



IESR

Institute for
Essential Services
Reform

Vision & Reality Just Energy Transition Partnership in Indonesia

Presented by:

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INETTT

International
Network of
Energy Transition
Think Tanks

Indonesia JETP



Just Energy Transition Partnership was announced on November 2022, in Bali at G20 Indonesian Presidency. Commitment from GFANZ + IPG will support mobilization of **USD 20 Billion** over 3-5 years period.

Comprehensive Investment Plan (CIP)

- **CIP consist of:**
 - Investment Plan
 - Policy Plan
- **CIP covers power sector including:**
 - On-grid power
 - Off-grid power and captive power in industry use

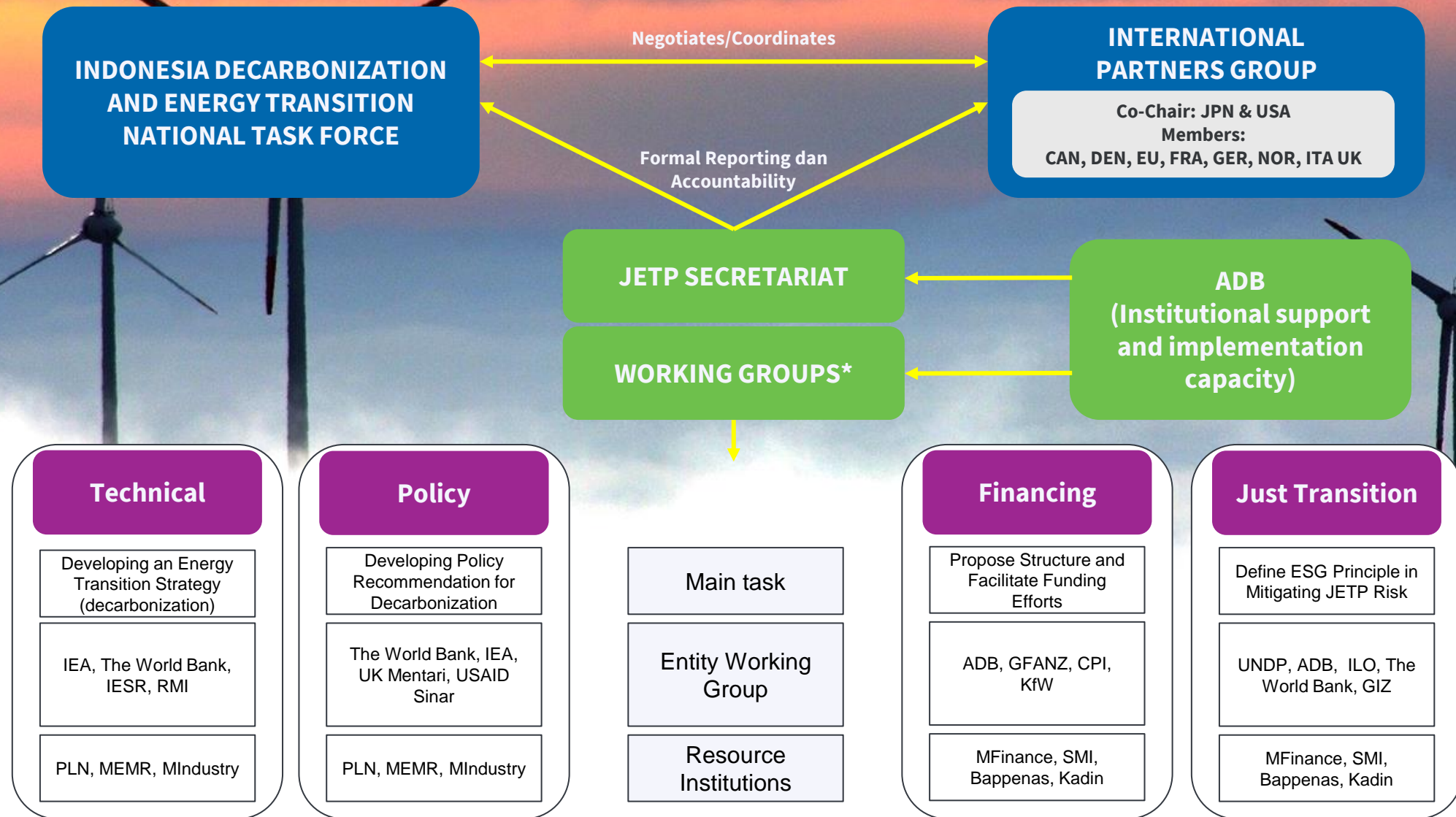
Joint target for power sector

- **Peak power emission 2030** with absolute value of 290 MtCO₂ (down from baseline 357 MtCO₂)
- **Net zero emission by 2050**
 - Including accelerated retirement of coal plants, conditional with international support
 - RE comprises **at least 34% of all power generation by 2030**

CFPP-related CIP content

- **Early retirement of CFPP** as prioritized and identified
- **Restricting** the development of **captive coal fired power plants** in accordance with the **Perpres 112/2022** and collaborating to find and **implement potential zero-emission and renewable solutions**
- **Freezing the existing pipeline** of planned on-grid CFPP in the current RUPTL for 2021 – 2030

Indonesia JETP Structural Governance



Source: ADB

Challenge Towards Reaching Peak Power Sector Emission in 2030

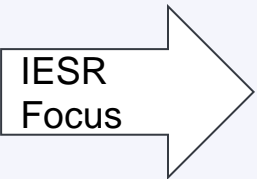
- The SOE Utility limited commitment to retire its coal fleet before 2030. PLN has so far only committed to stopping CFPP operations of 4.8 GW + 1.3 GW, so it needs a scale-up in other options
 - The total CFPP in Java is 4,368.2 MW
 - The total CFPP in Sumatra is 467.5 MW
 - CFPP Jawa-3 of 1,320 MW (2 x 660 MW) has been confirmed to be canceled
- Cancellation of CFPP project in the pipeline (IPP) could be part of the reduction. IESR estimates 3 GW of 13.8 GW is viable for cancellation. The total cost of PLTU intervention in the pipeline is still low so it can be considered, but it requires PLN and IPP to have agreement on this.
- The inclusion of captive power plants and private power utility are a must to meet JETP target. Get the owners to agree on early retirement before 2030 is challenging at this stage.
- Renewable energy capacity must be built around 30 GW in less than 10 years.



Defining “Just Transition” in Indonesia context

Even in Indonesia, where it has been mentioned in several government documents, such as the NDC, the ideals of a just transition are not clearly defined.

- JETP document: “Concrete action to achieve an equitable energy transition for **workers and communities**, especially those **most affected by the energy transition** away from coal”
- CIF-ACT document: “Affordable and equitable energy transition including (i) stable **availability of essential services** such as electricity (ii) stability of **energy prices**, food, and public transportation (iii) **social protection** for the underprivileged and vulnerable people and (iv) application of the **principles of sustainable development**, through the CIF-ACT principles of people, governance and infrastructure”
- **Bersihkan Indonesia Coalition**: "A just transition with a **recovery perspective** is the internalization of environmental, social, and health costs, as well as recovery costs, which must be carried out for coal mines and power plants that have not yet ended their operational period. In addition, parties who benefit from negative externalities that have been borne by the people must be legally responsible. Environmental restoration must be carried out by prioritizing the **principle of polluters** paying through legal accountability that touches the brains of the perpetrators of their crimes
- Bloomberg & Getting Warmer with Kal Penn: A transition that leaves no one behind, where the great benefits of the green economy are distributed to all parties, especially to the most economically affected groups



- **Labour**
- **Economic Transition**



Thank You

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