



INVESTING IN GREEN ENERGY SPOTLIGHT ON... ASIA

Following our Investing in Green Energy: Spotlight on Asia event on Wednesday 1 November 2023, set out below is an overview of what was covered. For reference, here are the [speaker details](#) if you would like to discuss the topic further.

With thanks to London Energy & Infrastructure Senior Associate [Suki Rees](#) for preparing this overview.

For Spotlight on Asia, speakers from WFW's Hong Kong, Hanoi, Seoul and Singapore offices joined us in London to provide their insight on investing in green energy in Asia.

Our panellists covered the existing investment landscape in Asia for energy transition and decarbonisation opportunities, including current challenges and opportunities in various jurisdictions, comparisons between mature vs. emerging markets, and key corporate and finance structuring considerations.

Whilst the Spotlight focussed on a few key jurisdictions in Asia, WFW has 70 lawyers across the region, with expertise extending beyond the jurisdictions in which our offices are based.

It is an exciting time for the region in terms of a changing energy mix. Countries with abundant resources and land for infrastructure development are, in addition to developing new green projects, well placed to export hydro, solar and wind-generated power, and green hydrogen and ammonia, to neighbours without similar resources. As a result, new transmission lines and technological improvements in shipping between countries, and the arrangements governing them, are key and require careful management. Importing countries are also deploying innovative structures and technologies to meet their net zero commitments – hence the focus of some countries on floating production, storage assets and offshore wind.

Challenges

Challenges vary across the region, but the common threads highlighted by the panellists covered:

- regulatory frameworks requiring development – streamlining, for example, permitting procedures;
- government support/ subsidies required to create bankable structures on a large scale;
- flexibility in rigid long term offtake contractual structures underpinning projects; and
- FX risk and lack of access to dollars in some countries.

Opportunities

Countries with a combination of growing economies and incentivised governments signed up to 2050 clean energy targets coupled with banks and funds willing to deploy with green energy funds create huge potential.

Innovative ways to minimise risk and reduce carbon emissions are being used – for example:

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- considering different energy mixes;
- project combinations – WFW recently worked on a floating solar project installed on an existing hydro energy project, which circumvented curtailment risk issues and combined two revenue streams for a more attractive financing package;
- smaller scale projects being put in place, creating investor familiarity which will encourage future involvement, and can generate carbon credits; and
- considering bilateral investment treaties to mitigate against country risk.