

# Leadership in Indonesian Power Sector

Asosiasi Produsen Listrik Swasta Indonesia

November, 2022

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1	OVERVIEW OF APLSI	
2	DEVELOPMENT OF POWER INDUSTRY IN INDONESIA	
3	JUST AND EQUITABLE ENERGY TRANSITION	







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# Introduction APLSI





#### Asosiasi Produsen Listrik Swasta Indonesia

Indonesian Independent Power Producer Association

#### **Roles & Objectives**

- APLSI is a forum for Indonesia's private investors in the electricity sector
- We give voice to leaders of the Indonesian energy as agents of the national economy for the service of the Nation
- Engaging transparently with crucial energy stakeholders and partners
- Developing capabilities and championing the interests of private investors
- Supporting the Government of Indonesia's national climate initiatives that foster diversification of energy sources
- Contributing to Indonesia's national electricity program



# Chairman's Welcome



Welcome you to APLSI.

We are proud to represent Indonesia' leaders of the energy sector.

Energy is a crucial and basic contributor to our national economy, and we believe in the power of open and transparent collaboration.

The need for *just energy transition* and diversification of energy sources from public as well as private players gives Indonesia's energy sector global relevance. In that light, we invest significant resources into producing thought leadership of global impact.

I urge you to partner and collaborate with us.

Arthur Simatupang Chairman



Arthur Simatupang Chairman

### **APLSI Leadership**





**Lokita Prasetya** DSS Energy and Infrastructure Vice Chair



**Dharma Djojonegoro** Adaro Power Vice Chair



**Priamanaya Djan** Priamanaya Group General Secretary



Adrian Lembong Adaro Energy Treasurer OVERVIEW APLSI

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### Indonesia is Blessed With Abundant Renewables



**Resources:** Great Investment Opportunities In Clean Energy



The utilization of NRE resources currently is only 2.5% from total potential while Indonesia has abundant and well distributed NRE resources:

- GEOTHERMAL potential is available mostly in Java, Sumatera and Sulawesi islands
- **HYDRO** potential is available all across Indonesia, more specifically in **Kaltara, NAD, Sumbar, Sumut and Papua.**
- **SOLAR** potential is projected to be well over 207.8 GW and available all across Indonesia, more specifically in areas with greater level of radiation such as **NTT, Kalbar and Riau**
- WIND potential (>6 m/s) is abundant especially in NTT, Kalsel, Jabar, Sulsel, NAD and Papua.
- OCEAN potential is available all across Indonesia, more specifically Maluku, NTT, NTB dan Bali.

#### Indonesia is Committed to Developing Renewable Energy Power Plant 2021-2030 – Green RUPTL



- The addition of renewable power plants is targeted to **reach 20.9 GW** (51.6% of total PLN power plants in the 2021-2030 RUPTL)
- New renewable energy development adjusts grid balance and stability
- Renewable energy power plants are estimated to create 281,566 jobs



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#### Energy Transition is a Key Strategy Towards Green Energy: Indonesia Follows a Two-track Approach



# An energy transition strategy accelerates the shift in energy mix toward renewables using blended finance

- Public or philanthropic finance is used to incentivize private investment to (1) accelerate retirement of fossil fuel plants and (2) increase investment in renewables. The foundation of Indonesia's energy transition is a just transition.
- Indonesia is following a two-track approach (i) implement an ETM pilot by 2022 and launch a national country platform for energy transition; (ii) join the regional effort supported by the ETM Southeast Asia Partnership.

#### **GOI ETM Pilot Project**

- A national effort to accelerate the process.
- Will choose one CFPP for piloting the early retirement.
- Targeting the end of 2022 to start the pilot project,
- To have a country platform for upscaling and institutionalization of the blended finance mechanism.

#### **ETM Southeast Asia Partnership**

- A regional effort.
- Use an MDB as the vehicle.
- Currently doing a feasibility study and will start a pilot project in 2023.



#### ENERGY TRANSITION MECHANISM

ETM akan menjadi alternative bagi proses coal phasing down untuk menuju NZE di tahun 2060 atau lebih awal

Secara Umum ETM terdiri atas 2 bagian: 1. Carbon Reduction Fund (CRF) 2. Clean Energy Fund (CEF)

CRF merupakan dana yang digunakan untuk me-*retire* PLTU yang kurang ramah lingkungan lebih awal, sebelum habis masa kontraknya

CEF adalah dana yang digunakan untuk membangun pembangkit energy yang renewable



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# Indonesia Power Generating Industry Regulation after the Ratification of Paris Agreement





#### Discussion on Draft on New Law and Implementing Regulations Involving Private Sector





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#### Bill on Renewable Energy

#### **5 MEMR Regulation**

- MEMR Regulation regarding the guidelines for the Electricity Sales and Purchase Agreement (PJBL).
- 2. MEMR Regulation regarding the purchase price of EBT electricity.
- 3. MEMR Regulation concerning the assignment mechanism from the minister to PT PLN (Persero) regarding the purchase of electricity which is wholly or partly built by the central and local governments,
- 4. MEMR Regulation regarding geothermal development support to add PSP and PSPE data.
- 5. MEMR Regulation concerning Coal-firing



#### **2 MEMR Decree**

- MEMR Decree regarding the roadmap for net zero emissions in the energy sector by 2060,
- 2. MEMR Decree regarding the roadmap for accelerating the termination of the operational period of PLTU and the determination of the PLTU operation to be accelerated



Incentives and support for priority use of domestic products as well as derivative rules regarding risk mitigation and financing facilities.



# Terima Kasih

