



KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL
REPUBLIK INDONESIA

POLICY & INCENTIVES FOR RENEWABLES

Dadan Kusdiana

Direktur Jenderal EBTKE

*Indonesia - Japan
Renewable Energy Investment Forum*

Jakarta, 22nd June 2021

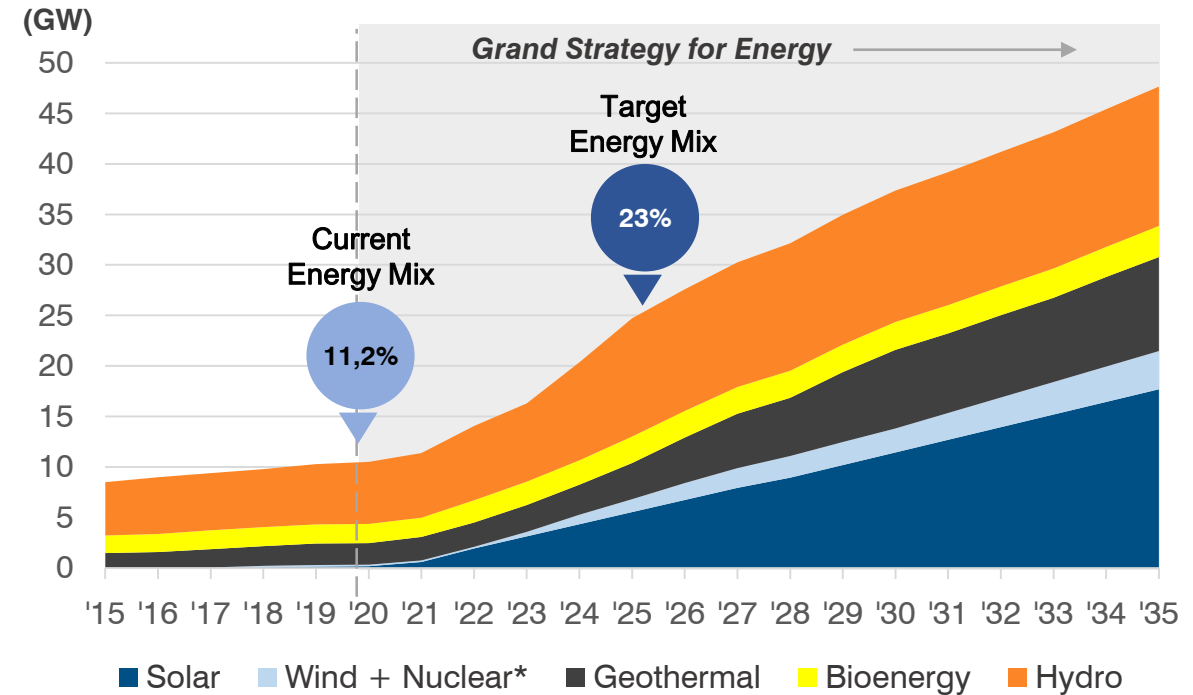


Indonesia's NDC And RE Development Target

No	Sector	GHG Emission 2010 (Million Ton CO ₂ e)	GHG Emission in 2030 (Million Ton CO ₂ e)			Reduction (Million Ton CO ₂ e)	
			BaU	CM1	CM2	CM1	CM2
1	Energy	453.2	1,669	1,335	1,271	314	398
2	Waste	88	296	285	270	11	26
3	IPPU	36	69.6	66.85	66.35	2.75	3.25
4	Agriculture	110.5	119.66	110.39	115.86	9	4
5	Forest	647	714	217	64	497	650
	Total	1,334	2,869	2,034	1,787	834	1,081

38%

Scenario Notes:
CM1: self effort
CM2: Had international assistance
CM: Counter Measure



Currently, Indonesia is developing a **Long Term Strategy towards Carbon Neutrality** where Indonesia's energy demand will peak at 2040 and reach **Net Zero in 2060** (or sooner with International assistance).

Indonesia's Regulatory Framework for New, Renewable Energy and Energy Conservation

3

Law

- Law No.30/2007 on Energy
- Law No.21/2014 on Geothermal
- Law No.11/2020 on Job Creation

3

Government Regulation (GR)

- GR 7/2007 on Geothermal for Indirect Use
- GR 28/2016 on Amount and Procedure for Geothermal Production Bonuses
- GR 70/2009 on Energy Conservation

3

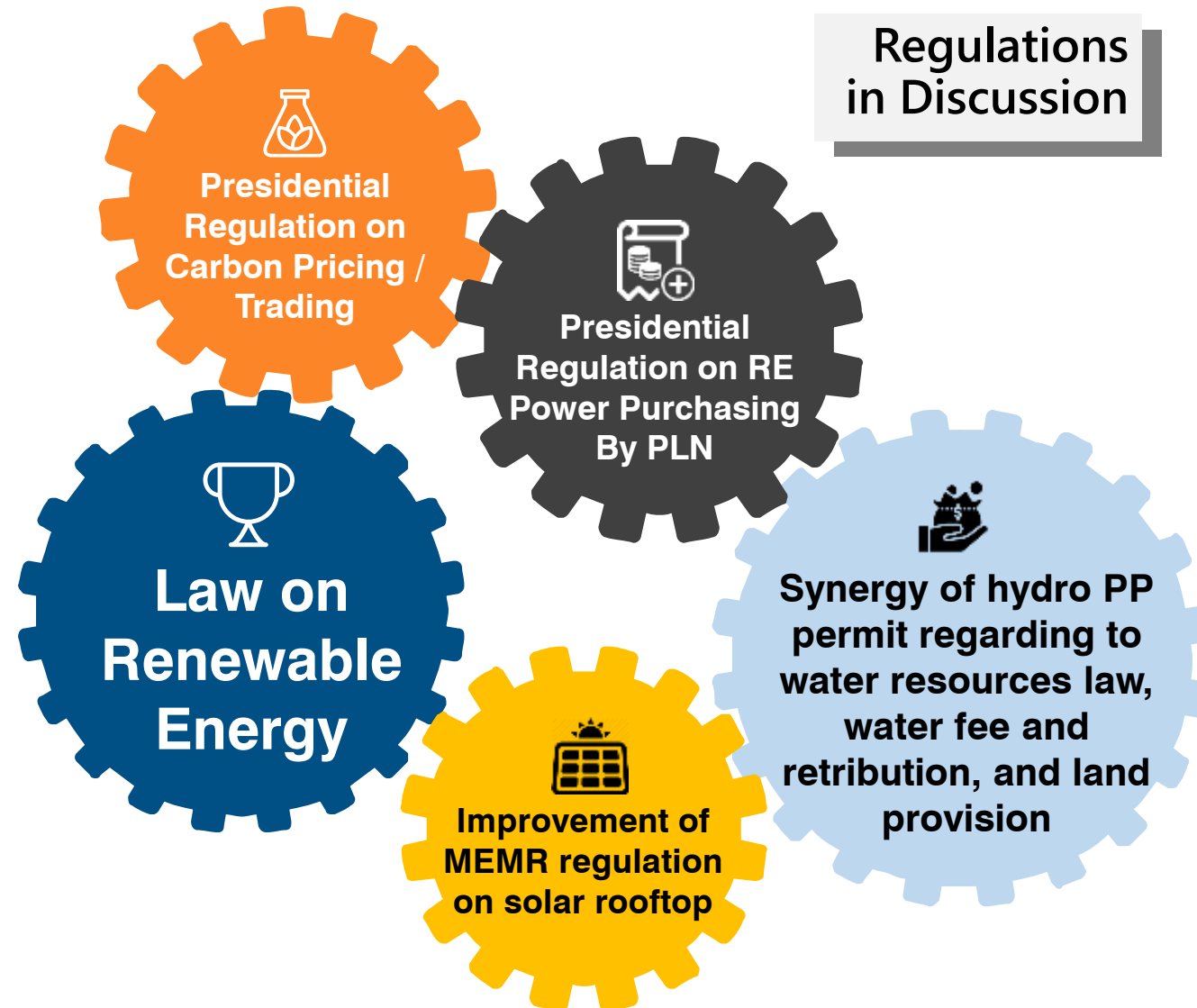
Presidential Regulation (PR)

- PR 68/2016 jo. 61/2015 on Collection and Use of Funds for Oil Palm Plantation
- PR 35/2018 on Acceleration of Development and Instalation for Waste to Electricity Based on Environmenally Friendly Technology
- PR 47 / 2017 on Provision of Energy Saving Solar Lights for Civillians With No Access to Electricity

20

MEMR Regulation

Regulations in Discussion



RE Infrastructure Funding and Incentives in Indonesia

RE Infrastructure Funding Schemes:

- 1 Private Development
- 2 Public-Private Partnership (KPBU)
Supports financing model:
 - *Supported-Build-Operate-Transfer* (SBOT)
 - *Availability Payment* (AP)
- 3 Private – State/Regional Owned Company
Includes Assigned State Equity Participation (PMN)
- 4 Joint Venture (Private – State/Regional Owned Company)
To reduce the need for PMN
- 5 State / Regional Budget

Funding / Facility for Geothermal:

- PISP (Geothermal Sector Infrastructure Financing)
- GEUDP (Geothermal Exploration Upstream Development Project)
- GREM (Geothermal Resource Risk Mitigation)

Other Funding / Facilities:

SDG Indonesia One and Subsidized Loans through PT SMI
Green Bond /Sukuk



Incentives

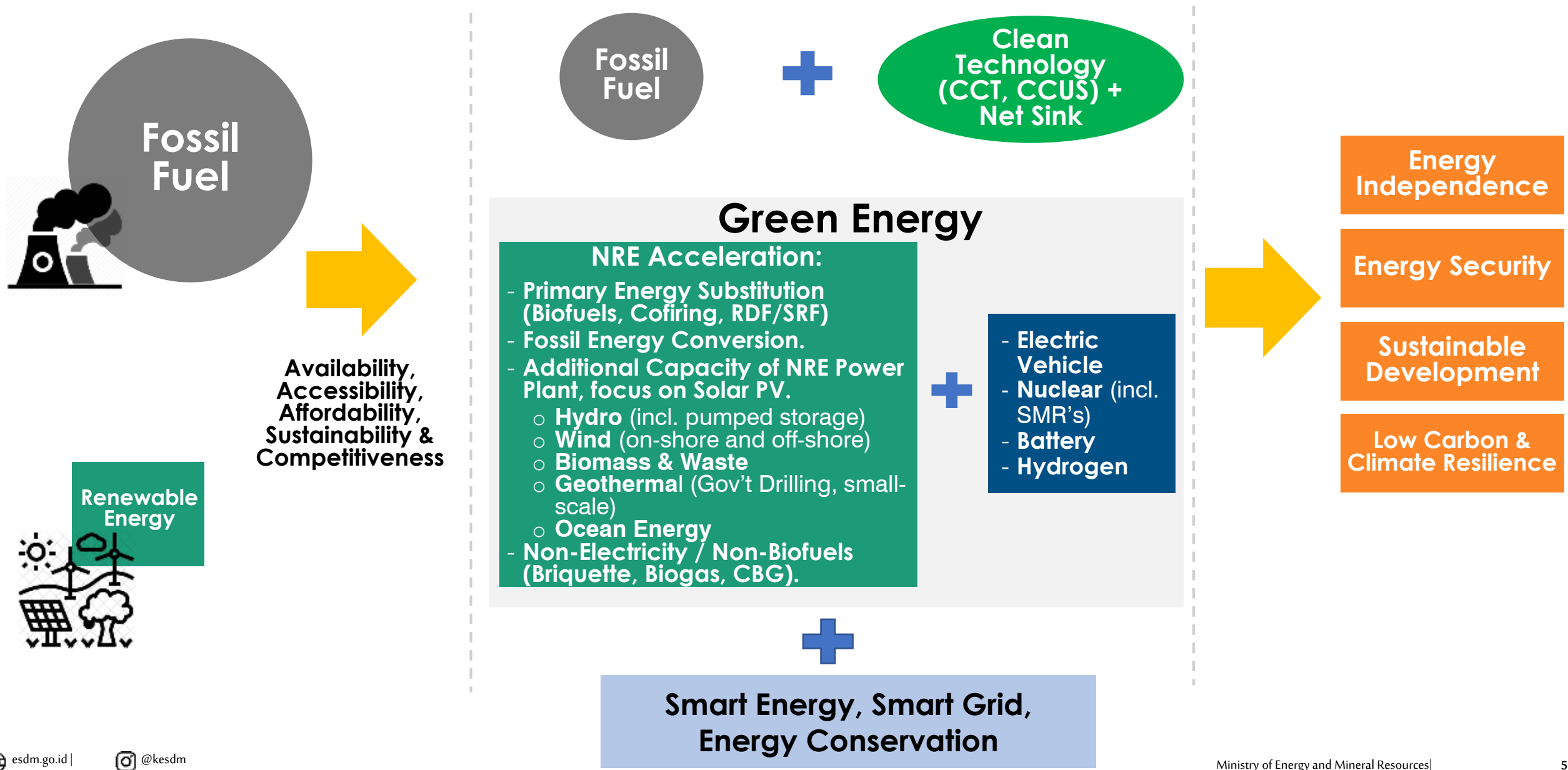
Fiscal Incentives for RE:

- **Tax Holiday**
5% Reduction of Income Tax for 6 years
- **Import Duty Facilitation**
 - 2-years Import Duty Exemption for Machines and Equipment.
 - Extra 2-years exemption for raw material for companies using local machines and equipment (min.30%)
- **Tax Holiday**
5-20 years tax relief, max. 100% reduction of income tax for investment min. IDR 500 billion
- **Mini Tax Holiday**
5-years tax relief, max. 50% reduction of income tax for investment of IDR 100 - 500 billion

Non-Fiscal Incentives for RE:

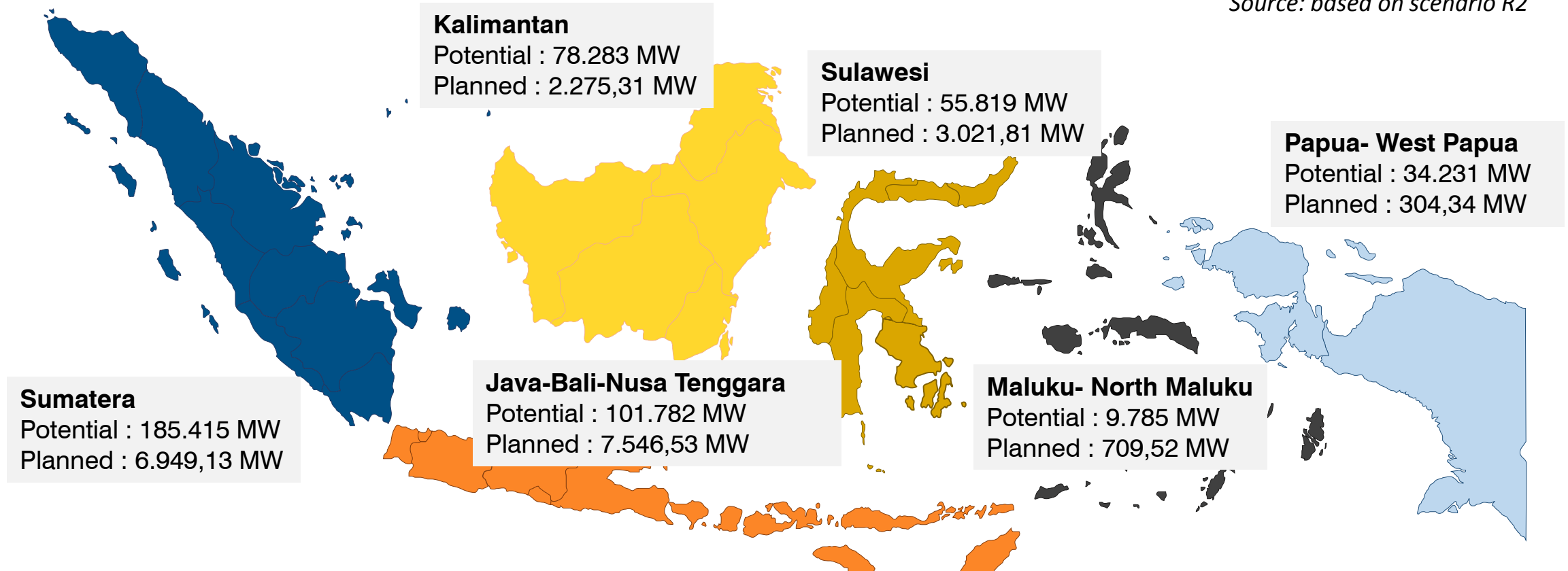
Incentives for Biofuels by BPDPKS

Energy Transition Towards NZE



National RE Potential and Development Plan (Draft RUPTL PLN 2021 – 2030)

Source: based on scenario R2



No	POWER PLANT TYPE	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
1	HYDRO	544	207	409	401	2.622	846	712	2.264	2.080	597	10.682
2	SOLAR	73	1.069	714	1.786	1.849	97	424	249	152	38	6.450
3	WIND			33	192	15	60					300
4	BIOENERGY	12	58	94	191	328	135	85	45	30	21	999
5	GEOTHERMAL	136	108	195	131	546	100	345	400	419	40	2.420
6	PUMP STORAGE					1.040			943	1.010	250	3.243
	Total	765	1.442	1.445	2.700	5.360	1.238	1.566	3.902	3.691	946	20.852

Thank You

www.esdm.go.id



Kementerian Energi dan
Sumber Daya Mineral



@KementerianESDM



@kesdm



KementerianESDM



Address

Jl. Medan Merdeka Selatan
No.18 Jakarta Pusat

