Request for Proposal (RFP)
Research Consultant for
Alternative Renewable Energy Procurement Strategy for PT PLN to Accelerate Renewable Energy Deployment for Power Sector Transition

Institute for Essential Services Reform
Tebet Timur Raya No.48B, Tebet
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Indonesia

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A. OVERVIEW AND BACKGROUND

Indonesia has declared its commitment to achieving net-zero emissions by 2050, formalized in its Enhanced Nationally Determined Contribution (E-NDC) submitted to the United Nations Framework Convention on Climate Change (UNFCCC), which includes the target to reduce greenhouse gas emissions by 31.89% unconditionally, or up to 43.2% with international support, by 2030 from a business-as-usual baseline. The power sector, which accounts for around 50% of total energy emissions, is envisioned to become carbon neutral by 2060, ideally by 2050, in line with the Paris Agreement.

This aspirational goal is supported by initiatives, such as the Just Energy Transition Partnership (JETP), which Indonesia formally launched in November 2022 alongside international partners. The Comprehensive Investment and Policy Plan (CIPP), published in November 2023, sets out a strategic roadmap for decarbonizing Indonesia's power sector. Among the core commitments of the JETP are achieving on-grid power sector emissions peaking by 2030 at no more than 250 million tons of CO_2, achieving net-zero emissions in the power sector by 2050, and ensuring that renewable energy accounts for at least 44% of on-grid electricity generation by 2030.

Despite these commitments, progress on renewable energy development in Indonesia remains insufficient. As of 2025, the share of renewable energy in the national power mix remains below 15%, falling short of the 23% target set for 2025. The country's electricity sector remains heavily dominated by coal, supported by entrenched fossil fuel subsidies and regulated pricing that distorts market signals. Additionally, a significant number of new coal-fired power plants remain in the pipeline under existing Power Purchase Agreements (PPAs), particularly those outlined in the 2025–2034 Electricity Business Plan (RUPTL). Furthermore, annual investment in renewable energy remains far below what is needed, estimated at approximately USD 1.5 billion annually, compared to the USD 8–25 billion required each year to achieve energy transition targets.

Policy and regulatory uncertainty persist due to the uncertain implementation of existing procurement schemes, national government stance, and planning on energy transition targets, and overlapping national and regional institutional licensing, among others. The procurement process itself lacks transparency and predictability, particularly for Independent Power Producers (IPPs), who often face delays, unclear tender processes, and limited access to information. Renewable energy procurement in Indonesia has traditionally relied on direct appointment or direct selection methods, usually based on government-to-government arrangements, unsolicited proposals, or developer nominations tied to specific project locations.

While ceiling price schemes have been introduced—most recently through Presidential Regulation No. 112 of 2022—the pricing structure remains largely based on PLN's regional generation cost benchmark (Biaya Pokok Produksi/BPP), which does not always reflect market conditions or technology cost trends. Further, project development is often hindered by issues such as land acquisition constraints, rigid local content requirements, and high perceived investment risks due to limited bankability and regulatory unpredictability. These barriers collectively contribute to a weak project pipeline and diminish investor confidence. Procurement tends to be reactive rather than strategic, failing to deliver the scale and cost-effectiveness needed to reach national renewable energy targets.

Given these issues, policy and institutional reform in renewable energy procurement is increasingly urgent. The CIPP under the JETP explicitly emphasizes the need to improve procurement mechanisms to ensure a transparent, competitive, and technology-agnostic

process that can attract large-scale private investment.

The Institute for Essential Services Reform (IESR) through the Green Energy Transition Indonesia (GETI) project, supported by the British Embassy Jakarta, aims to explore multifaceted aspects of analysis on innovative approaches to renewable energy procurement to address key bottlenecks, reduce cost uncertainty, and improve project viability—therefore accelerating renewable energy deployment in Indonesia to achieve its NZE target.

B. SCOPE OF WORK

This study is designed to support the Government of Indonesia—particularly PT PLN and the Ministry of Energy and Mineral Resources (MEMR)—in identifying, assessing, and designing alternative procurement strategies that can accelerate the deployment of renewable energy. Indonesia's existing procurement framework, while functionally established, has shown structural limitations in ensuring scale, transparency, cost efficiency, and alignment with long-term energy transition and economic growth goals. In response, this study adopts an adaptive approach that explores multiple viable alternatives suited to different project scales, locations, and institutional readiness levels towards an accelerated renewable energy procurement.

The study will pursue six interrelated objectives that together form the analytical backbone of the research process. In parallel, the study should formulate and determine strategies to accelerate renewable energy procurement in Indonesia—be it short-term low hanging fruits or long-term policy reforms. Therefore, the main objectives of the study are as follows:

1. **Assessment of legal and regulatory barriers to implementing alternative procurement strategies and proposal of policy reform**
   This objective focuses on systematically reviewing the current legal and regulatory landscape that governs renewable energy procurement in Indonesia. It will examine relevant presidential regulations, MEMR regulations, and PLN's internal procurement rules to identify provisions that hinder or limit the adoption of more transparent, competitive, or scalable procurement mechanisms. The review will cover issues such as pricing mechanisms (e.g., BPP-based ceilings), permitted procurement methods (e.g., direct appointment, direct selection), contract approval processes, and institutional mandates. Based on the identified constraints, the study will propose targeted legal and policy reforms—ranging from adjustments to ministerial regulations to new procurement instruments—to facilitate the adoption of alternative strategies.

2. **Assessment of enabling conditions for the alternative procurement strategy to be implemented**
   Beyond legal barriers, successful procurement also depends on the presence of broader enabling conditions. This includes administrative efficiency, institutional alignment, availability of project preparation tools (e.g., land access, grid interconnection), financial sector readiness, and the policy environment's overall clarity and consistency. This objective will assess the extent to which these conditions currently exist in Indonesia, and what practical steps—such as improved coordination mechanisms, planning transparency, and de-risking strategies—would be required to support the operationalization of each procurement strategy considered in this study.

3. **Analysis on institutional and capacity requirements of PT PLN and MEMR as renewable energy procurers**
   As the central actors in Indonesia's power sector, PLN and MEMR are pivotal in shaping and implementing procurement policy. This objective will analyze the institutional mandates, operational roles, and capacity constraints of these two entities, particularly in relation to

competitive procurement, project evaluation, and contract management. The study will assess how current workflows (e.g. through the DPT process or internal review units) function, and whether new skills, resources, or organizational adjustments would be needed to adopt more structured procurement approaches such as reverse auctions or framework agreements. Opportunities for institutional strengthening, standardization of internal procedures, and potential inter-agency task forces will be explored as part of this analysis.

4. **Legal and Regulatory Analysis of Leveraging the National Land Bank Agency to Streamline Land Acquisition for Renewable Energy Projects**
   Land acquisition is consistently cited as one of the most challenging and time-consuming aspects of renewable energy development in Indonesia. This objective examines the legal foundation and operational mandate of the National Land Bank (Badan Bank Tanah), established under Government Regulation No. 64/2021 and under direct coordination with the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATN/BPR), and evaluates its potential role in facilitating land access for renewable projects. The study will consider how land banking mechanisms can be integrated into procurement planning, whether through pre-clearance of strategic project sites, bundling of land and generation assets, or coordination with regional governments and MEMR permitting procedures. Recommendations will address both legal integration and practical implementation pathways.

5. **Design of Alternative Renewable Energy Procurement Stages Based on the Most Time- and Cost-Efficient Strategies**
   Drawing from international best practices and Indonesia's institutional context, this objective will propose revised procurement process flows for different types of renewable energy projects. It will include conceptual designs for competitive procurement (e.g., auctions), improved direct selection, bundled procurement, and/or other relevant strategies. Each proposed workflow will cover the stages from project identification, planning inclusion (including RUPTL alignment), site preparation, procurement initiation, bid evaluation, contract negotiation, and financial close. Time efficiency and cost-effectiveness will serve as the main design principles, ensuring that the proposed stages are not only legally feasible but also practical and scalable within the existing environment. Therefore, a short-term strategy that aims to capture the low-hanging fruit and long-term reform of the policy mechanism for a more efficient renewable energy procurement strategy should be the end goal of this objective.

To ensure that the findings are documented and communicated effectively, the study will produce the following key deliverables:

1. **Interim Report**
   A mid-study document presenting a comprehensive overview of the status quo of renewable energy procurement in Indonesia needs to include: (1) preliminary analysis of legal and regulatory barriers, (2) assessment of enabling conditions, (3) stakeholder mapping, and (4) early insights and findings considered relevant. The interim report will also serve as the basis for soliciting feedback from policymakers and other stakeholders to refine the direction of the study and ensure relevance.

2. **Brief Monthly Reports**
   Short monthly progress notes will be submitted to summarize ongoing activities, findings to date, challenges encountered, mitigation strategies employed, and upcoming tasks. These updates are intended to maintain transparency, facilitate coordination with IESR and external stakeholders, and ensure adaptive management of the study process.

3. **Final Report**
   (Written in English; Maximum 80 pages, w/o appendix; Including executive summary,

maximum 4 pages)
The comprehensive final report will integrate all research findings, policy and legal analysis, institutional assessments, and procurement design recommendations. It will include detailed discussion under each of the five objectives and offer clear, context-specific options for reforming renewable energy procurement in Indonesia. This report will serve as the main output of the study and be positioned as a technical and strategic reference for PLN, MEMR, and other stakeholders.

4. **Summary for Policymakers**
(Written in Bahasa Indonesia and English; Maximum 8 pages)
A concise policy brief distills the key findings and actionable recommendations of the final report. This summary will be formatted and written specifically for decision-makers at the senior executive and ministerial level, emphasizing clarity, practicality, and strategic relevance. It will support high-level dialogue and inform subsequent policy decisions.

With this RFP, IESR is soliciting proposals from consultants with extensive experience and portfolios in developing complex and thorough technological assessments. IESR will evaluate all the proposals submitted. After reviewing all proposals, IESR will select the institutions that bring suitable expertise, most closely align with project objectives, and articulate a clear, achievable research plan to meet those objectives within the required timeframe.

C. PROPOSAL GUIDELINES

The potential service provider has to submit a proposal package, which should be no more than 40 pages and consist of (but not limited to) the following points:

- Executive Summary
- Understanding of Assignment
- Proposed Methodology
- Team Composition and CVs
- Work Plan and Timeline
- Budget and Commercial Terms
- Risk Management Approach
- References and Past Performance

The submitted proposals must be signed by said individual. 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 individual 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.

All required documents are expected to be received by IESR by **5:00 p.m. Indonesian Western Standard Time** (WIB, GMT+7) on **Sunday, August 3, 2025**. Any proposals received after this date and time will be regarded as inadmissible. The selection decision for the winning bidder will be made by **Friday, August 8, 2025**.

Upon notification, the contract negotiation with the winning bidder will begin immediately and must proceed quickly to meet the project timeline.

D. CONSULTANT QUALIFICATIONS

The study will be conducted by a procured external individual or team of consultants. Considering the rigorous and multidisciplinary nature of the study, a specific list of qualification requirements is needed to ensure a thorough and actionable result.

Qualifications for Consultancy Team/Firm:

- Affiliated with or registered as an Indonesian firm and fluent in the Indonesian Language and English.
- Proven track record in conducting policy, regulatory, or legal studies in the energy and/or procurement sectors, particularly related to policy formulation, power sector, and/or utility-scale investment environments.
- Experience working with national governments, state-owned enterprises, and/or multilateral development institutions in Indonesia, particularly but not limited to PT PLN and MEMR.
- Demonstrated understanding of Indonesia's energy sector governance, planning regulatory instruments, and energy transition development landscape.
- Team composition consists of experts in multidisciplinary fields, including but not limited to energy, procurement, law, public policy, finance/economics, and governance.
- Capability to apply scientifically rigorous methodologies in related fields or disciplines.
- Proven ability to translate technical findings into actionable policy recommendations, as demonstrated in experience preparing reports and policy briefs for policymakers and development partners.
- Strong research, writing, and synthesis skills, including the ability to communicate findings clearly to both technical and non-technical audiences, as demonstrated in past deliverables or publications.
- Ability to mobilize a qualified team within the proposed timeframe.

Qualifications for Team Leader:

- Minimum of a Master's degree in public policy, energy economics, law, engineering, or other relevant fields. A PhD degree is an advantage.
- At least 10 years of relevant professional experience, including leading complex policy, regulatory, or institutional research assignments in the energy or infrastructure sectors.
- Deep understanding of renewable energy procurement mechanisms, public procurement systems, and energy transition policy in Indonesia.
- Demonstrated ability to lead multidisciplinary teams and coordinate inputs across legal, policy, technical, and institutional domains.
- Proven experience in managing high-level consultations with government agencies, SOEs, and other stakeholders.

E. TIMELINE FOR DELIVERABLES AND REMUNERATION

The project must commence on **August 11, 2025,** and the results of the project must be finalized no later than **November 9, 2025.**

A draft timeline is presented below. Internal changes may be made if mutually agreed.

Activity/Deliverables	Suggested Timeline	Payment
Kick off meeting of the project	August 11, 2025	30%
Regulatory and legal assessment	August 5 – September 7, 2025	
Enabling conditions assessment	August 5 – September 7, 2025	
Deadline of interim report	September 8, 2025	40%
Institutional Capacity Analysis	September 8 – October 5, 2025	
Land Acquisition Framework Assessment	September 15 – October 12, 2025	
Preliminary Design of Reverse Auction Process	September 22 – October 19, 2025	
Deadline of final report	November 2, 2025	30%

** IESR team will be involved in supervision of the project and writing of the report, with some revisions and feedback given for the consultant to perform adjustments according to the contract*

F. 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 one-time or non-recurring costs (NRC). The budget ceiling for this proposal is **IDR 300,000,000** for all costs required during the study period. A more detailed proposal cost is encouraged to ease the selection process.

Bidders must submit a digital copy of their proposal via email to erina@iesr.or.id and cc to warih@iesr.or.id and alifiadarmayanti@iesr.or.id by **5:00 p.m. Western Indonesian Standard Time (WIB, GMT +07:00) on August 3, 2025.** Please include **"RFP Response – Research Consultant for RE Procurement Study"** in the subject line.

APPENDIX 1. Extended Background

1. Status Quo of Renewable Energy Procurement in Indonesia

Renewable energy procurement in Indonesia is governed by a centralized electricity system in which PT PLN plays a dominant role as the single buyer, system planner, and operator. The procurement process is shaped by national electricity planning documents—primarily the Rencana Umum Ketenagalistrikan Nasional (RUKN) and the Rencana Usaha Penyediaan Tenaga Listrik (RUPTL)—as well as regulatory instruments issued by the Ministry of Energy and Mineral Resources (MEMR). Historically, the procurement of power generation projects, including renewable energy, relied on mechanisms such as direct appointment and direct selection. Direct appointment is typically used for strategic or government-to-government projects, while direct selection involves negotiations with selected developers, usually based on unsolicited proposals or project readiness. These approaches were formalized under the MEMR Regulation No. 50/2017, which governed power purchase agreement (PPA) procedures and tariff calculation mechanisms based on local generation costs (Biaya Pokok Produksi/BPP). Under this regulation, the ceiling tariff for renewable energy projects was benchmarked against PLN's regional BPP, which varied across provinces and years. While intended to manage cost-effectiveness, the BPP-based pricing mechanism often limited the financial viability of projects in high-cost or remote areas.

To further institutionalize renewable energy procurement, Presidential Regulation No. 112 of 2022 was introduced. This regulation retained the direct selection method but added technology-specific ceiling tariffs set by the MEMR, replacing the BPP benchmark in certain cases. It also encouraged project proposals that were technically ready and aligned with PLN's planning documents while promoting flexibility for developers to propose projects at their initiative. However, the regulation still did not mandate competitive bidding or open tender processes as standard practice. Instead, project procurement remains largely dependent on PLN's internal assessment and negotiation process. PLN, in its role as the sole off-taker, conducts the technical and financial evaluation of project proposals and negotiates the PPA with the developer. The evaluation process considers project location, grid connection potential, tariff proposal, and compliance with planning targets in the RUPTL. Once approved by PLN and the MEMR, the PPA is signed and the developer proceeds with permitting, land acquisition, and financial close. However, there is no unified national tender schedule or standardized public auction mechanism, and projects often move forward through a case-by-case negotiation process. As a result, timelines and procurement volumes vary significantly year to year.

In addition to utility-scale procurement, Indonesia also introduced mechanisms to support the deployment of small- and medium-scale renewable energy generation. MEMR Regulation No. 4/2020 and its subsequent revisions enabled captive or off-grid renewable energy development for industrial users while also allowing excess power sales to PLN under certain conditions. However, these provisions remain limited in scale and are often constrained by technical standards or PLN's discretion on grid absorption. The role of Independent Power Producers (IPPs) is central to renewable energy development. IPPs propose, build, and operate renewable projects under long-term PPAs with PLN. To be considered for procurement, projects must be aligned with the capacity additions outlined in the RUPTL, and developers are typically responsible for securing permits, conducting environmental and social impact assessments, and arranging land access and financing before construction. In the absence of centralized tendering, the submission of unsolicited proposals remains common, particularly for hydro, geothermal, and solar projects on privately secured land.

2. Lessons Learned from Global Best Practices

Countries that have successfully scaled up renewable energy deployment use strategies that are designed not only to lower project costs but also to increase investor confidence and ensure efficient project delivery. Among the most widely-used of these strategies is the use of competitive auctions, particularly reverse auctions, which have become a global standard in renewable energy procurement. In a reverse auction model, developers compete by offering the lowest electricity tariff to supply a predefined capacity or project. This method has been instrumental in bringing down renewable energy prices across diverse markets. India, Brazil, and South Africa demonstrate how structured competition can drive price discovery while maintaining project quality. These experiences highlight that beyond achieving cost reductions, auctions offer transparency, clear timelines, and standardized documentation that are attractive to investors and developers alike.

Some countries design auctions that are technology-neutral, allowing various technologies for different renewable sources to compete within the same bidding round. This approach, applied in the UK, Chile, and Denmark, encourages innovation and cost-efficiency by selecting technologies that can deliver the lowest cost per unit of electricity. However, it requires careful planning to avoid outcomes where certain technologies dominate or where geographic and grid constraints are not fully accounted for. When implemented with proper safeguards, technology-neutral auctions can accelerate diversification and cost competitiveness simultaneously.

In other contexts, bundled procurement strategies have been used to enhance the bankability and scalability of renewable energy projects. Rather than procuring individual projects separately, governments and utilities combine multiple projects—across sites, technologies, or services—into a single tender. Mexico's long-term electricity auctions, for instance, bundled generation with clean energy certificates and capacity services. Morocco's Noor solar program integrated generation, transmission, and storage infrastructure under a unified procurement process. These strategies reduce transaction costs, streamline coordination, and enable better planning of grid integration and resource complementarity.

Procurement frameworks in some countries have also evolved to incorporate multiple evaluation criteria beyond price. South Africa's REIPPPP, for example, assigns significant weight to socio-economic development indicators such as local content, employment creation, and community ownership. This model demonstrates that procurement can be designed not only to optimize cost, but also to align with broader policy goals, including industrial development and social equity. Such multi-criteria approaches are particularly relevant in countries where the energy transition is expected to contribute to inclusive growth and regional development. To balance market competition with investor certainty, several countries have also introduced hybrid mechanisms, such as feed-in premiums combined with auction systems. Under this model, developers receive a fixed or sliding premium over the market price, awarded through a competitive bidding process. Spain and the Netherlands have applied this approach to gradually transition toward more market-driven electricity pricing while maintaining sufficient revenue predictability for project developers.

However, choice of procurement model is not a sole factor for accelerated renewable energy deployment. Well-functioning auctions and bundled schemes are supported by clear legal mandates, effective institutional coordination, streamlined permitting, and accessible grid data. Many governments have also introduced measures such as land pre-clearance, standardized PPAs, and credit enhancement facilities to reduce early-stage project risk and improve investment attractiveness.

3. Overview of Alternative Renewable Energy Procurement Strategies

Indonesia's current procurement system for renewable energy—predominantly based on direct appointment and direct selection—has facilitated progress over the past decade but is increasingly recognized as insufficient to meet the scale, speed, and transparency needed to achieve the country's energy transition targets. As renewable energy penetration becomes central to national development priorities and energy security towards the 8% economic growth target, there is a need to explore and evaluate alternative procurement strategies that can enhance efficiency, competitiveness, and investor confidence.

A widely adopted model internationally is the reverse auction, where qualified developers compete to offer the lowest tariff for delivering electricity from a specific technology or site. This approach has driven rapid price reductions and market transparency in countries such as India, Brazil, South Africa, and the United Arab Emirates. In Indonesia, reverse auction mechanisms have previously been explored, including in the geothermal and biomass sectors, offering early lessons about the importance of strong pre-qualification processes and technical due diligence to ensure feasibility and effective implementation. Revisiting this model, with clearer auction design, transparent evaluation criteria, and regulatory alignment, could be a promising direction for Indonesia—especially for utility-scale projects in well-mapped zones with existing grid access. Another concept that has gained relevance is bundled procurement—aggregating multiple projects into a single procurement package based on geographic, technological, or infrastructure synergies. This model has been used successfully in Morocco and in Mexico's long-term clean energy auctions, helping reduce transaction costs, scale project financing, and align procurement with grid development plans. For Indonesia, which faces challenges related to dispersed project sites and uneven infrastructure, bundling could be explored as a mechanism to enhance bankability.

For near-term, low-disruption reform, enhancing the existing direct selection mechanism presents an opportunity. Countries such as Vietnam and Thailand have taken steps to improve transparency within non-auction frameworks by formalizing prequalification, publishing procurement schedules, and disclosing evaluation criteria. In Indonesia's context, standardizing the criteria and process behind PLN's Daftar Penyedia Terseleksi (DPT) and ensuring regular, published procurement windows could significantly improve predictability and fairness without requiring full regulatory overhaul. Additionally, feed-in premium (FIP) schemes offer an adaptive pricing model, where developers are paid a premium on top of market electricity prices, typically awarded through a competitive process. Unlike feed-in tariffs, which have proven costly in many jurisdictions, FIPs provide flexibility while still guaranteeing price stability. Countries such as Spain and the Netherlands have implemented competitive FIP mechanisms to support newer technologies or higher-risk markets. For Indonesia, a capped FIP scheme could be used selectively where infrastructure costs and risk profiles justify additional support.

In select cases, bilateral negotiation with competitive safeguards may still be appropriate, particularly for strategic, complex, or government-to-government projects. However, to improve transparency and consistency, these negotiations could be supported by benchmarking against recent auction or tender results, standardized contract templates, and independent project reviews. Indonesia may also consider formalizing a developer-led competitive proposal model within designated renewable energy zones. In this approach, developers submit unsolicited proposals for projects located within pre-approved areas, which are then competitively assessed based on tariff, technology, and impact. This hybrid model has been used in parts of Latin America and South Korea to balance innovation and planning alignment. Given Indonesia's extensive use of unsolicited proposals, adapting this model could encourage more structured engagement while retaining developer initiative.

These procurement strategies are not mutually exclusive. They can be phased, adapted, or

layered depending on project type, scale, and location. Some, such as enhanced direct selection or bilateral negotiation with safeguards, may be easier to implement in the short term. Others, including reverse auctions or framework agreements, may require regulatory adjustments and capacity development. These alternatives, among others, may provide a flexible foundation for designing a procurement system that is transparent, cost-effective, and responsive to the diverse challenges of Indonesia's energy transition.

APPENDIX 2. Extended Scope of Work

The study is designed to comprehensively support the development of alternative renewable energy procurement strategies that are both legally and institutionally feasible for Indonesia. Given the complexity of the country's power sector—where procurement processes intersect with regulations, institutions, land governance, and financial considerations—this study adopts a multi-disciplinary qualitative approach. It integrates doctrinal legal analysis, institutional diagnostics, stakeholder-based inquiry, and comparative international benchmarking. All components are carefully structured around the five core objectives of the study and draw from globally recognized frameworks for regulatory reform, public procurement, and renewable energy policy analysis.

1. Legal and Regulatory Assessment and Policy Reform Design

To assess the regulatory barriers and legal feasibility of alternative procurement strategies, the study applies doctrinal legal analysis. This method focuses on interpreting the provisions, mandates, and interactions between existing laws, ministerial regulations, and internal procurement policies of PLN. Central to this analysis are the procurement-related provisions within Presidential Regulation No. 112/2022, MEMR Regulation No. 50/2017 (and its subsequent amendments), and PLN's internal operational manuals, including Perdir PLN 18/2023 and Perlaks PLN 37/2023. additionally the study reviews broader regulatory instruments related to land acquisition, investment approvals, and state-owned enterprise governance.

The legal review will also include a mapping of normative and institutional authority: identifying which entities are empowered to carry out procurement, negotiate power purchase agreements, or issue guidance on pricing. This mapping will help clarify whether existing legal instruments are align with key principles of competitive procurement, such as transparency, predictability, and non-discrimination. The findings from this process will inform a set of proposed policy and legal reforms—ranging from targeted regulatory adjustments to more systemic institutional reforms—structured around international good practices in procurement law.

2. Assessment of Enabling Conditions

Complementing the legal analysis, this component investigates the broader policy and operational ecosystem that determines whether alternative procurement strategies can be implemented effectively. This includes the alignment between procurement processes and national planning documents such as the RUPTL, the availability of standardized documents like bankable power purchase agreements, the functionality of grid interconnection procedures, and the administrative coordination between central and regional institutions.

The analysis follows a systems diagnostic perspective in which particular attention is paid to barriers related to the timeliness of permitting, consistency of tender processes, and availability of project preparation tools such as land acquisition services or feasibility studies. Through this diagnostic lens, the study identifies enabling factors that are already in place and those that require strengthening in order to support time- and cost-efficient procurement reform.

3. Institutional and Capacity Analysis of PLN and MEMR

The success of any procurement reform is dependent on institutional capacity—particularly the ability of PLN and MEMR to plan, administer, and oversee procurement processes. This component of the study evaluates key attributes such as internal mandates, procedural clarity, technical expertise, and coordination mechanisms. The assessment will examine how procurement functions are distributed across departments within PLN and MEMR, how

decisions are made and recorded, and what tools and staffing are available to support evaluation, contracting, and monitoring. Particular emphasis is placed on understanding the operation of the DPT system and how its current configuration affects developer access and transparency. Where relevant, comparisons will be made to procurement entities in peer countries—such as Vietnam or South Africa—to identify lessons that could inform institutional redesign or process improvement in Indonesia.

To validate findings and uncover operational realities that may not be visible through document review alone, the study might require a limited number of semi-structured interviews with personnel from both institutions and key affiliated agencies.

4. Legal and Policy Assessment of the National Land Bank's Role

Land acquisition remains one of the most cited barriers to renewable energy project development in Indonesia. This component examines whether and how the National Land Bank (Badan Bank Tanah), established under Government Regulation No. 64/2021, could be utilized to streamline land acquisition for renewable energy development. The legal review focuses on the statutory authority of the Land Bank to identify, reserve, and allocate land for public interest projects, including how its mandate intersects with that of MEMR, regional governments, and PLN. The analysis is complemented by a policy assessment that maps the actual coordination pathways, approval procedures, and administrative practices currently used by the Land Bank, especially in relation to energy and infrastructure.

The objective is to determine under what regulatory or procedural arrangements the Land Bank could support alternative procurement strategies by reducing early-stage land risks and transaction delays. Where possible, parallels will be drawn from international practices where land banks or government-led land facilitation agencies have played a role in renewable energy scale-up.

5. Design of Alternative Procurement Stages

The final component of the methodology focuses on designing alternative procurement sequences that reflect international best practices while responding to Indonesia's legal, institutional, and market conditions. This design process serves as an actionable synthesis of the findings from prior objectives. The study will extract operational lessons from global best practices and assessment results and adapt them into procurement process flow models appropriate for Indonesia. These models will consider entry points for developer engagement, structuring of bidding documents, sequencing of evaluations, and responsibilities for contract award and execution. The proposed workflows will also be evaluated for their time-efficiency and ease of administration, particularly in relation to existing institutional capacity within PLN and MEMR.

To ensure practical relevance and institutional buy-in, the proposed procurement designs will be shared for validation with selected stakeholders from the public and private sectors. Their feedback will be incorporated into the final recommendations, along with a set of implementation considerations for short-, medium-, and long-term reforms.