

## Annex 1. Overview of ASEAN Power Grid Advancement Program

### About ASEAN Power Grid Advancement Program

1. The ASEAN Power Grid (APG) is an initiative to establish a regional power interconnection within the ASEAN member states. A fully developed APG has significant potential to connect demand for and supply of renewable energy to meet the region's growing energy demand. The implementation of the APG has taken a phased approach, starting with bilateral and sub-regional interconnections before fully establishing regional interconnections and a working multilateral power trading arrangement. While the planning for APG began in 1986, it has been impacted by limited coordination and stop-and-go-progress, and has thus remained largely in a study stage.
2. To this end, ACE, UNOPS-ETP, CASE, and ESCAP are combining resources to support the APG through the ASEAN Power Grid Advancement Program (APG-AP). The APG-AP aims to support the implementation of APG that will foster a considerable increase in the share of renewable energy resources and correspondingly reduce fossil fuel energy production across the region through regional interconnections. The APG-AP comprises four outputs: (i) Output 1 - Coordination; (ii) Output 2 - Roadmap; (iii) Output 3 - Analytical Work; and (iv) Output 4 - Multilateral Power Trading Pilot Facilitation. Please refer to the APG-AP [concept note](#) for details.

### About ASEAN Interconnection Masterplan Study (AIMS III) Phase 3

3. Output 3 of the APG-AP that forms the ASEAN Interconnection Masterplan Study (AIMS III) Phase 3 consists of three separate but interrelated focus areas, namely (i) Minimum requirements for multilateral market development; (ii) Regulatory framework; and (iii) Grid codes and technical standards. These three focus areas form the AIMS III Phase 3 study that will lay the groundwork for developing a coherent strategy for establishing multilateral power trade in ASEAN by addressing existing barriers and challenges. This strategy, in turn, will be applied to the implementation of Output 4 of the APG-AP on a pilot multilateral power trading project.
4. Given the interrelated nature of the AIMS III Phase 3 focus areas, the implementation of these studies is grouped into three work packages (WPs), namely (i) WP 1 on minimum requirements and a strategy for establishing multilateral power trade; (ii) WP 2 on developing a proposed methodology and guidelines for ASEAN-wide Integrated Resource Planning (IRRP); and WP 3 on developing a proposed harmonisation of grid codes and minimum operational technical standards for interconnections under the APG.

## AIMS III Phase 3 Work Package Clustering

