



Institute for Energy Economics
and Financial Analysis

How to Grow Indonesia's Solar Future

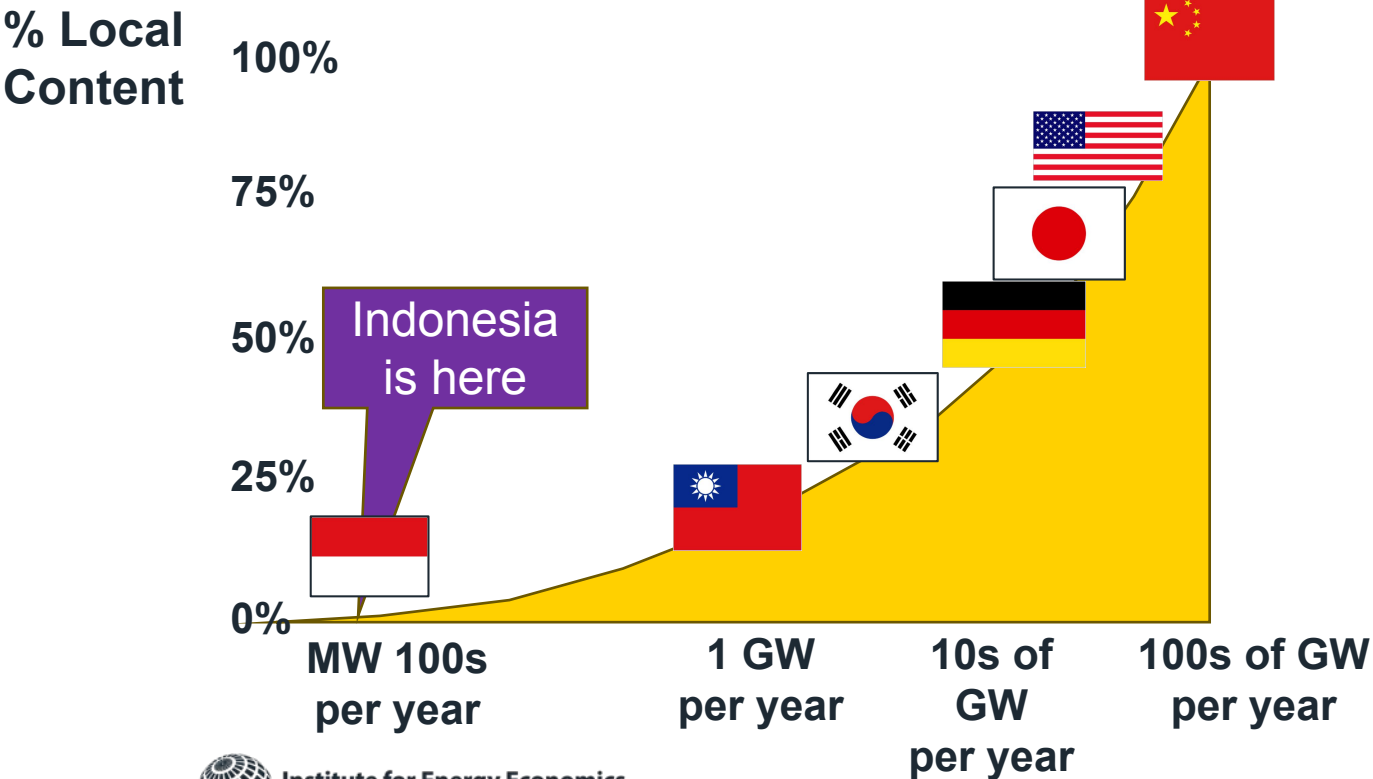
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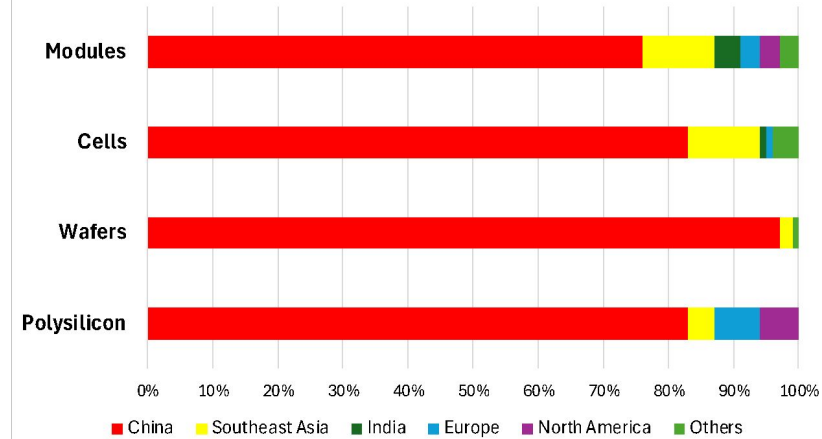
Key advice: focus on making projects, not on panels

China will dominate the solar *module* value chain into the 2030s. This gives Indonesia time to create demand through solar *projects*.

The greater domestic demand, the greater supply shifts domestically

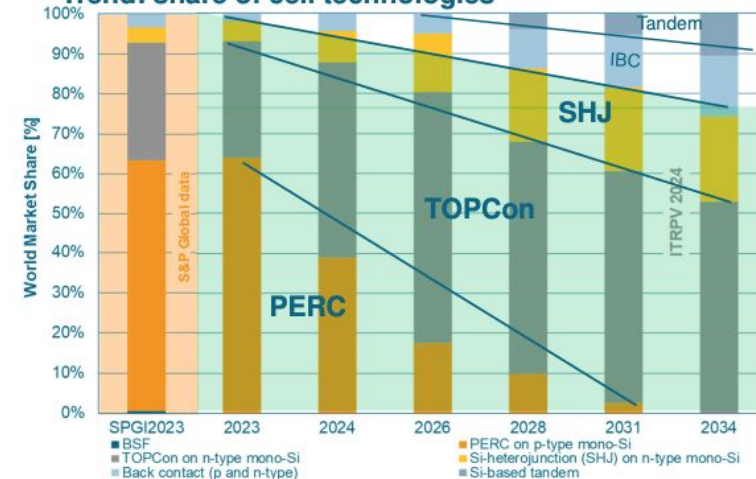


China dominates solar module value chain production



China controls >80% of the value chain. Southeast Asia is currently export oriented.

Trend: share of cell technologies



Solar tech is changing faster than normal investment lifecycles. China is continually updating plant.

Indonesia would benefit most from focusing on factors it can influence: *Balance of Systems*

Project Development and Permitting Cost

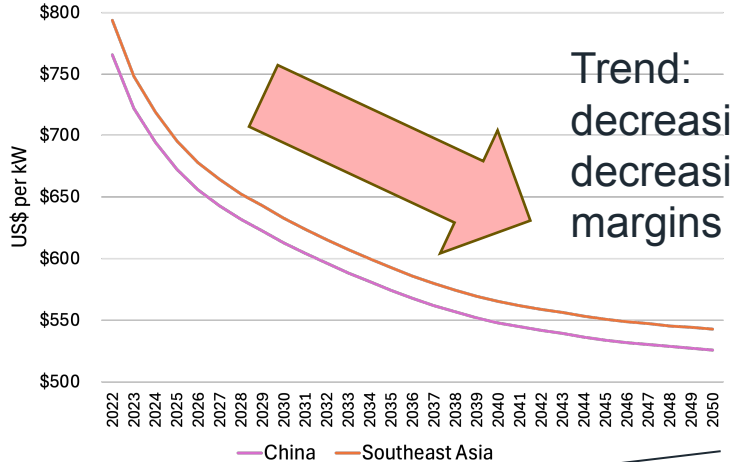
Financing Cost

Balance of Systems
Equipment and Site Work

Solar Module Cost: ~30%



Solar PV Projected Installed Cost



Trend: decreasing prices, decreasing profit margins

Global market prices generally controlled by China

70% of costs within influence of Indonesian policy, pricing, domestic industry

Hurdles Indonesian policy can remove to accelerate solar project realization at greater scale

