Request for Proposal (RFP)
Mapping of Legal Framework for Captive Power Decarbonization

Institute for Essential Services Reform

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Indonesia

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1. Background

There has been a dash for captive power plants, particularly the coal-fired power plant, for the last few years in Indonesia. This coincides with the government's efforts for the industrial downstream strategy. By 2023, around 23 GW of captive power plants are in operation, with 13-14 GW being coal-fired power plants (CFPP). The captive power plants' capacity is expected to continue increasing until 2030, with an additional capacity of around 20 GW. Both the operational and additional captive CFPP capacities are predominantly supplying the energy needs for nickel smelting.

The JETP joint statement agreed between Indonesia and the International Partners Group (IPG) countries indicates that the peak emissions of the power sector in 2030 should be 290 $MtCO_2$. Throughout the process, the published Comprehensive Investment and Policy Plant (CIPP) only includes the decarbonization pathway for grid-connected power plants (on-grid), leaving captive power plants that will be analyzed the following year. Therefore, the Technical Working Group (TWG) of JETP has been conducting an analysis for captive power plants effectively since February 2024. Activities undertaken to date include identifying possible interventions at the asset level using Multi-Criteria Decision Analysis (MCDA) and estimating the most optimal configuration for each asset using industry-standard modelling tools. The analysis will then be included in the updated CIPP document, which will be published in June 2025.

The IESR's work will be a complementary analysis to JETP's already ongoing captive power plant analysis. Given the limited time required to implement the JETP itself, this work will involve a project case study of the updated CIPP and provide recommendations to accelerate its implementation. The selection of case studies will be based on an analysis conducted using appropriate and relevant academic methodologies. The output of this work will be the basis for IESR advocacy to relevant stakeholders. One of the main beneficiaries is captive power asset owners. Other beneficiaries include the government, namely the Ministry of Industry and the Ministry of Energy and Mineral Resources (MEMR), especially in the developed database and the policy recommendations.

To provide a comprehensive analysis of the case study and present potential interference for decarbonizing captive power generation, legal aspects related to the decarbonization of captive power plants should be studied. The study should cover policies and regulations issued by both national and sub-national levels, as well as the internal private sector.

2. Objective

IESR is looking for partners with extensive experience and portfolios, capable of carrying out a study on **"Mapping of Legal Framework for Captive Power Decarbonization",** with aims as follows:

1. Identify the regulations and policies that influence the captive power plant decarbonization process in the private sector or industrial park.
2. Analyze gaps in regulations and policies that have the potential to hinder or accelerate the process of decarbonization of captive power plants in the private sector or industrial park
3. Analyze the process and factors that influence decision-making in the private sector or industrial park to decarbonize captive power plants in the private sector or industrial park.

4. Prepare recommendations for the government or private sector from the analysis of legal aspects that can support the captive power plant decarbonization process.

3. Scope of Work

1. Identify all regulations and policies that have been issued by the national government or sub-national governments regarding the decarbonization of captive power plants in the private sector or industrial park.
2. Identify the regulations and policies that are issued by the internal private sector and industrial parks, as well as the decision-making process, to implement the interference options to decarbonize captive power plants.
3. Identify regulations and policies on renewable energy, including wind, solar, bioenergy, hydro, and geothermal, that can be utilized by the private sector or industrial park in order to support the decarbonization of captive power plants.
4. Identify regulations and policies related to the utilization of gas networks as an interference option to decarbonize captive power plants in the private sector and industrial parks.
5. Identify regulations and policies related to CCS/CCUS implementation for private sector and industrial parks as interference options to decarbonize captive power plants.
6. Identify regulations and policies related to importing energy from the PLN grid that is consumed by the private sector and industrial park.
7. Analyze Presidential Regulation 112/2022 on the Acceleration of Renewable Energy Development for Power Supply, specifically, Article 3 paragraph (4), to determine its impact on the decarbonization process of captive power plants in the private sector or industrial parks (legal statement).
8. Conduct an analysis to find out gaps in existing regulations and policies, both from the national and subnational government, or the Company's internal, that have the potential to hinder or accelerate the process of decarbonization of captive power plants in the private sector or industrial park.
9. Conduct focus group discussions (FGD) or 1-on-1 interviews to obtain the data and information regarding study needs, alongside IESR. IESR will provide support in the form of administrative, such as correspondence, and event costs as described in point 8 below.
10. Analyze the policies or regulations needed to support the captive power plant decarbonization process in the private sector or industrial park.
11. Prepare a comprehensive report on the analysis of legal aspects related to the decarbonization process of captive power plants in the private sector or industrial park.

4. Deliverables

1. Regulatory framework to support the captive power plant decarbonization process.
2. Recommendations for the government and the private sector based on legal analysis to conduct decarbonization of captive power plants.
3. A comprehensive report on the mapping of the legal framework.

5. Timeline

The project is planned to start on **May 26, 2025** and end on **August 25, 2025**, with an estimated load of 65 work-days in 3 months.

6. Proposal Guideline

Proposals will be accepted until 10:00 p.m. Indonesian Western Standard Time (WIB, GMT+07) on May 20, 2025. Any submissions received after this date and time will be regarded as inadmissible. Kindly submit the proposal to the IESR Energy Transformation Project Manager at deon@iesr.or.id and the Research Manager at raditya@iesr.or.id and cc: dwicahya@iesr.or. and reananda@iesr.or.id. Please include "**RFP Captive Power – Legal Framework [Company/Individual Name]**" in the subject line.

All proposals must be signed by an official agent or representative of the company submitting the proposal. Please itemize all costs and include a description of associated services. Contract terms and conditions will be negotiated upon selecting the winning bidder for this RFP. If the organization submitting a proposal must outsource or contract any work to meet the requirements, this must be clearly stated in the proposal. Additionally, costs included in proposals must consist of any outsourced or contracted work. Any outsourcing or contracting organization must be named and described in the proposal.

IESR will evaluate all the proposals submitted. Following a review of all submissions, IESR will select the firms/institutions/individuals that present the most suitable expertise according to the qualifications outlined above, that most closely align with project objectives, and articulate a detailed, clear, and achievable plan to meet those objectives within the required timeframe.

7. RfP Timeline

Evaluation of proposals will be conducted from May 21-22, 2025. Top qualified partners from the proposed document and quotation will be shortlisted, and a follow-up session might be undertaken in this time window to obtain any necessary clarification on items described in the proposals. The selection decision for the winning bidder will be made by May 23, 2025. Upon notification, the contract negotiation with the winning bidder will begin immediately and must proceed extra quickly to meet the project timeline. The timeline and payment schedule can be negotiated.

8. Budget

All proposals must include proposed costs (in Indonesian Rupiah/IDR) to complete the tasks described in the project scope. Costs should be stated as on-time or non-recurring costs (NRC).

Expected cost to be included in the proposal:

- Man-hours or man-day to cover the scope of work.
- Services charges and taxes.

Any additional cost (travel, FGD) required to complete the work can be identified and estimated in the budget. This information would be treated as additional information for IESR to evaluate the robustness of methodologies. However, these additional costs would be covered by IESR directly and would be excluded from the final contract value.

9. Bidder Qualification

The Provider should provide the following items as part of their proposal:

1. Description of experience in renewable energy and industrial decarbonization projects as well as experience working in a multi-disciplinary consultancy (5 years experience).
2. Experience in policies and regulations assessment, especially related to energy, renewable energy, industry, and industrial parks for both national and subnational levels.
3. Have the ability to prepare comprehensive reports in both Indonesian and English.
4. Examples of three or more similar projects conducted by you/your organization.
5. Anticipated resources you will assign to this project (total number, role, title, experience).
6. Confirmation of the timeframe for completion of the project.
7. Brief description of how you will meet the deliverables within the allocated time.