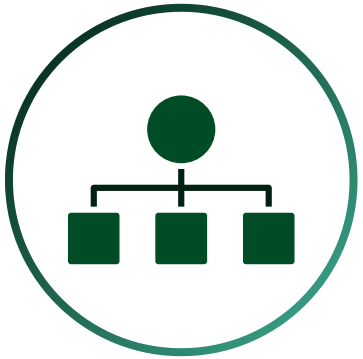
Kementerian Koordinator Bidang Kemaritiman dan Investasi
Republik Indonesia

JETP Indonesia Framework

March 2023

Update on a few key agendas



A

JETP Secretariat Organization and Setup

- Secretariat office and location
- Secretariat governance
- Organization and operational structure

B

Comprehensive Investment Plan

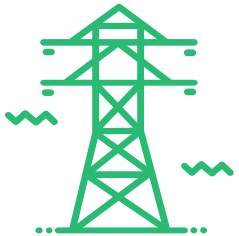
- Updated forecast on energy demand, generation, and emission
- View of on-grid and off-grid power system

C

Projects/ Transactions

- Discussions with key ministries & institutions
- Discussions with power companies and industries
- Preliminary list of pilot projects

Various potential investments to decarbonize the power sector in Indonesia have respective suitable investment schemes

Early Retirement	Carbon Capture	Infrastructure & Grid	RE + Storage	RE Value Chain
				
Retire power plants powered by fossil fuels before their natural end of life	**Invest in CCS/CCUS technology** to capture CO_2 emitted from power generation	**Improve** the electricity **infrastructure** to decarbonize	**Enhance RE** technology to be **suitable** for **local needs**	**Build and develop RE value chain** (e.g. solar cell manufacturing) in Indonesia

Investment Scheme

Grant → Concession → Commercial

Social welfare projects to ensure a just energy transition to be also included in investments

There are also other investment opportunities to decarbonize sectors outside the power sector in Indonesia

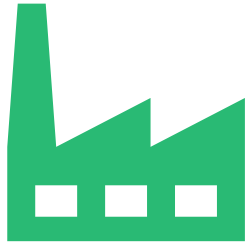
Transportation

Invest in building the ecosystems of **electric vehicles** and **net-zero emission fuels** (e.g. biofuels)

Buildings

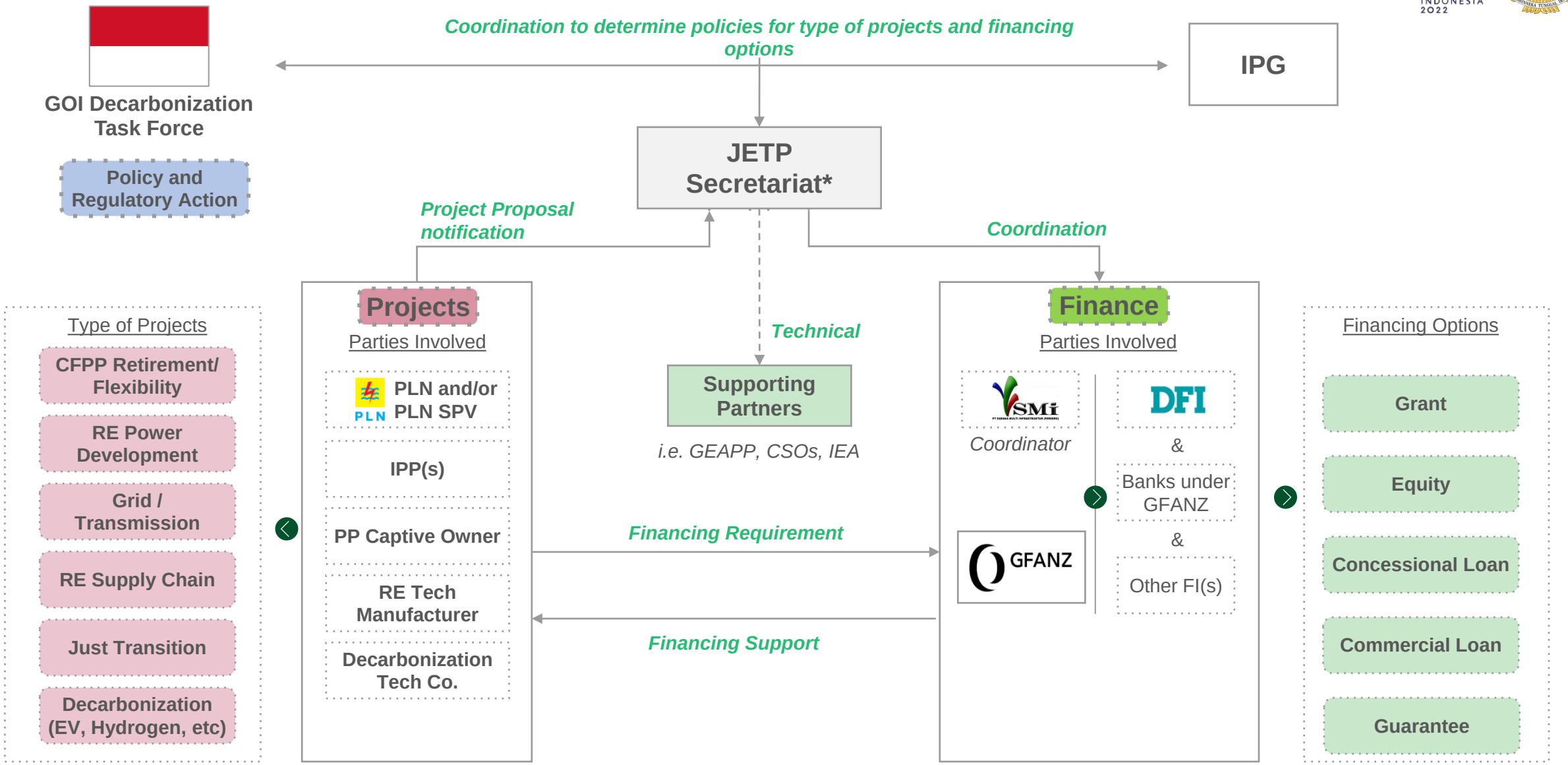
Update building codes (e.g. electrify kitchen stoves) and **improve construction practices**

Industry



Electrify heat processes and **switch** industry **away** from **carbon-emitting fuels**

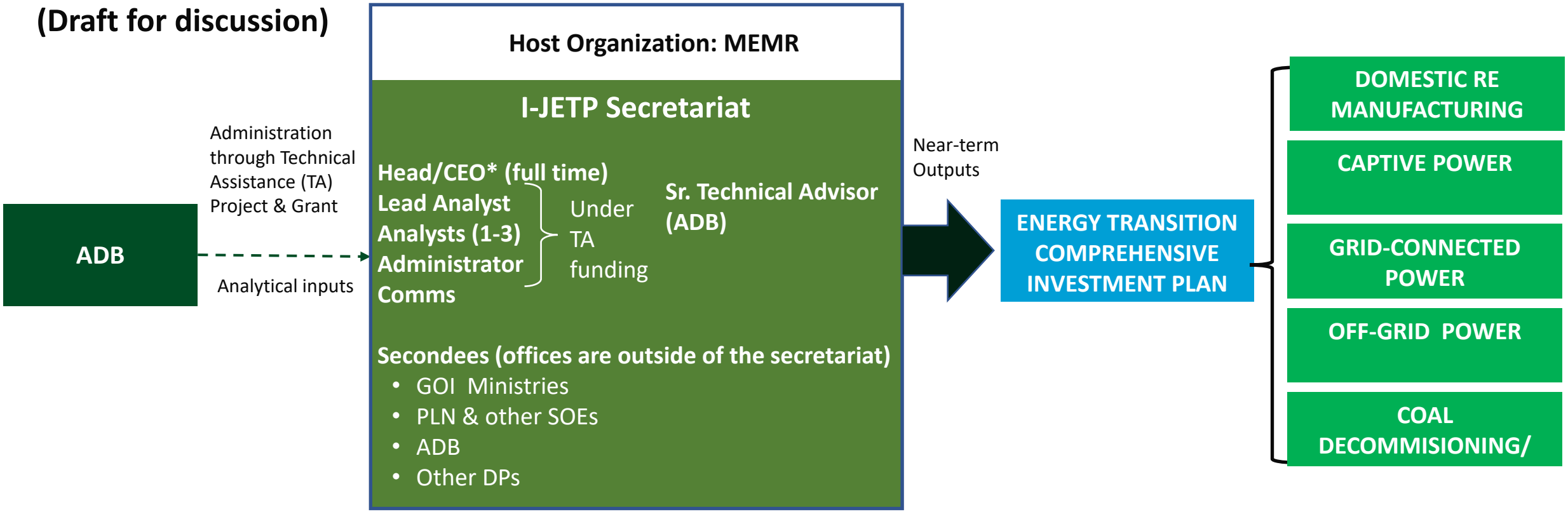
JETP governance and workflow



*Hosted by MEMR, institutional support and implementation capacity by ADB

JETP Secretariat: Proposed Organizational / Operational Structure

(Draft for discussion)

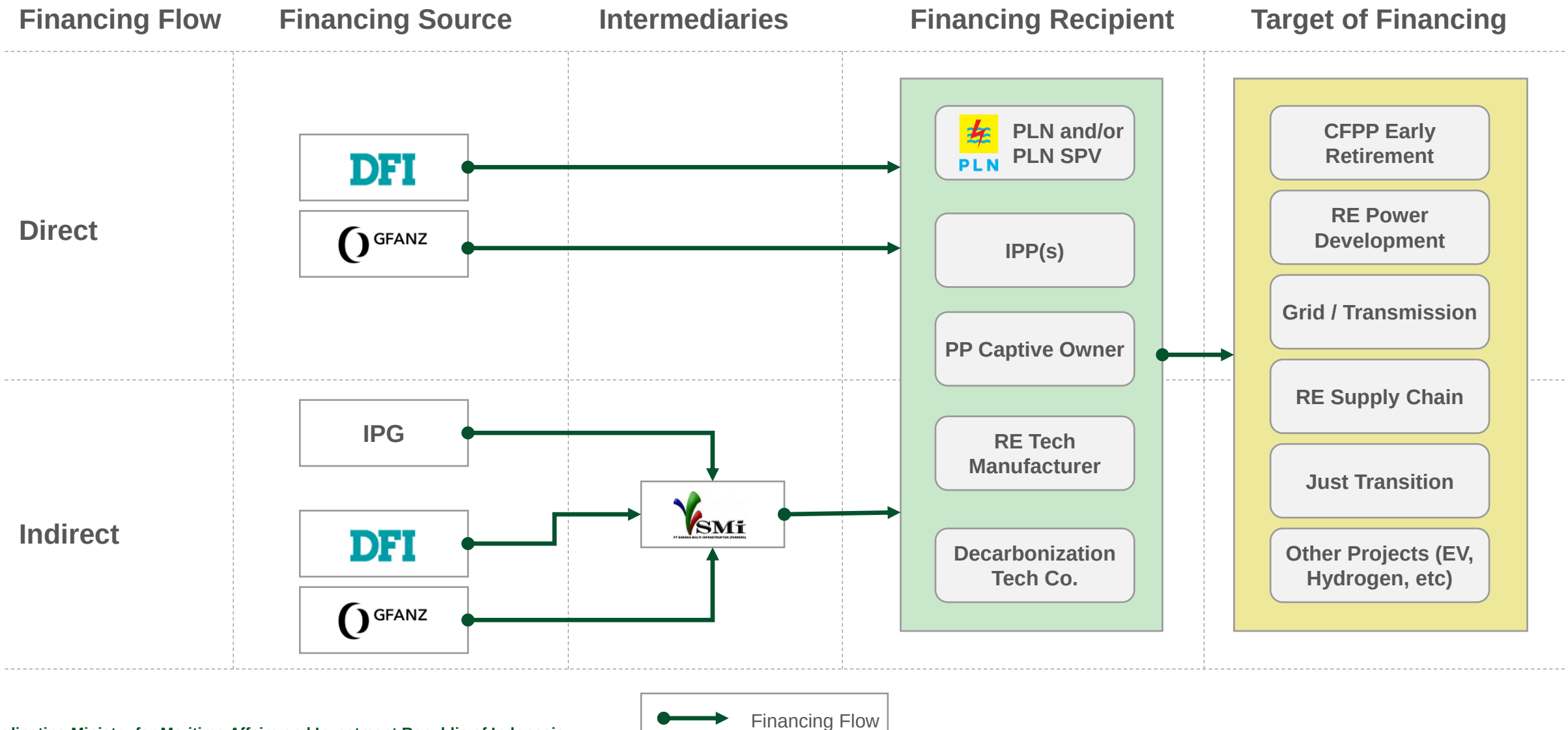


* Indonesian National

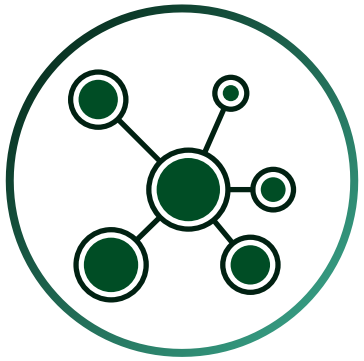
Four JETP Working Groups will be established to drive early success

	Technical	Policy	Finance	Just Transition
Tasks	Create roadmap for decarbonization	Develop policy recommendation for decarbonization	Assist and facilitate financing mechanism	Define ESG principles to mitigate negative impact to welfare
Supporting institution (preliminary)	IEA, PLN, Ministry of Energy and Mineral Resources, Climate Policy Initiative		Kementerian Keuangan Republik Indonesia, ADB, GFANZ	

Options for JETP flow of financing to fund decarbonization Projects

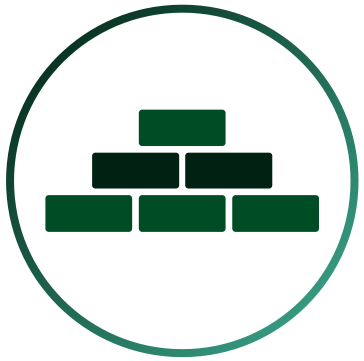


Steps are needed in order to incorporate renewable energy in the power system



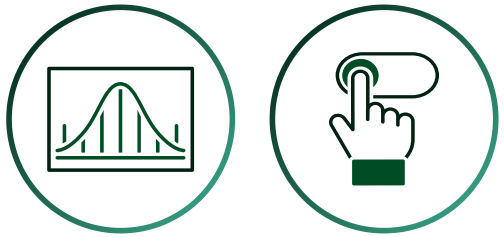
Transmissions

Enabler



Baseload RE

Foundation



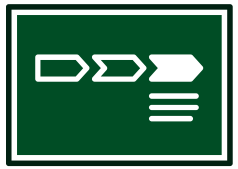
Variable RE +
Dispatchable Power Source

Growth

Building domestic renewable energy value chains is critical for Indonesia to increase its renewables adoption

Review of TKDN (Local Content Requirements) for renewables

- High level LCR discussion with relevant ministries and UK
- Engagement with the UK government as the JETP LCR working group



Developing RE value chain in Indonesia

- Initial engagement with various companies to setup manufacturing facilities in Indonesia
- High potentials in the domestic and export market for RE components

Moving forward, we need to be agile in the face of an everchanging energy landscape in Indonesia

Many inputs for the JETP investment plan are not static

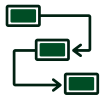
Energy demand will keep increasing

Technology and energy mix for the energy supply are not fully determined yet

Many constraints on the energy system and the financing requirement are not yet uncovered

Therefore, old way of working wont be suitable for JETP

Need to avoid working in a "waterfall" manner i.e., working linearly and sequentially through process



Linear-sequential process is not suitable for the current landscape

- Getting stuck on 1 process will delay all subsequent processes
- Our plan will become obsolete over time

Working principles for JETP

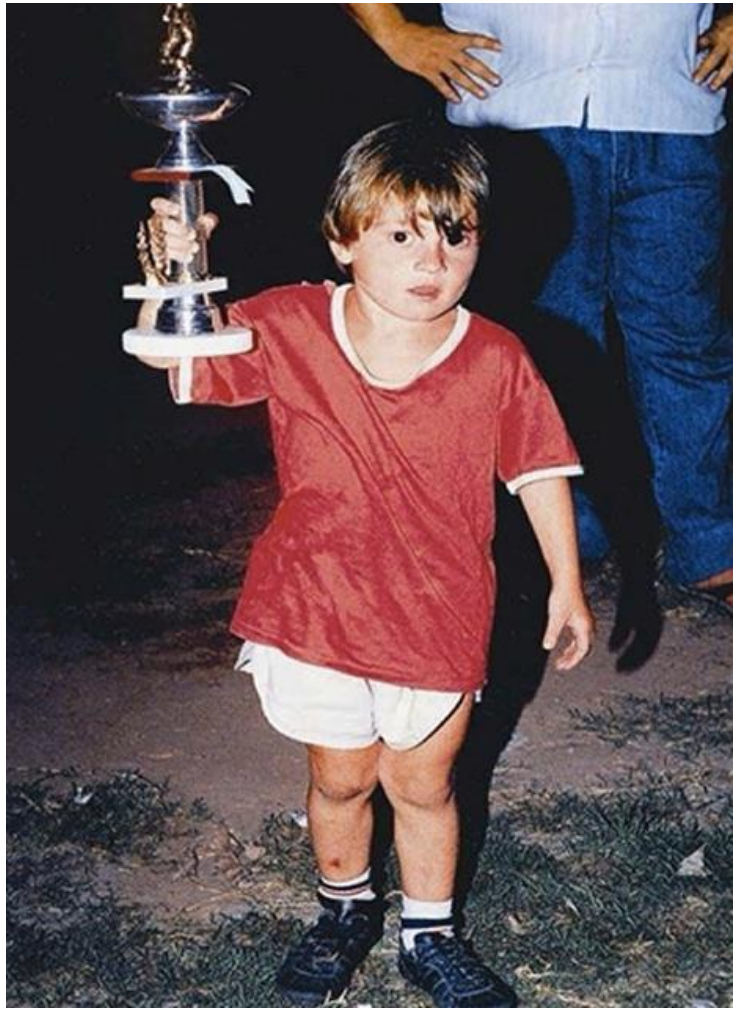
Agree on the key policies & principles for JETP investment

Identify and execute no-regret moves quickly

Incorporate new inputs and iterate action plans

Early successes are required to gain credibility, momentum, and continuing support

The success story of investing early



Thank You