

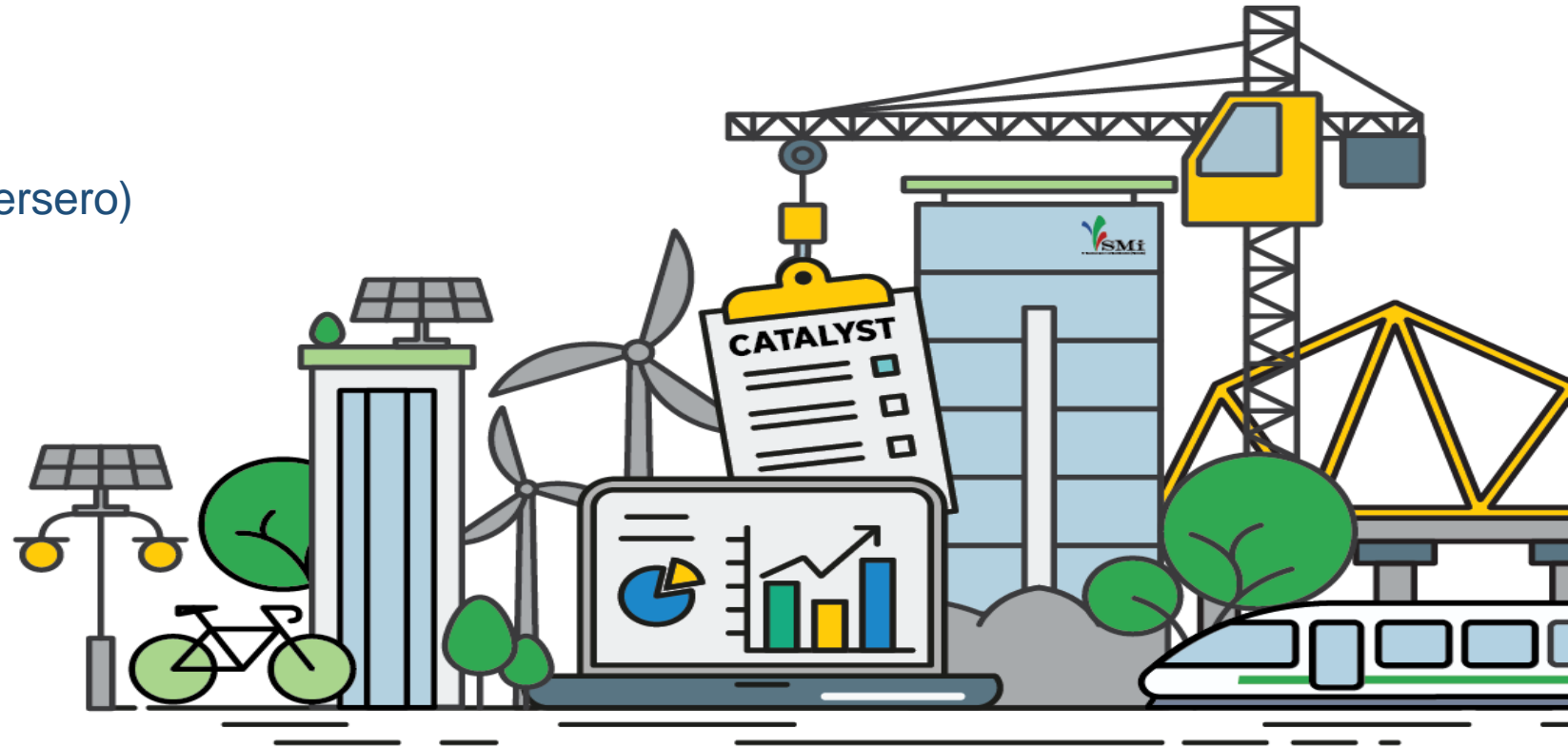
Energy Transition Financing in Indonesia

Pradana Murti

Director of Risk Management

PT Sarana Multi Infrastruktur (Persero)

3 May 2023



A leading catalyst in the acceleration on the national infrastructure development

PT Sarana Multi Infrastruktur (Persero)

Who we are and what we do



Non-Bank Financial Institution for Infrastructure Financing, 100% owned by Government of Republic of Indonesia through Ministry of Finance

Business Pillars & Strategic Partnership

Innovative, Unique & Flexible Financing

Products in “closing the gap” and as complementary to other financing

- Senior Loan,
- Subordinate/Mezzanine,
- Equity,
- Municipal Finance,
- Sustainable Financing,
- Sharia Financing

Advisory & Project Development as enabler for infrastructure investment

- Financial/Transaction Advisory, Financing Arranger,
- PPP Development, Technical Assistance, *Capacity Building*,
- Renewable Energy Project Development, Geothermal Fund Management

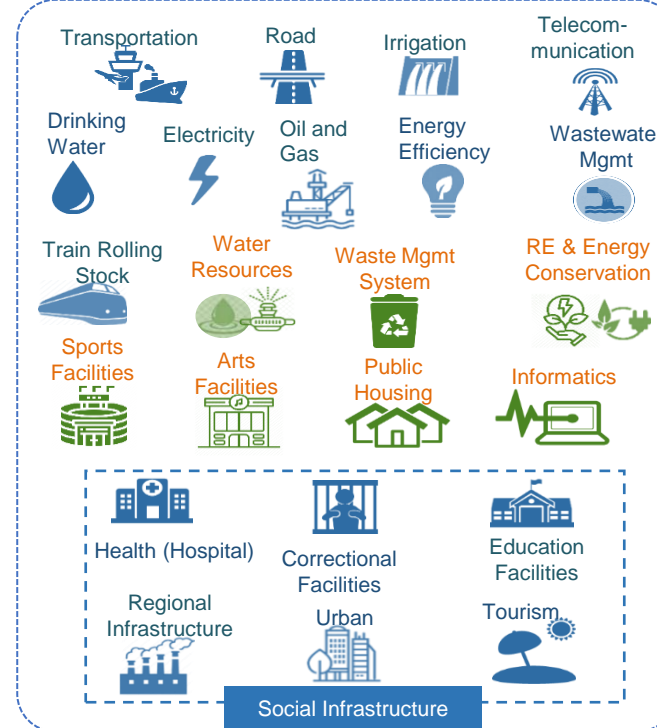
Strategic Partners for domestic and international institutions in accelerating infrastructure development in Indonesia

- Ministries/Governmental Offices, Municipalities
- Private / State Owned Entities
- FI/Banks/Private Equity, Multilateral/Bilateral, Sovereign Wealth Fund
- Capital Market, Institutional Investors (Pension Fund, Insurance, Social Security Funds, Hajj Funds, etc)

PT SMI's advantages

Long-term financing
Non-bank financial institution
Innovative Financing Product
Flexible Financing Scheme
Large Multiplier effect

Sectoral Focus



Performance (January 2023)

AAA/Stable

National Rating

Highest rating for local company

BBB/Stable

International Rating

similar with sovereign rating

USD **7.68** Billion

Total Asset

USD **2.65** Billion

Total Equity

USD **52.95** Billion

Total Project Value

25.77 times

Multiplier effect To paid up capital

“unqualified opinion”

FS Opinion for 12 consecutive years

PT SMI's Core Competency that can be utilized in dealing with climate change:

Financing Green Project				De-carbonization
Public Financing <ul style="list-style-type: none"> • Infrastructure Financing • Program Financing 	Financing and Investment to Business Entities <ul style="list-style-type: none"> • Senior Loan • Subordinated Loans • Equity capital 	Project Preparation <ul style="list-style-type: none"> • Government and Business Entity Cooperation 	SDG Indonesia One & Green Climate Fund <ul style="list-style-type: none"> • Development Facility • De-Risking Facility • Financing Facility • Equity Funds 	Energy Transition Mechanism <ul style="list-style-type: none"> • Carbon Reduction Fund • Clean Energy Fund

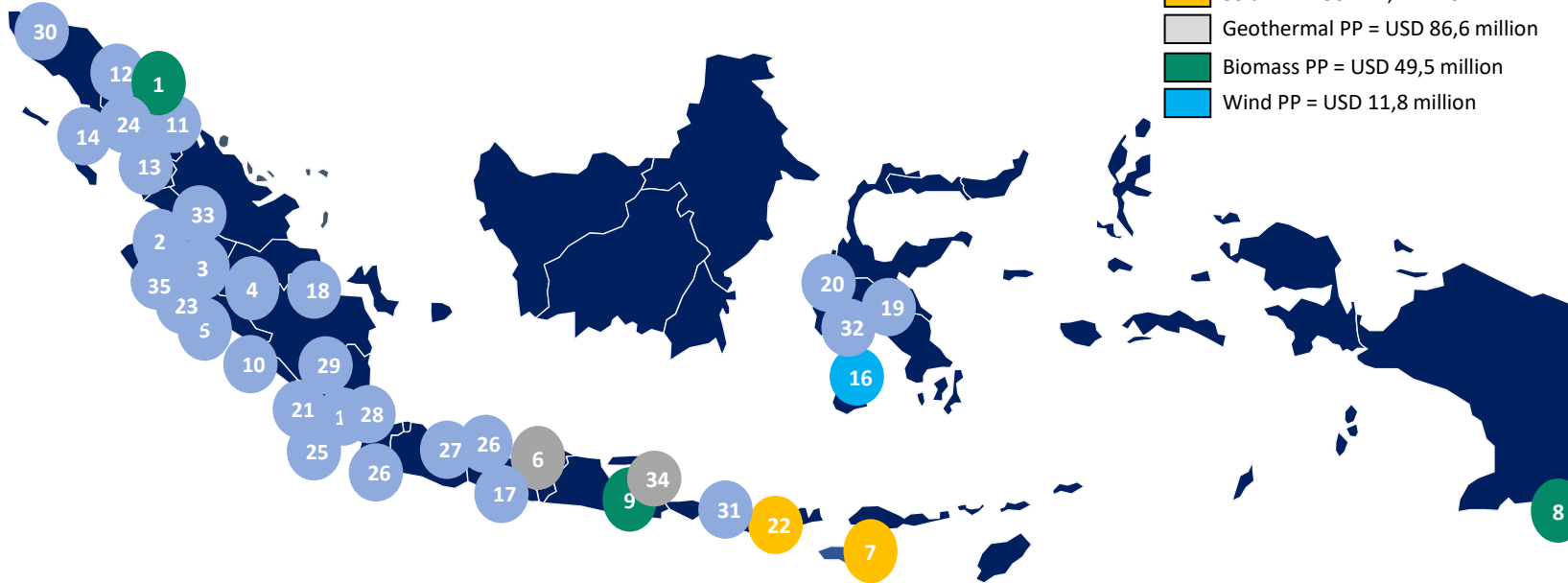
Financing Green Projects

PT SMI Portfolio's in Renewable Energy Sector (as per March 2023)



Total Commitment = USD 483.8 million

- Mini Hydro/Hydro PP = USD 321,8 million
- Solar PP = USD 14,1 million
- Geothermal PP = USD 86,6 million
- Biomass PP = USD 49,5 million
- Wind PP = USD 11,8 million



3,401,878 -ton CO₂e
Potential Annual Total GHG Avoided*

USD 6,803,756
Potential Annual Total Carbon Credit Equivalent¹

*PT SMI calculated the estimated environmental impact and other additional impact on those three projects finance by issuance of the green bond. Indicators are derived from 1 December 2020 to 31 December 2020 data.

No	Description
1	Biomass PP Deli Serdang 9.9 MW
2	Mini Hydro PP Sako, Pesisir Sel 6 MW
3	Mini Hydro PP Lb. Gadang, Solok 8 MW
4	Hydro PP Kerinci Merangin 350 MW
5	Mini Hydro PP Tunggang, Bengkulu 9.9 MW
6	Geothermal PP Dieng Small Scale 10 MW
7	Solar PP Off-grid Sumba 492 kWp* (WC Financing)
8	Biomass PP Merauke 3.50 MW
9	Biomass PP Situbondo & Lumajang 2x10 MW

No	Description
10	Hydro PP Air Putih 21 MW*
11	Hydro PP Lau Gunung 15 MW
12	Mini Hydro PP Tara Bintang 10 MW*
13	Hydro PP Pakkat Humbahas 18 MW*
14	Hydro PP Asahan-I 180 MW *
15	Mini Hydro PP Situmulya 3 MW*
16	Wind PP Sidrap 75 MW
17	Mini Hydro PP Banjarnegara 500 kW*
18	Mini Hydro PP Pd. Guci-2 2x3.5 MW
19	Mini Hydro PP Ma'dong 2x5 MW

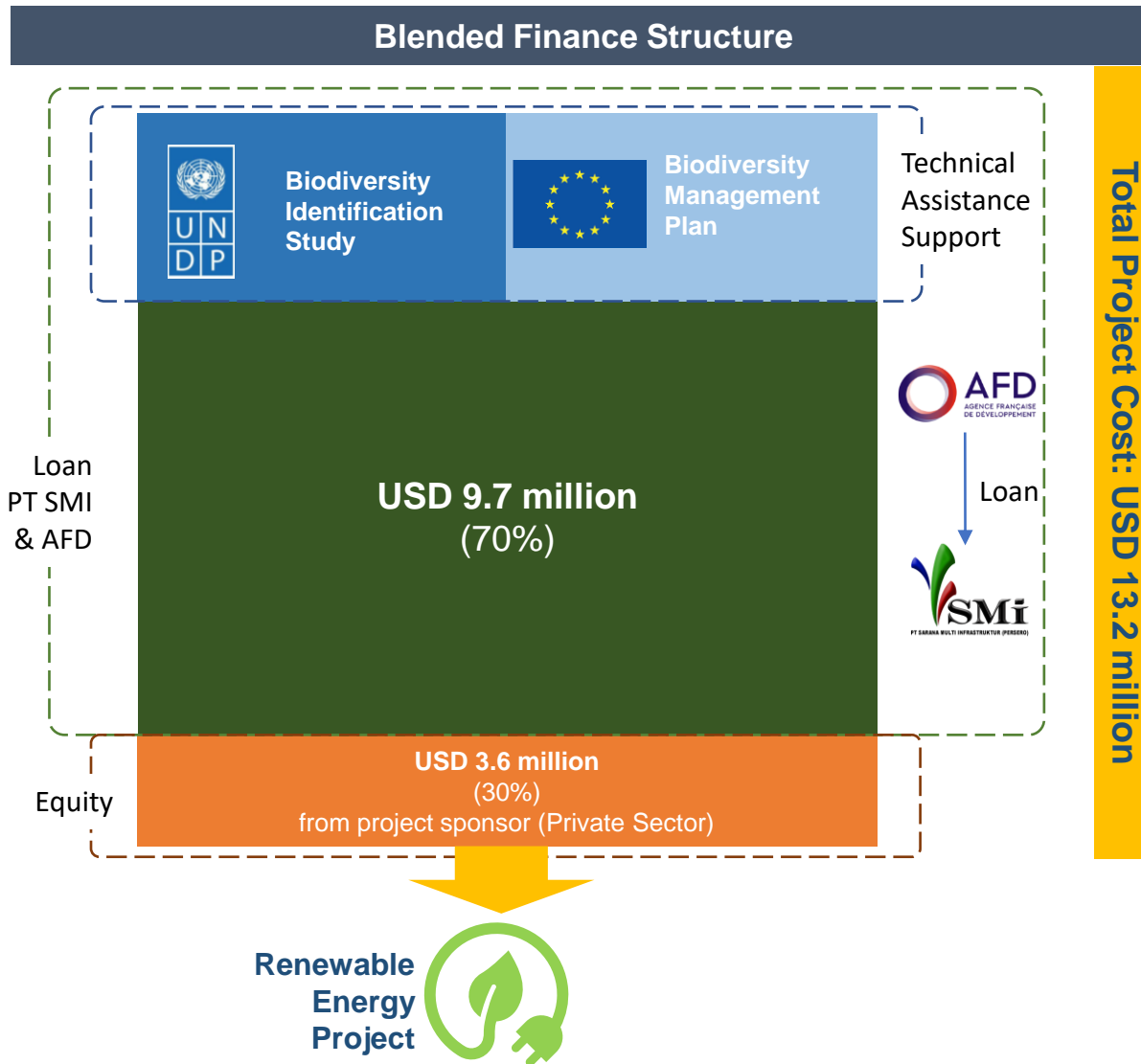
No	Description
20	Mini Hydro PP Maiting Hulu-2 2x4 MW
21	Mini Hydro PP Besai Kemu 7 MW
22	Solar PP Sumbawa 26 MW
23	Mini Hydro PP Bayang Nyalo 3x2 MW
24	Mini Hydro PP Toba Samosir 1 MW
25	Mini Hydro PP Nagajaya 6MW
26	Mini Hydro PP Cikaso 2x2,3 MW
27	Mini Hydro PP Lebak Barang 7,0 MW
28	Mini Hydro PP Cianten 12,8 MW **
29	Mini Hydro PP Waybesai 2x3MW

No	Description
30	Hydro PP Krueng Isep 10 MW
31	Mini Hydro PP Segara 6,7 MW***
32	Mini Hydro PP Tangka Manippi 10MW
33	Mini Hydro PP Gumanti 7,5MW
34	Geothermal PP Ijen 31.4 MW
35	Mini Hydro PP Tongar 2x3 MW




*) paid off

Technical Assistance and Financing

Increasing the Project Readiness to Align with Biodiversity Aspect



Project Profile

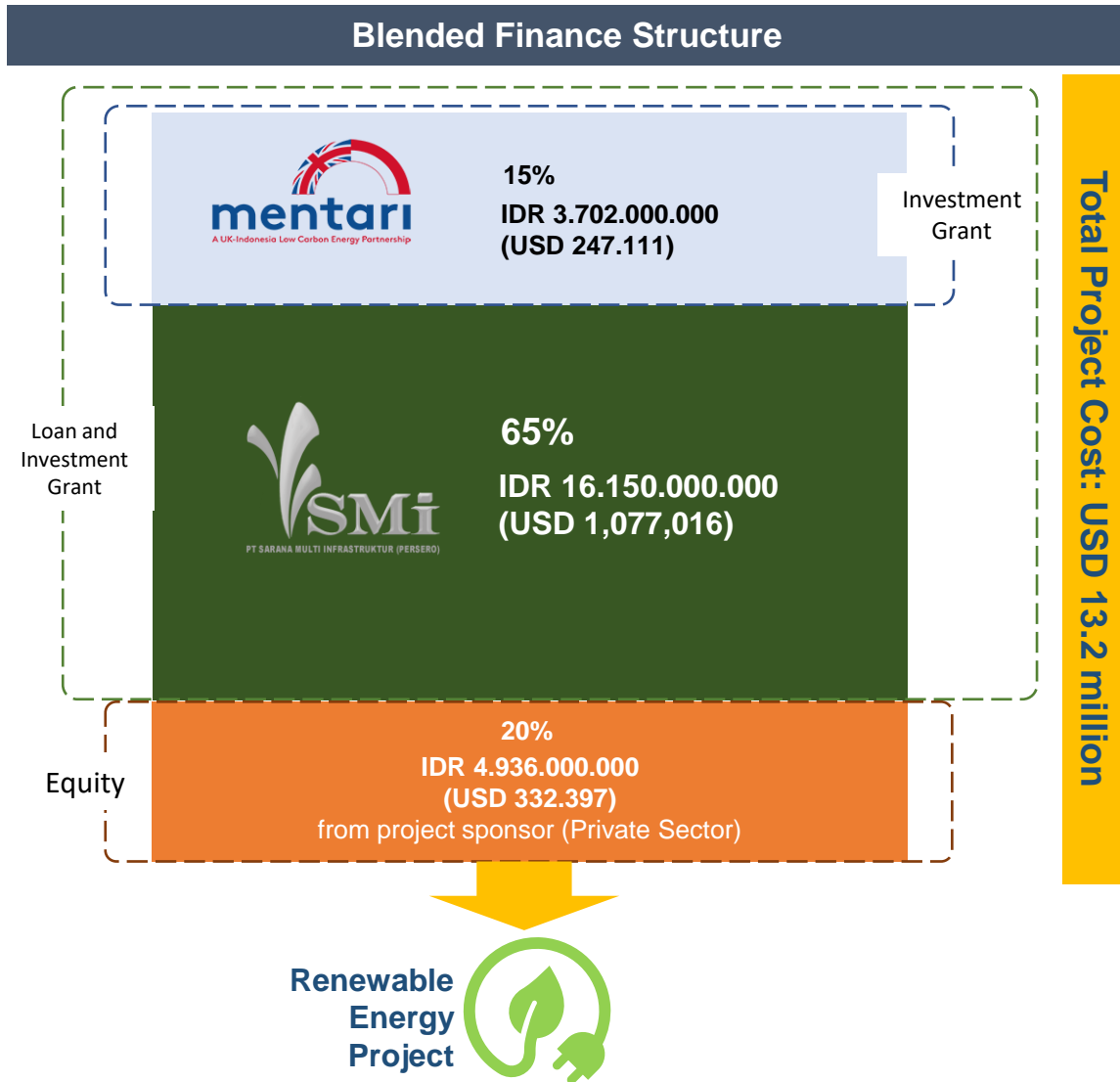
Project	Mini Hydro Padang Guci 2
Location	Kaur Regency, Bengkulu Province
Facility	Senior Term Loan Facility
Project Cost	USD 13,2 million
Commitment	USD 9,7 million
Output	2 x 3.5 MW
Tenor	10 years with Grace Period 9 months
# of SDG	  






*) USD equivalent assumption USD 1 = Rp 14.883 (June 2022)

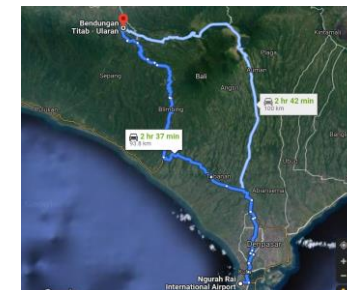
De-risking and Financing

Increasing the Project Bankability with Innovative Structure



Project Profile

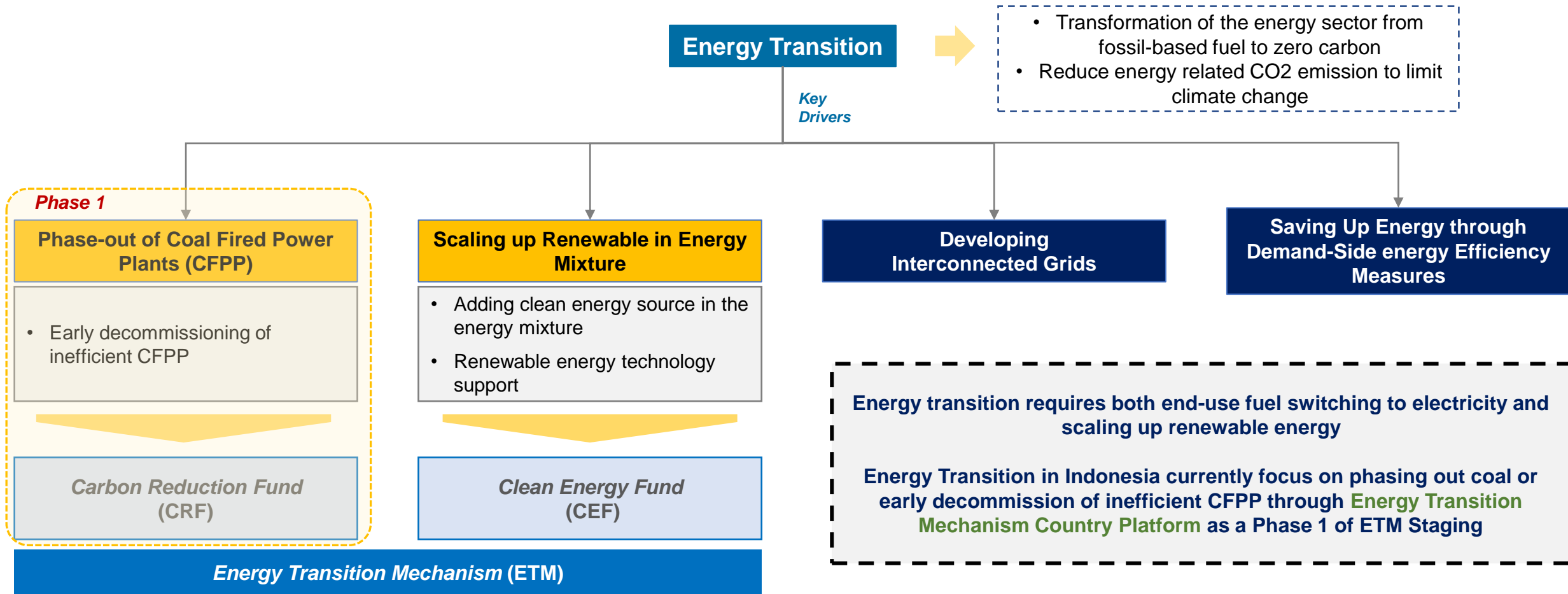
Project	Mini Hydro Titab
Location	Bali Province
Facility	Senior Loan and Investment Grant
Project Cost	IDR 24.680.000.000 (USD 1,645,866)
Commitment	IDR 16.150.000.000 (USD 1,077,016)
Grant Portion	IDR 3.702.000.000 (USD 247.111)
Output	2 x 0.64 MW
Tenor	10 years with Grace Period 9 months
# of SDG	  



Energy Transition Concept in Indonesia

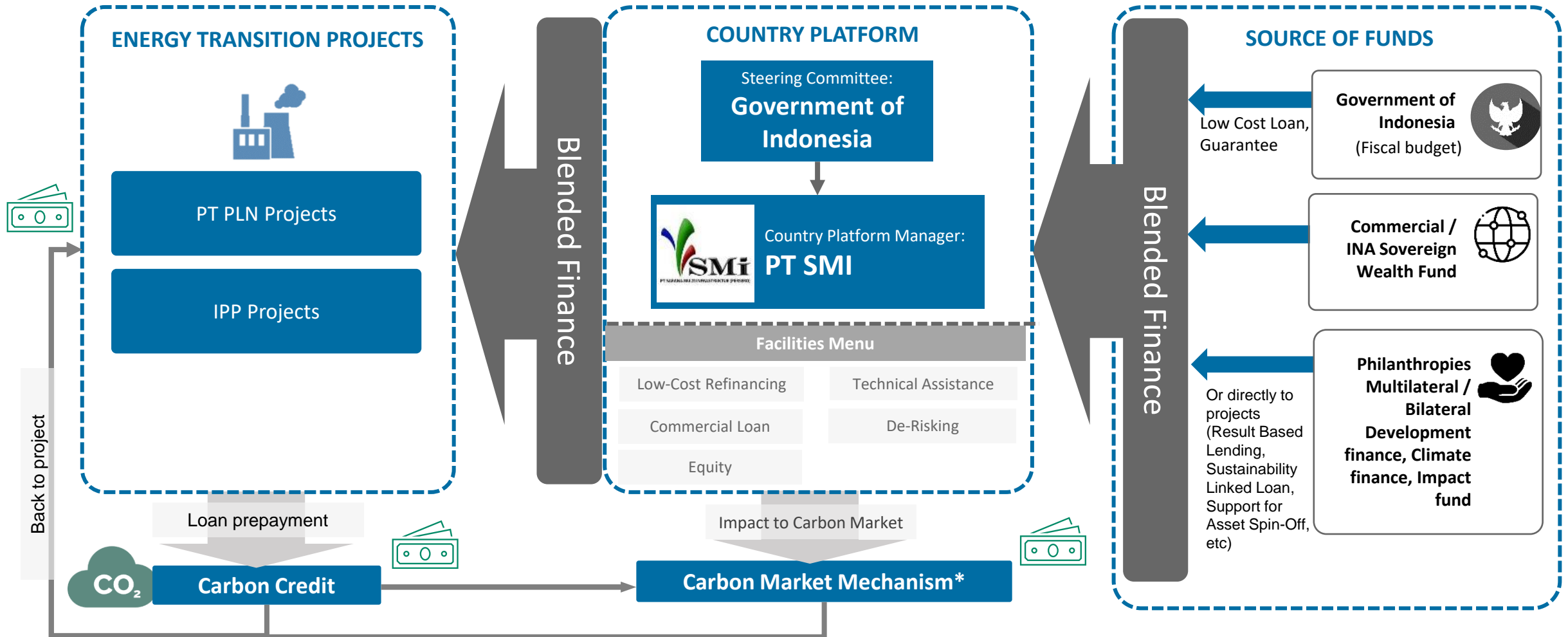
Indonesia recognizes the need of energy transition, start with coal phasing out

Indonesia's energy supply increased nearly 60% for the past 20 years. As Indonesia's economy growth, energy demand rose and supplied through coal energy. The growth in Indonesia economy has led to more CO2 emissions. Energy transition is needed to reach net zero emissions as a path to becoming advanced economy.



Blended Finance Structure on Indonesia Energy Transition Mechanism

Blended finance will be implemented both in funding and financing support by Country Platform Manager

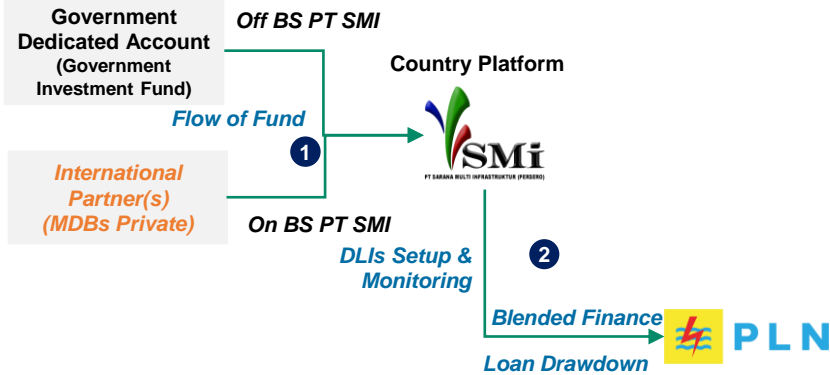


*) Carbon Trading, Carbon Bond, Result Based Payment, Stand By Buyer

PT SMI Energy Transition Mechanism Products



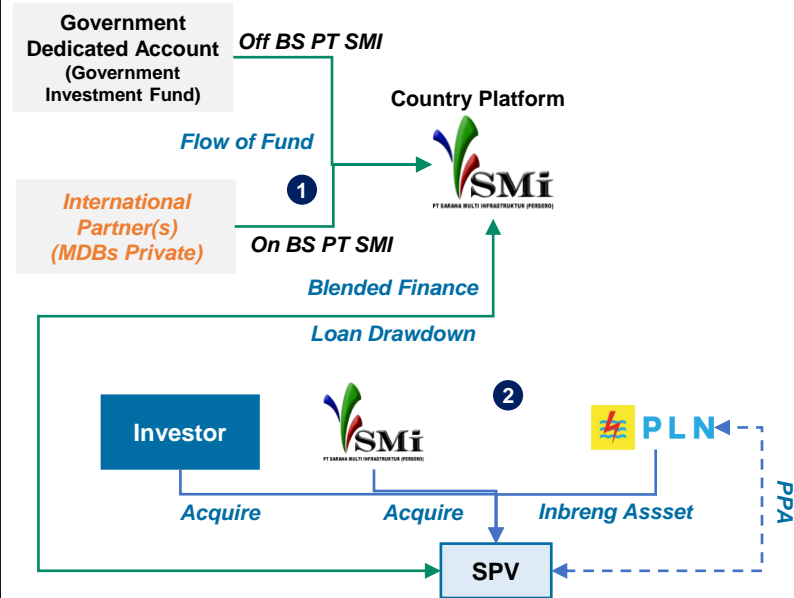
Result Based Loan



Structure

1. Fund raising from **commercial lenders/capital market, Multilateral Development Bank (MDB), and Government budget** through Government Investment Fund (OIP) **to be blended as loan facility to PLN**. Loan will be received by PLN in the form of blended finance with **set of Disbursement Linked Indicators**.
2. PT SMI will arrange a set of Disbursement Linked Indicators with inputs from the Government and International Partners, exclusion list for the loan's use of proceed which will be stated in the loan agreement to PLN. PT SMI will monitor the agreed upon Disbursement Linked Indicators during the loan period.

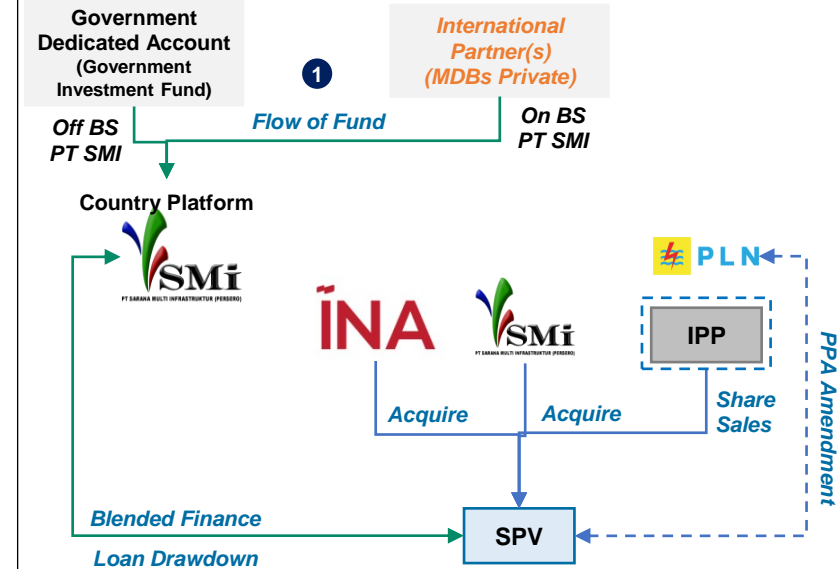
Divestment (Asset Spin-off)



Structure

1. PLN will set up a SPV where PLN will carve out selected CFPP assets to the SPV as a capital injection (*inbreng asset*). PLN will arrange a new Power Purchase Agreement (PPA) with the SPV. PLN to divest ownership in SPV to PT SMI and potentially strategic investor.
2. Fund raising from **commercial lenders/capital market, Multilateral Development Bank (MDB), and Government budget** through Government Investment Fund (OIP) **to be blended as loan facility to SPV**. Loan will be received by SPV in the form of blended finance with set of KPI.

IPP Equity Investment



Structure

1. INA as a lead investor originate to acquire majority portion of CFPP shares in the SPV from the existing IPP investor and PT SMI will act as co-investor.
2. Fund raising from **commercial lenders/capital market, Multilateral Development Bank (MDB), and Government of Indonesia** to be blended as loan facility to SPV. Loan will be received by SPV in the form of blended finance from PT SMI as country platform with set of KPI.

Terima kasih,



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