TENGGARA STRATEGICS

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Event Brochure

2022 Japan RE Invest Indonesia

Renewable Energy Investment Forum

The Second International Virtual Investment Forum to Attract Japanese Investment into Indonesia's Renewable Energy Sector

Thursday, June 16, 2022

Supported by

TheJakartaPost

UNIVERSITAS PRASETIYA MULYA

JAPAN RE INVEST INDONESIA

DATE : **Thursday, June 16, 2022**

TIME : **14:00 – 17:30 pm Tokyo Time**
(12:00 – 15:30 pm WIB)

MEDIUM : **Live forum via Zoom**

REMARKS

14:00 – 14:30 Tokyo Time (12:00 – 12:30 WIB)

Welcome Speech:

- **H.E. Mr. Heri Akhmadi** – Ambassador of the Republic of Indonesia to Japan and the Federative States of Micronesia

Keynote Speech

- **H.E. Mr. Arifin Tasrif** – Minister for Energy and Mineral Resources of the Republic of Indonesia

SESSION I: Investment Opportunity: Commitment to Replace PLTUs with RE
14:30 – 15:30 Tokyo Time (12:30 – 13:30 WIB)

When opening Business-20 (B-20) Indonesian Inception Meeting 2022, President Joko "Jokowi" Widodo said that a total of 5.5 gigawatts (GW) capacity of coal-powered power plants (PLTU) are ready for early retirement, as part of the Indonesian commitment to reach net zero carbon emissions in 2060.[1] Indonesia has an ambitious yet promising goal to fully phase out coal power plants by 2056. According to PLN's 2021-2030, 2025 will see the start the replacement of coal-fired power plants in Indonesia by renewable energy. Under the country's recent pledge at COP26, Indonesia seeks to retire up to 9.2 gigawatts (GW) of coal-fired power plants by 2030. On top of that, the country also commits to scaling up the deployment of renewable power generation, scaling up technologies and policies to move from unabated coal power generation, and strengthening domestic and

[1] Katadata.co.id, "Beralih ke Energi Terbarukan, Jokowi Janji PLTU 5,5 GW Pensiun Dini," Jan. 28, 2022. https://tinyurl.com/yckjhsxa

international efforts to support affected parties during the energy transition to renewable energy.[2]

Considering Indonesia's commitment to phasing out coal-fired power plants along with its budding renewable energy sector, this situation provides opportunities for investors to take part in the country's transition to renewable energy. In the near term, the 2021-2030 RUPTL itself offers great opportunity for RE developers and investors. In the RUPTL, PT PLN has targeted 40.6 GW new power plant installations in 2021-2030, of which 20.9 BW or 51.6 percent will be sourced from new and renewable power plants. Many of the renewable projects in the RUPTL are actually to achieve a shorter-term target of 23 percent renewable energy in Indonesia's energy mix in 2025.[3] According to a government estimate, Indonesia requires an investment of US$70 billion to achieve the target of 23 percent renewable energy by 2025.[4]

In this session, opportunities and challenges presented by the 2021-2030 RUPTL and the longer-term coal phase out will be discussed: What are the opportunities available for Japanese investors? What are considerable threats that could hold Indonesia's RE development? Why should foreign investors consider Indonesia's transition to clean energy in the first place? What are the concerns of Japanese investors over RE investment in Indonesia?

Speakers

1. **Mr. Dadan Kusdiana**, Director General of New, Renewable Energy and Energy Conservation (EBTKE)
2. **Mr. Izuru Kobayashi,** Deputy Commissioner for International Affairs, Ministry of Economy, Trade and Industry (METI), Japan
3. **Mr. Edwin Nugraha Putra**, Executive Vice President Electricity System Planning PLN
4. **Mr. Kazuki Ishikura**, President Director of PT Mitsubishi Power Indonesia

[2] UKCOP26.org, "Global coal to clean power transition statement", Nov. 4, 2021 https://tinyurl.com/cmmjcxft
[3] CNNIndonesia.com, "Target Energi Terbarukan 14,5 Persen Belum Tercapai Tahun Ini," Jan. 26, 2022. https://tinyurl.com/3247s3zj
[4] Ministry of Foreign Affairs of the Republic of Indonesia, "Boosting Investment in the New and Renewable Energy Sector, the Ministry of Foreign Affairs and the Ministry of Energy and Mineral Resources Holds an International Webinar." Nov. 30, 2021, https://tinyurl.com/yc5ubvv6

Moderator: Mr. Yose Rizal Damuri, Executive Director of the Centre for Strategic and International Studies (CSIS) Jakarta

SESSION II: Solar Energy

15.30 - 16.30 Tokyo Time (13:30 – 14:30 WIB)

Indonesia has a vast potential for generating and balancing solar photovoltaic (PV) energy to meet future energy needs at a competitive cost with solar energy identified as an energy source whose technical, environmental and economic potential far exceeds Indonesia's present and future energy requirements and is far larger than all other renewable energy resources combined. Solar irradiation is available at a stable level all year long, offering an energy potential of more than 200 gigawatts (GW).

In the 2021-2030 RUPTL, PLN relies so much on solar to meet the 2025 renewable energy target of 23 percent in the country's energy mix. In the five-year period of 2021 to 2025, PLN plans to generate a total of 3,910 megawatts peak (MWp) from solar energy or 36.7 percent of 10,640 MW of electricity from all renewable energy plants. PLN plans to build solar panels in remote islands not connected to grids, work together with independent power producers to build floating solar panels on lakes, existing dams as well as encourage the people and businesses to build more rooftop solar PVs.[5] Moreover, the government's latest regulation on rooftop solar PV increases net metering/electricity exporting to PLN from 65 percent to 100 percent. All these developments open more investment opportunities for investors/financiers to invest in solar PVs.

This session will convene stakeholders and industry players from Indonesia and Japan to address the most pressing issues around developing and investing in Indonesia's solar energy sector, discuss how collaborations between local stakeholders and potential investors could raise the standards of solar projects so that they are investment-worthy, and tackle the problems that have been hindering investment realization into the promising sector.

Speakers

1. **Mr. Wiluyo Kusdwiharto,** Directorate of Mega Project and New and Renewable Energy PLN

[5] PLN's 2021-2022 RUPTL. https://tinyurl.com/bdey4j6y

2. **Mr. Fabby Tumiwa**, chairman of the Indonesian Solar Energy Association (AESI)
3. **Mr. Manabu Suzuki**, President Director of Quint Solar Indonesia

Moderator: Mr. Ananda Setiyo Ivananto, President Director of PT Awina Sinergi International (A-Wing Group Japan)

SESSION III: Smart Grid (SG)

16:30 – 17:30 Tokyo Time (14.30 – 15.30 WIB)

Most of the grids in the country were designed decades ago, and nowadays they need to be more flexible, efficient, and reliable to support the forthcoming energy demand and supply, as well as the related grid complexity. Therefore, the application of Smart Grid in Indonesia would significantly boost the country's ability to increase the proportion of renewable energy in its primary energy mix to 23 percent by 2025. Increasing SG's application would help the country to transition its energy use because the technology promotes greater efficiency, reliability and resiliency along the supply chain through digitalization. With greater grid flexibility, power producers would have more capability to integrate various energy resources, which would lead to increasing renewable energy penetration, hence decarbonization in the long run.

In its 2021-2030 RUPTL, PLN has a smart grid roadmap for 2021-2025 and 2026-2030. For the 2021-2025 roadmap, PLN would focus on digitalization of power generation, automation of transmission and distribution centers through automatic dispatch system, distribution grid management, smart micro grid, and advanced metering infrastructure. PLN opens cooperation with private investors in building the smart grid. And Japanese players have the edge to help Indonesia realize its smart grid ambition. Hitachi Energy of Japan, for example, has deployed its Grid Edge solutions across the country, including the first and largest microgrid facility of a mining company in Bontang. The company has also collaborated with the state utility company, PLN, to provide smart grid solutions to deliver reliable electricity in Semau, near Kupang, East Nusa Tenggara. Recently, the company was also involved in another PLN's smart grid pilot project on Selayar Island.[6]

[6] The Jakarta Post, "Hitachi Energy takes on the energy transition in Indonesia," Jan. 5, 2022. https://tinyurl.com/yeyr2tz9

This session will discuss PLN's efforts to achieve renewable energy targets through adoption of smart grid, and discuss what are the opportunity and challenges of its implementation such: Can Indonesia's electricity sector apply lessons from successful electricity digitalization processes in Japan? How fast PLN will adopt smart grid?

Speakers

1. **Mr. Eddie Widiono**, chairman of the Indonesian Smart Grid Initiative (PJCI)
2. **Mr. Zainal Arifin** – Executive Vice President of Engineering and Technology PLN
3. **Prof. Muhammad Aziz**, renewable energy expert from The University of Tokyo

Moderator: Mr. Riyadi Suparno, Executive Director of Tenggara Strategics

ABOUT US

Tenggara Strategics

Tenggara Strategics is a business and investment research and advisory institution established by the Centre for Strategic and International Studies (CSIS), *The Jakarta Post* and Universitas Prasetiya Mulya. Combining the capabilities of these three institutions, we aim to provide the business community with the most reliable and comprehensive business intelligence related to areas that will help business leaders in making strategic decisions. Tenggara Strategics offers daily media monitoring, strategic briefings and tailored research services to our clients to help them make strategic decisions.

Centre for Strategic and International Studies

Founded in 1971, the Centre for Strategic and International Studies (CSIS) has won recognition as an important research and policy institution both within Indonesia and internationally. Its development over more than three decades is entwined with the history of Indonesia itself. In addition to its core studies in domestic economic and political developments, CSIS has also progressively developed a more international orientation through organizing bilateral conferences involving various countries.