

A glowing lightbulb with a filament, symbolizing energy and innovation. The lightbulb is the central focus, with its filament clearly visible. The background is dark, making the lightbulb stand out. The text is overlaid on the lightbulb.

Can we deliver the real energy
transition in Indonesia?

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Indonesia to abandon 23% renewable energy target

The government has opted for a far lower target of between 17 and 19 percent by 2025, adding that Indonesia needed to be more realistic on what it could achieve.

Divya Karyza (The Jakarta Post)

PREMIUM

Jakarta • Tue, January 16, 2024

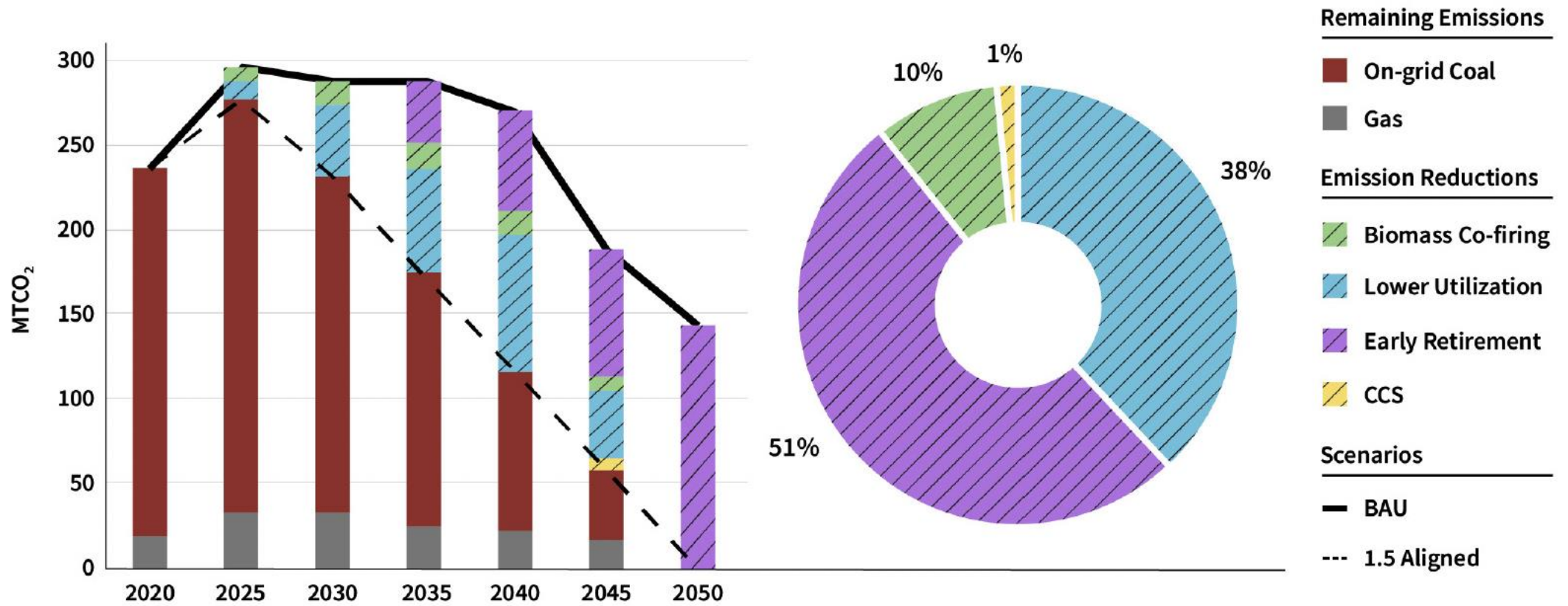
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Indonesia's Prabowo plans to retire all fossil fuel plants in 15 years, but experts are skeptical



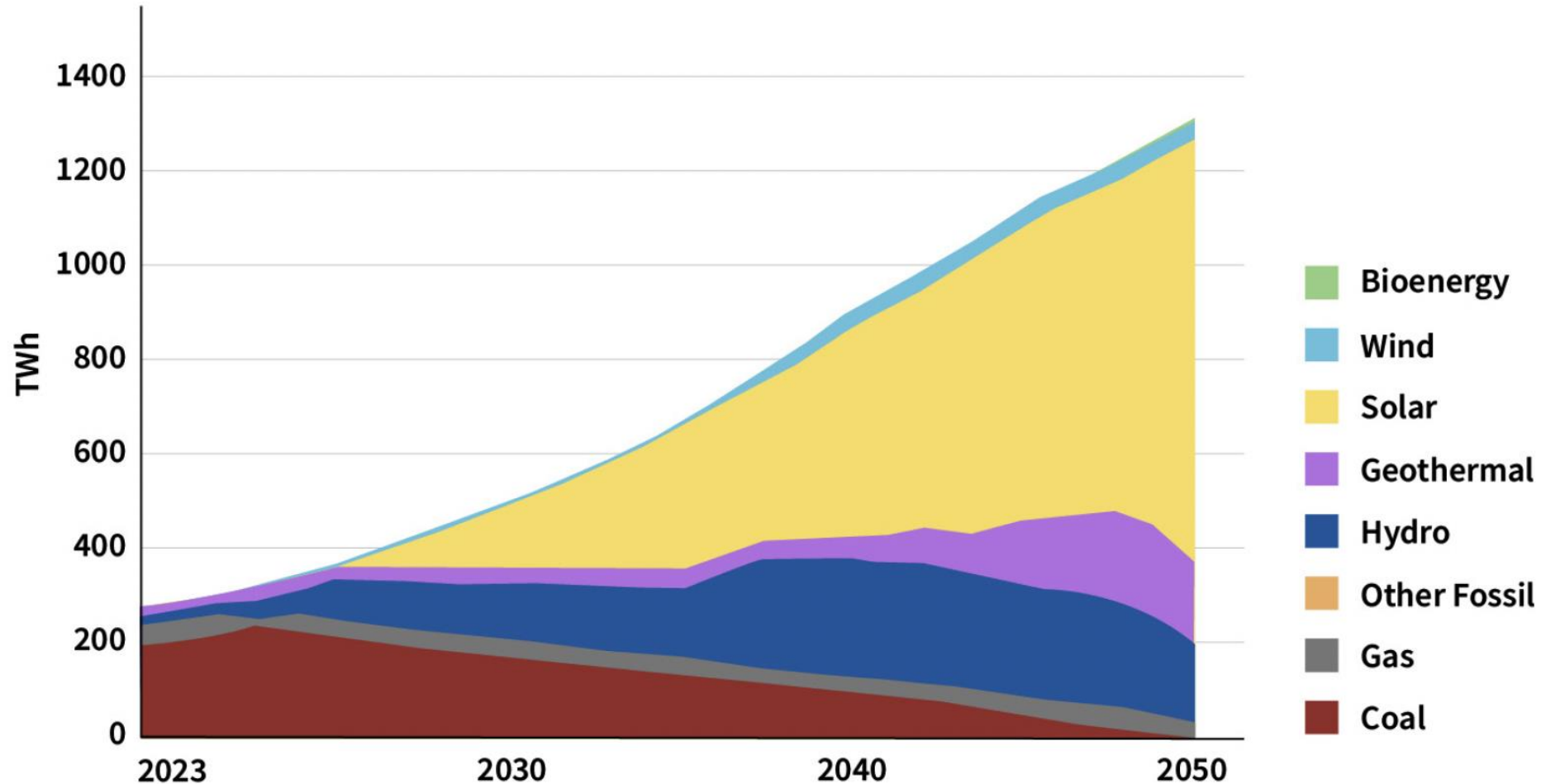
CO₂ EMISSIONS FROM ON-GRID GENERATION UNDER BAU AND 1.5C-ALIGNED PATHWAYS, REDUCTIONS BY TRANSITION STRATEGY IN EACH PERIOD AND OVER 2025-2050



1.5°C -ALIGNED DECARBONIZATION STRATEGIES FOR ON-GRID COAL POWER PLANTS

| | UNITS | CAPACITY (GW) | KEY PLANT-LEVEL RESULTS |
|-----------------------------------------|--------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lower Utilization | 53 | 8 | Eligible flexible plants are expected to operate at 40% by 2030 and 2035, 35% by 2040, and 30% by 2045. |
| Early Retirement | 105 | 25 | 3.8 GW of low-hanging fruit and 1.7 GW identified by the CIPP are expected to retire by 2035-2037. Additional 3.5 GW, 4.8 GW and 11 GW should retire by 2040, 2045, and 2050, to achieve climate targets. |
| Biomass Co-firing | 102 | 5 | Biomass co-firing ratio should ramp from 5% in 2024 to 57% by 2030. Stoker plants (374 MW) are expected to complete the transition to full biomass conversion by 2035. |
| Carbon Capture and Storage (CCS) | 4 | 1.8 | Adoption of CSS technology in plants located in South Sumatra. CCS is expected to capture 90% of the CO₂ released. |

INDONESIA POWER GENERATION BY FUEL IN 1.5°C-ALIGNED SCENARIO, 2023-2050



Source: IESR & CGS UMD (2024): 1.5°C Aligned Coal Power Transition Pathway in Indonesia



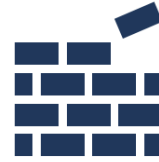
Planning

Increase Coordination

- Inter- and Intra-governmental
- Cross-sectoral
- Public-Private sector

Develop Capacity

- Government & universities
- Energy systems planning
- Long-term scenarios
- Legislative incentives
- Effective communication



Building

Scale Financing

- Grid modernization
- Demonstrations
- Private capital
- Business models

Set Clear Incentives

- Carbon pricing
- Procurement
- Transparent incentives



Operating

Adopt Robust Standards

- Open-source tools
- Harmonized standards
- Market design

Prioritize Grid Flexibility

- Compensation mechanisms
- Load aggregation
- Transmission & distribution