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CENTRE FOR STRATEGIC AND INTERNATIONAL STUDIES

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Event Brochure

2022 South Korea

RE Invest Indonesia

Renewable Energy Investment Forum

Thursday, April 7, 2022

The second International Virtual Investment Forum to Attract South Korean Investment in Indonesia's Renewable Energy Sector

Hosted by the Centre for Strategic and International Studies (CSIS) Jakarta, Tenggara Strategics and the Indonesian Embassy in Seoul. Supported by *The Jakarta Post* and Prasetiya Mulya University.

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INDONESIA-SOUTH KOREA RENEWABLE ENERGY INVESTMENT FORUM

DATE : **Thursday, April 7, 2022**
TIME : **07:00 – 10:15 am WIB**
(09.00 am – 12.15 pm Korean Standard Time)
MEDIUM : **Live forum via Zoom**

OPENING AND KEYNOTE REMARKS: 07:00-07:20 WIB (9:00 – 9:20 KST)

Welcome Speech:

- **H.E. Mr. Gandi Sulistiyanto,** Ambassador of the Republic of Indonesia to the Republic of Korea

Keynote Speech:

- **H.E. Mr. Airlangga Hartarto,** Coordinating Minister for Economic Affairs, the Republic of Indonesia (TBC)

SESSION I: Investment Opportunity: Commitment to Replace Coal with RE

07:20 – 08:20 WIB (09:20 – 10:20 KST)

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

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. According to a government estimate, Indonesia requires an investment of US$70 billion to achieve the target of 23 percent renewable energy by 2025.

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 South Korean 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 South Korea investors over RE investment in Indonesia?

- Speaker I: **Mr. Dadan Kusdiana**, Director General of New, Renewable Energy and Energy Conservation (EBTKE)
- Speaker II: **Mr. Nurul Ichwan**, Investment Coordinating Board (BKPM) Deputy Chairman for Investment Planning
- Speaker III: **Mr. Darmawan Prasodjo**, CEO of PT PLN (TBC)
- Speaker IV: **Mr. Nam Yeon Woo**, Senior Manager, Green New Deal Division, Korea Midland Power Co., LTD (KOMIPO)
- Moderator: **Mr. Yose Rizal Damuri**, head of department of economics, CSIS

SESSION II: Growing Renewable Energy: Areas of Mutual Interest to Indonesia and South Korea

08:20 – 09:20 WIB (10:20 – 11:20 KST)

The global commitment to tone down the usage of fossil fuels in the COP26 will put the renewable energy sector in a more upbeat position. Despite the similar shared goal, however, there are different preferences upon which type of renewable energy are chosen.

For instance, South Korea has a more varied view on its renewable energy preferences. Furthermore, the country has started its renewable transition earlier. In July 2020, South Korea announced its Green New Deal, a development strategy to speed up the post-pandemic recovery and empower its net-zero transition. However, unlike Indonesia, most of Korean renewable energy financing and developments major in photovoltaic, hydro and wind power, and fuel cells to replace their coal plants capacity by 2029. For the last eight years, South Korean renewable energy investment has peaked around Hydrogen Economy Roadmap, which revolves around energy storage and photovoltaic; as the country believes they are more reliable and acceptable in moving towards carbon neutrality by 2050. Lately, South Korean investment in hydro power projects abroad has also increased significantly though it still lags behind the fast-progressing fuel cell and photovoltaic sectors.

On the other hand, following the plan to retire coal-powered plants in 2030, Indonesia already has several energy alternatives up its sleeve. In the case of Indonesia, Geothermal is one of the most preferred renewable choices. With an installed capacity totalling 2,130.7 megawatts, geothermal power plants are the second-largest renewable energy source after hydro energy, according to the Ministry of Energy and Mineral Resources' *Handbook of Energy & Economic Statistics of Indonesia 2020*.[10] Compared to other renewable energy sources, the Indonesian government believes that geothermal has some edges, namely stable and continuous supply and relative competitive production cost.[11] However, building geothermal plants take time and requires a great amount of investment within the range of billions of US dollars. To date, however, geothermal potential utilization remains low with uneven distribution, as geothermal electricity production is concentrated in West Java with an installed capacity of around 1,248 MW, 59 percent of the country's total installed capacity.

The different preferences and perceptions that these two governments have towards renewable energy, regardless of their similar goal present an interesting discussion for the public. This session will delve into why the more economically developed South Korean government mainly opts for different alternative than its Indonesian counterpart, while simultaneously learning from case studies based on Indonesian geothermal and South Korean Hydrogen Economy Roadmap. Finally, by convening renewable energy players from Indonesia and South Korea, the second session aims to discuss

how can governments, renewable energy stakeholders and financiers position themselves to attract and form an investment ecosystem for their preferred sectors.

- Speaker I: **Mr. Kim Kwang Young**, Director Green Technology Partnership Initiative
- Speaker II: **Mr. Prijandaru Effendi**, Chairman of the Indonesian Geothermal Association
- Speaker III: **Ms. Jinny Lee,** Director Asia Division III & Global PPP Unit, ECDF Operation Dept. 1, Korea Eximbank
- Speaker IV: **Mr. Ahmad Yuniarto**, CEO of Pertamina Geothermal Energy
- Moderator: **Mr. Riyadi Suparno,** Executive Director Tenggara Strategics

SESSION III: Solar Energy

09:20 – 10:20 KST (11:20 – 12:20 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.[1] 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 South Korea 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.

- Speaker I: **Representative from PLN Directorate of Mega Project and New and Renewable Energy** (TBC)
- Speaker II: **Mr. Fabby Tumiwa,** Chairman of the Indonesian Solar Energy Association (AESI)
- Speaker III: **Mr. Eka Satria,** CEO of Medco Power (TBC)
- Speaker IV: **Mr. Jeon Byeongwoo**, Managing Director, Global Business Department KEPCO KDN
- Moderator: **Mr. Oktoviano Gandhi**, CEO of Alva Energy

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

ABOUT US

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.

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.