, and ASEAN is a prime example.

We therefore look forward to establishing a strategic partnership with ASEAN and to take our long term cooperation forward through the conclusion of an MOU which outlines the numerous areas of potential collaboration. Your leadership as Ministers is critical to give this cooperation a strong impulsion. From this perspective, we welcome having these high-level dialogues between ASEAN and IRENA on a regular basis, with the next one to be held in Singapore next year.

I look forward to our deliberations and to working closely with you towards a sustainable energy future in the region and beyond.

Thank you.