



Request for Proposal (RfP)

**Research Consultant for
Socio-economic study on Domestic Market
Obligation (DMO) and Domestic Price Obligation
(DPO) impacts on electricity price, state revenue,
and state expenditure**

RFP No.	1185/IESR/VIII/PM-GETI/ADM-RFP/2025
Issue date	September 12th, 2025
Proposal due date and time	September 22nd, 2025
Anticipated Award Date	September 29th, 2025
Contact Person/Department	Warih Aji Pamungkas warih@iesr.or.id Green Energy Transition Indonesia

Institute for Essential Services Reform

Tebet Timur Raya No.48B, Tebet
Jakarta Selatan
Indonesia

3 September 2025

Research Consultant for

Socio-economic study on Domestic Market Obligation (DMO) and Domestic Price Obligation (DPO) impacts on electricity price, state revenue, and state expenditure

1. Introduction and Executive Summary

1.1 Purpose of the RfP

Indonesia's baseload power supply is heavily reliant on coal, which in 2022 contributed 44.7% of the primary energy mix, mainly for electricity generation. Most domestic coal is used in the power sector, with one-third consumed directly by industry, where coal also supplies over half of industrial demand. In 2022, coal production reached 687 Mt (3% above the national target) resulting in a domestic supply 30% higher than the DMO target, of which 40% served industry. Consumption increased further in 2024, with coal's energy share almost doubling from the previous year.

To secure domestic supply and protect the State Electricity Company (PLN) from global price volatility, the Domestic Market Obligation (DMO) was introduced in MEMR Regulation No. 23/2018, requiring 25% of production for domestic use, primarily for power generation. Alongside it, the Domestic Price Obligation (DPO) capped coal prices for electricity generation at USD 70/tonne under MEMR Decree No. 1395/2018. The latest regulation, MEMR Decree No. 399.K/MB.01/MEM.B/2023, changed the DMO calculation from 25% of expected production to 25% of realized production if expected production is not achieved and replaced noncompliance fines with a compensation fee. While DMO and DPO have stabilized coal supply and electricity prices in the short term, they also limit coal producers' export earnings and may delay renewable energy development by keeping coal artificially cheap. This creates a policy tension with Indonesia's long-term decarbonization targets under the RUKN 2024–2060, which seek to reduce coal reliance and increase renewable energy shares.

Relaxing or phasing out DMO and DPO could raise electricity costs as coal prices align with global markets, potentially affecting competitiveness but also making renewables more attractive. Such a shift could boost export revenues for coal-producing regions but would require careful management of domestic energy prices, state revenue impacts, and socio-economic effects on coal-dependent communities. This research will analyze these trade-offs using economic modeling, policy analysis, and stakeholder interviews to recommend a balanced approach that supports both energy security and Indonesia's energy transition.

The Institute for Essential Services Reform (IESR) through the Green Energy Transition Indonesia (GETI) project, supported by the British Embassy Jakarta, aims to identify ways and a comprehensive strategy for reassessing and reforming coal DMO and DPO policies that eventually boosts renewable energy deployment in the power sector. Therefore, GETI is seeking an experienced individual consultant to conduct a thorough analysis in assessing the impacts of coal DMO and DPO policies towards national energy independence and economic development.

1.2 Background of the Procuring Entity

The Institute for Essential Services Reform (IESR) is an Indonesian think tank focused on energy and environmental issues, driving the transition to a low-carbon energy system through evidence-based policy advocacy and rigorous scientific research. Founded in 2007, IESR evolved from earlier civil society efforts advocating for electricity sector reform and has since become a key driver of Indonesia's transition toward a clean, just, and low-carbon energy system. Headquartered in Jakarta, IESR envisions a world that is better, more sustainable, low-carbon oriented, and able to provide clean, sustainable energy for future generations.

IESR's mission is to encourage the acceleration of Indonesia's energy transition towards a just, clean, and low-carbon energy system. The organization operates at the intersection of research, policy advocacy, public engagement, and capacity development, working collaboratively with government institutions, civil society organizations, academia, and private sector actors. IESR actively produces data-driven policy recommendations and high-impact research to guide national energy planning and decision-making, particularly as Indonesia seeks to meet its climate targets and net-zero commitments.

In pursuit of its goals, IESR engages in a wide range of activities. These include the Green Energy Transition Indonesia (GETI) project, which aims to strengthen the enabling conditions for the rapid deployment of green electricity and green hydrogen in the country. Through GETI, IESR works to expand access to inclusive, reliable, and affordable low-carbon energy while creating an environment that encourages increased investment in renewable energy projects. As part of this initiative, the GETI project is opening a Request for Proposal (RfP) for a Research Consultant to collaborate in achieving its goals.

1.3 Project Overview/Scope Summary

The Institute for Essential Services Reform (IESR) is seeking qualified experts or organizations to conduct a comprehensive study on the socio-economic implications of Indonesia's coal DMO and DPO policies. This study specifically will provide a comprehensive socioeconomic analysis on coal DMO and DPO impacts on Indonesia's electricity prices and affordability, state revenue and expenditure, as well as windows for policy reform to coal DMO and DPO policies. Utilizing a combination of economic/statistical modeling, policy analysis, and stakeholder interviews to assess the trade-offs and recommend a balanced approach that supports both energy affordability and economic development, the study will reassess coal DMO and DPO policies.

1.4 Key Dates and Milestones

The project must commence in the **1st week of October 2025**, and the results of the project must be finalized no later than **3rd week of December 2025** as presented below. To track progress, it is suggested to have **biweekly meetings** between IESR and consultants. Moreover, consultants could provide a suggested timeline for completing the project as long as it is still within the period mentioned previously. Further information regarding the Scope will be provided in **Section 2.2**.

Activity/Deliverables	Description	Suggested Timeline	Payment Term
Kick off meeting of the project		W1 October 2025	20%
Inception Report	Outline detailed methodology, work plan, and preliminary desk research.	W2 October 2025	
Progress Report 1	Updated insights and draft outputs covering Scope 1.	W4 October 2025	
Progress meeting 1		W4 October 2025	30%
Progress Report 2	Updated insights and draft outputs covering Scope 2 and 3.	W2 November 2025	
Progress meeting 2		W2 November 2025	
Progress Report 3	Updated insights and draft outputs covering Scope 4.	W4 November 2025	
Progress meeting 3		W4 November 2025	30%
Preliminary Report	A draft version of the full report.	W1 December 2025	
Finalization meeting of final report		W1 December 2025	
Final report and Handover		W3 December 2025	20%*

**Final payment is subject to acceptance and approval of the final report.*

The 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.

2. Scope of Work and Deliverables

2.1 Project Description

The consultant is expected to support the IESR team in providing research and analysis on socioeconomic aspects on coal DMO and DPO policies which.

The main **research questions** to be answered in this study are outlined below.

1. What are the impact of coal DMO and DPO regulations—and the lack thereof—on electricity price and affordability?
2. What are the impact of coal DMO and DPO regulations—and the lack thereof—on state revenue and expenditure?

Detailed objectives have been developed to provide deeper insight into these primary questions.

1. Assess how coal DMO and DPO policies influence electricity generation costs and household electricity tariffs compared to a counterfactual market-price scenario.
2. Quantify the impact of coal DMO policy on Indonesia's state revenue—particularly royalties, export duties, and tax receipts—by examining how mandatory domestic sales reduce average coal sale values, constrain export volumes, and alter the balance between domestic and global market sales, among others, relative to a market-based scenario.
3. Quantify the fiscal burden of coal DPO policy on state electricity expenditure such as the compensations distributed via budget transfers to PLN by estimating how domestic price caps inflate state budget allocations to fill the gap between capped price and global price relative to a market-price scenario.
4. Assess how coal DMO and DPO policies influence household and industrial electricity affordability by examining the intertwining factors and variables between coal price regulation to end-user tariffs, while accounting for offsetting macroeconomic effects such as income growth, inflation, and industrial competitiveness, thereby identifying whether regulated coal pricing sustains or erodes real affordability in the medium-to-long term.
5. Examine the potential ways for reforming coal DMO and DPO regulations by identifying the factors above, while mapping feasible strategies for policymakers to balance energy affordability, fiscal sustainability, and decarbonization goals.

2.2 Specific Services/Products Required

In this project, the consultant will undertake the following key tasks. The **scope of work** may be adjusted as necessary to ensure the study's objectives are fully met.

1. Implication to electricity price calculations
 - a. Map regulatory mechanisms of DMO and DPO and their link to electricity pricing.
 - b. Analyze cost pass-through from coal price caps/obligations to PLN's generation costs.
 - c. Conduct scenario analysis of electricity tariffs under different DMO/DPO reform options.
 - d. Assess distributional impacts of tariff changes across consumer groups.
2. Implication to state revenue calculations
 - a. Analyze fiscal flows from coal royalties, export duties, non-tax state income, regional taxes, land rent, corporate taxes, and export earnings under current and reformed DMO/DPO settings.
 - b. Model state revenue changes resulting from potential shifts in domestic and export coal sales and price.
 - c. Assess trade-offs between electricity price stability and fiscal income maximization.
3. Implication to state expenditure calculations
 - a. Examine government compensation schemes to PLN linked to coal procurement costs.
 - b. Quantify changes in expenditure requirements under alternative DMO/DPO policy scenarios.
 - c. Analyze long-term fiscal sustainability of maintaining electricity affordability through compensations.
4. Implication to electricity affordability calculations
 - a. Assess household and industrial capacity to absorb potential electricity tariff increases.
 - b. Examine interaction between electricity prices and broader economic indicators (inflation, wages, energy intensity).
 - c. Evaluate electricity affordability under DMO/DPO reform scenarios.
5. Complete all deliverables as specified in **Section 2.3** of this document.

To effectively carry out this scope of work, the required qualifications for the consulting expert/team are as follows:

1. Lead by a PhD degree in energy economics, macroeconomics, public policy, or other related field to the economics sector (Master's degree with extensive experience may also be considered).
2. A minimum of 5 years of experience for a PhD (or 8 years for a Master's degree) in related fields.
3. Demonstrated track record with economic modelling and analysis.
4. Familiarity with the coal market, energy market, and energy transition frameworks.
5. Proven experience in stakeholder engagement and institutional coordination.
6. Working proficiency in English and Bahasa Indonesia.

This opportunity is open to **independent consultants** and **consulting firms** based in Indonesia. The study is generally open to the methodology proposal proposed by the consultant, which will be deeply discussed at the beginning of the study. The consultant hired for this project will work collaboratively with the IESR Team. The expected methodology for the study is included, but not limited to:

1. Desk-study,
2. Macroeconomic modelling,
3. Computational statistics, and
4. In-depth interviews/focus group discussions.

2.3 Deliverables and Milestones

The consultant is expected to submit the following deliverables throughout the course of the study. All final outputs must be submitted in English, in an editable digital format, and professionally proofread.

2.3.1 Interim Deliverables

To ensure quality control and track progress, the following interim deliverables are expected:

1. Inception Report

Submitted after the kick-off meeting, this report should outline the study methodology, work plan, timeline, and key points of coordination.

2. Brief Monthly Report

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. Progress Report 1

A presentation slide deck summarizing preliminary findings and updates covering Scope 1, to be presented during the first progress meeting.

4. Progress Report 2

A second presentation slide deck capturing updated insights and draft outputs covering Scope 2 and 3, to be presented during the second progress meeting.

5. Progress Report 3

A second presentation slide deck capturing updated insights and draft outputs covering Scope 4, to be presented during the second progress meeting.

6. Preliminary Report

A draft version of the full report, including early analysis and complete structure for feedback prior to finalization.

2.3.2 Final Deliverables

At the end of the project, the consultant must submit:

1. Database of Collected Information

A structured and organized dataset or spreadsheet compiling key data and references gathered throughout the study.

2. Final Report

(Written in English; Maximum 80 pages, w/o appendix; Including executive summary, maximum 4 pages)

A final report covering all components of the scope of work, structured into the following recommended sections (may evolve or change along the study):

- a. Executive Summary
- b. Introduction
 - Background: Coal's role in Indonesia's power sector and economy
 - Policy and political contexts of coal DMO and DPO, evolution of the regulations, and rationale of policies
 - Research objectives and scope
- c. Methodology and framework
 - Theoretical framework such as electricity pricing, affordability, fiscal flows, etc.
 - Analytical framework linking DMO/DPO to electricity sector and economy
 - Assumptions and limitations, if any
- d. Pricing Implications
 - Current coal pricing structure and market dynamics
 - Comparative scenarios with and without DMO/DPO
 - Impacts on domestic and export market behavior
 - Key findings and implications
- e. State Revenue and Expenditure Impacts
 - Current fiscal contribution from coal (royalties, taxes, exports)
 - Coal domestic obligation and price cap compensation mechanisms
 - Fiscal burden under current policies
 - Scenarios under alternative DMO/DPO arrangements
 - Trade-offs between domestic price-supply stability and state revenue-expenditure balance
 - Implications for fiscal and energy resilience
- f. Electricity Affordability Implications
 - Definition and reasoning of affordability benchmark and/or parameter
 - Affordability analysis: households, industry, and regional differences
 - Interactions between electricity price, inflation, and wages/spending powers
 - Implications for energy transition and socioeconomic equity
- g. Windows to Policy Reform
 - Stakeholder mapping and political economy context

- Alignment with Indonesia's energy transition and economic growth agendas
- External drivers and barriers
- Timing and opportunities for policy change
- h. Conclusions
 - Synthesis of findings
 - Policy options for DMO and DPO policies reform
 - Strategic recommendations for government and stakeholders

3. 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.

The report should use APA 7th edition referencing, with a complete reference list included at the end.

3. Proposal Requirements and Submission Instructions

3.1 General Requirements

All the bidding participants will be expected to propose their proposals and required documents as part of IESR's commitment to encouraging openness and accountability in the bidding process, as follows:

3.1.1 Proposals

Bidding participants have to submit no more than 40 pages of a proposal package, which consists of a technical proposal (background, task to be conducted, methodology, schedule), and a detailed cost proposal. The proposal outlines are further explained in **Section 3.1.3**.

The annex of the proposal should include the following items:

1. Brief expert/company/institution profile.
2. The latest Curriculum Vitae (CV) of the team leader. CVs of other team members with relevant experience are optional.
3. Relevant portfolio in conducting similar work or in a similar field.

3.1.2 Mandatory Requirements

Bidding participants are required to submit the following mandatory documents (signed under legal stamps/*meterai*) along with their proposal, as listed below.

1. Statement Letter of Compliance with Pre-Qualification Provisions
2. Statement Letter of Not Involvement in Prohibited Organizations
3. Statement Letter of Not Claiming Compensation
4. Business Entity Qualification Form
5. Statement Letter Not Under Court Supervision
6. Expression of Interest
7. Statement of Willingness to Deploy Personnel and Equipment
8. Statement of Overall Commitment

9. Field Capability Statement Letter
10. Statement of Authenticity of the Document
11. Integrity Pact

Considering the administrative and legal requirements above, this procurement is open for experts and/or institutions with legal operational permit(s) in Indonesia and subject to Indonesian taxation law. All required documents mentioned above can be downloaded through this link (s.id/documentsrfpcommsiesr).

3.2 Proposal Content Outline

All bidding participants are expected to submit a comprehensive proposal. While the overall structure may be determined by the bidders, the proposal must, at a minimum, include the following components.

1. Executive Summary
2. Company Profile
3. Understanding of the Project: Scope of Work
4. Proposed Solution: Detailed approach, methodology, and proposed
5. Project Plan/Timeline
6. Team and Resources
7. Experience and References
8. Pricing Proposal
9. Assumptions and Dependencies
10. Risk Management Plan
11. Appendices: Supporting documents (resumes, certifications, relevant portfolio, etc.)

3.3 Pricing Proposal Requirement

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). A more detailed proposal cost is encouraged to ease the selection process. The budget ceiling for this proposal is **IDR 300,000,000** for all costs required during the study period (including tax).

3.4 Submission

All required documents are expected to be received to IESR before 11:59 a.m. Indonesian Western Standard Time (WIB, GMT+7) on **Monday, September 22, 2025**.

Bidders must submit a digital copy of their proposal via email to: GETI Project Manager at erina@iesr.or.id, and cc to Green Energy Policy Coordinator at warih@iesr.or.id, Environmental Policy Analyst at ilham@iesr.or.id, GETI Project Officer at alifiadarmayanti@iesr.or.id, and MEL Coordinator at deasy@iesr.or.id. Please include **"RfP Response – Coal DMO-DPO Socio-economic Study"** in the subject line. Contract negotiations with the winning bidder will commence immediately after selection.

3.5 Late Submissions

Any proposals received after the submission date and time will be regarded as inadmissible. The late proposal submission will be considered if the RFP submission deadline is extended.

4. Evaluation Criteria and Selection Process

4.1 Evaluation Committee

To ensure fairness and objectivity, an Evaluation Committee will be appointed to review all proposals. All members will be confirmed to have no affiliation or conflict of interest with any participating bidders. Each member will evaluate and score submissions independently before proceeding to subsequent stages or determining the final results.

Staff Name	Position in IESR	Role in Evaluator Team
Erina Mursanti	GETI Project Manager	Project Supervisor
Warih Aji Pamungkas	Green Energy Policy Coordinator	Proposal Evaluator
Ilham Rizqian Fahreza Surya	Environmental Policy Analyst	Proposal Evaluator

4.2 Evaluation Criteria

All proposals received will be reviewed and assessed by the Evaluation Committee using a set of criteria designed to ensure alignment with the objectives of this RFP. The following criteria and weight will guide the assessment process.

1. Organizational Capacity and Relevant Experience

The proposer has demonstrated the capability to deliver the required services, including a track record of relevant past performance, understanding of the local context, and successful delivery of projects of comparable scope and complexity. Reference to the value of previous relevant projects is encouraged.

- Organization's technical capacity, expertise, and experience for requested service types/fields (10%).
- Experience in conducting services in the requested locations (understanding of local context where the project is being executed), if applicable (10%).
- Highest contract value ever completed relative to the expected service value of the RFP (5%).
- Organization performance in past works with IESR (5%).

2. Technical Approach and Methodology

Clarity, suitability, and completeness of the proposed approach to achieving the objectives of the RFP, including methodology, work plan, timeline, and any added value or innovative concepts that may go beyond the stated requirements.

- Clear understanding of the required services as described in the proposal (5%).
- Clear description of the methodology proposed to meet the RFP objective (10%).
- Suitability of the proposed methodology for answering the RFP requirement (20%).
- Transparent work allocation and timeline to complete the tasks (10%).
- Additional value or idea proposed on top of the RFP requirement (5%).

3. Team Qualifications

The relevant experience, expertise, and educational background of key personnel proposed for the assignment.

- Team member experience level (5%).
- Team member education level (5%).

4. Cost-Effectiveness

The extent to which the proposed cost is reasonable and competitive concerning the quality, scope, and level of expertise offered.

- Proposed contract value against estimated service value (10%).

4.3 Evaluation Process

The evaluation process will be done by the evaluation committee as staged: Initial screening to check the bidding proposal completeness, detailed review and scoring based on the evaluation criteria mentioned previously, shortlisting three top candidates, clarification meetings, reference checks and final selection, and award decision/winner results.

4.4 Award Decision

The submitted proposals will be evaluated by the committee based on the criteria and stages outlined above. If necessary, the committee may request a clarification meeting with shortlisted bidders following the initial assessment. Upon completion of the evaluation process, the selected bidder and the evaluation results will be announced on the IESR website and communicated directly via email to all participating bidders. The selection decision for the winning bidder will be made by **Monday, September 29, 2025**.

5. Terms and Conditions

These terms and conditions apply to the RfP and selection process, with further details for project execution to be included in the final contract.

5.1 Standard and Contract Terms

- If the individual or organization submitting a proposal intends to outsource or subcontract any part of the work to meet the requirements of this RfP, this must be clearly stated in the proposal.
- Proposals must include the costs for any outsourced or subcontracted work, and the name, background, and scope of work of the subcontracting organization(s) must be provided.
- Please describe any limitations, assumptions, or dependencies that may affect the work.
- Proposals must be submitted according to the timeline stated in this RfP. Any proposals received after the deadline may not be considered.
- The scope of work described in the final contract will reflect the agreed deliverables during the project.
- If there are changes to the proposal during the evaluation process (e.g., scope adjustments, resource changes, revised pricing), these must be submitted in writing and agreed upon before the contract is finalized.

- If the selected bidder is unable to deliver the agreed work and withdraws before the project begins, the procuring entity reserves the right to select an alternative bidder.
- If unforeseen circumstances prevent the winning bidder from providing required materials or services during the project, the bidder must notify the procuring entity immediately to determine next steps.
- Final contract terms and conditions will be negotiated upon selection of the winning bidder.

5.2 Confidentiality and Proprietary Information

- All information in this RfP and any materials shared during the evaluation process should be treated as confidential.
- Information provided during the evaluation process should only be used for preparing and submitting your proposal and not for any other purpose, unless you have prior written consent from the procuring entity.
- Any notes, drafts, or discussions (verbal or written) created or received in connection with your proposal should be handled as confidential.

5.3 Right to Reject/Modify

The procuring entity reserves the right to reject any or all proposals, waive any informalities in the procurement process, and enter into negotiations with selected bidders as deemed in its best interest.

5.4 Disclaimers

The procuring entity is under no obligation to award a contract as a result of this RfP and will not be responsible for any costs incurred in the preparation or submission of proposals. The selected bidder and the evaluation results will be announced on the IESR website and communicated directly via email to all participating bidders.

5.5 Governing Law

The project agreement will be governed by and constructed in accordance with the laws of the Republic of Indonesia.

5.6 Amendments

Any changes, updates, or clarifications to this RfP will be issued as formal written addenda and distributed to all listed bidders. This ensures that all bidders receive the same information, maintaining transparency and fairness in the RfP process.

6. Inquiries and Communications



6.1 Questions and Clarifications

All questions regarding this RfP must be submitted in writing via the mentioned emails on **Section 3.4** with the email subject **"RfP Inquiry – Coal DMO-DPO Socio-economic Study"**. Verbal inquiries will not be accepted.

6.2 Addenda/Amendments

Any changes, updates, or clarifications to this RFP will be issued as formal written addenda and distributed to all listed bidders.

7. Acknowledgement

Reviewed by:	Approved by:
<p>✓ Signed by:</p>  <p><small>BF81A06F-C6AB-4A90-897F-244CC96C049A</small></p> <p>Erina Mursanti Green Energy Transition Indonesia (GETI) Project Manager, IESR</p>	<p>✓ Signed by:</p>  <p><small>77ACB4D9-7BF2-4431-8689-2FB1FC2C57C3</small></p> <p>Kharina Dhewayani Operational Manager, IESR</p>