

2022 South Korea

RE Invest Indonesia

Renewable Energy Investment Forum



CENTRE FOR STRATEGIC AND INTERNATIONAL STUDIES



2022 Renewable Energy Investment Forum

Unlocking Indonesia's Solar Potential: By Resolving three major challenges

Thursday, April 7, 2022





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2. Challenge One: Land Acquisition

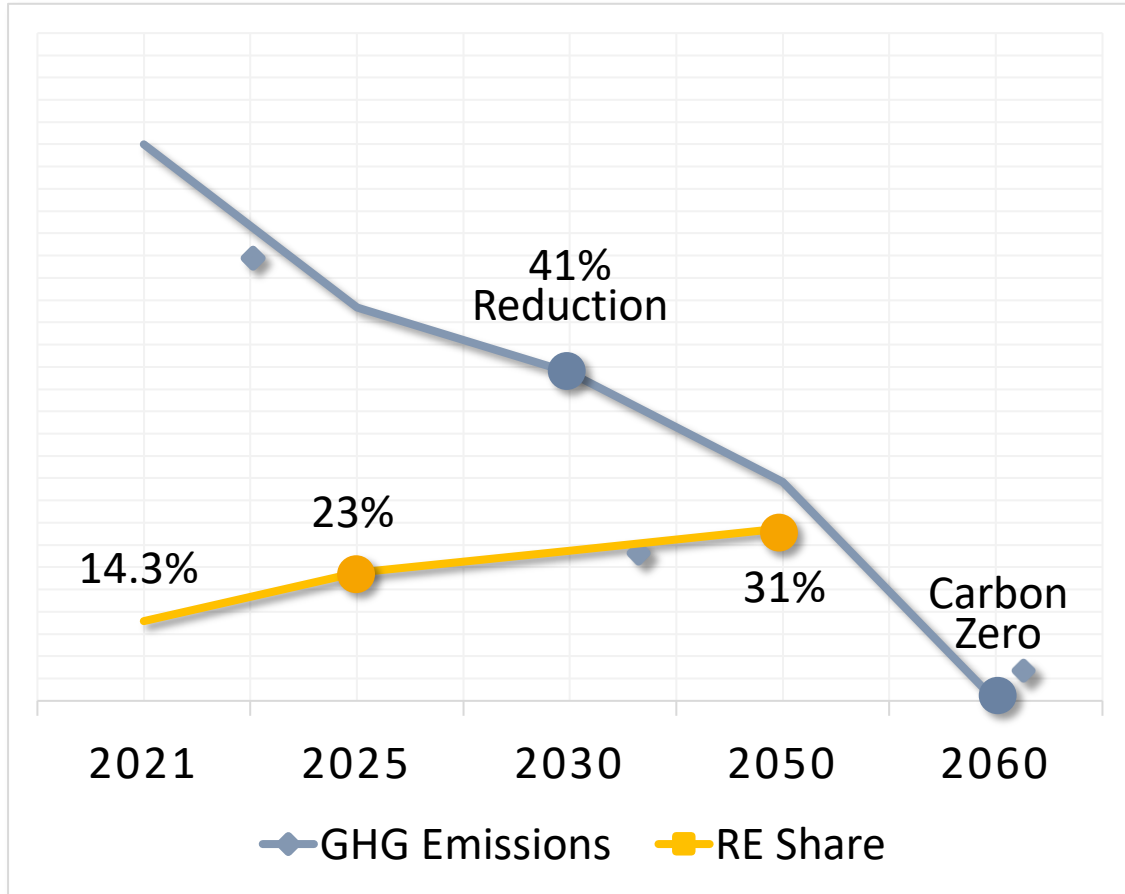
3. Challenge Two: Project Financing

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Governing policies and regulations to promote renewable energy

Energy Mix Plans and Targets

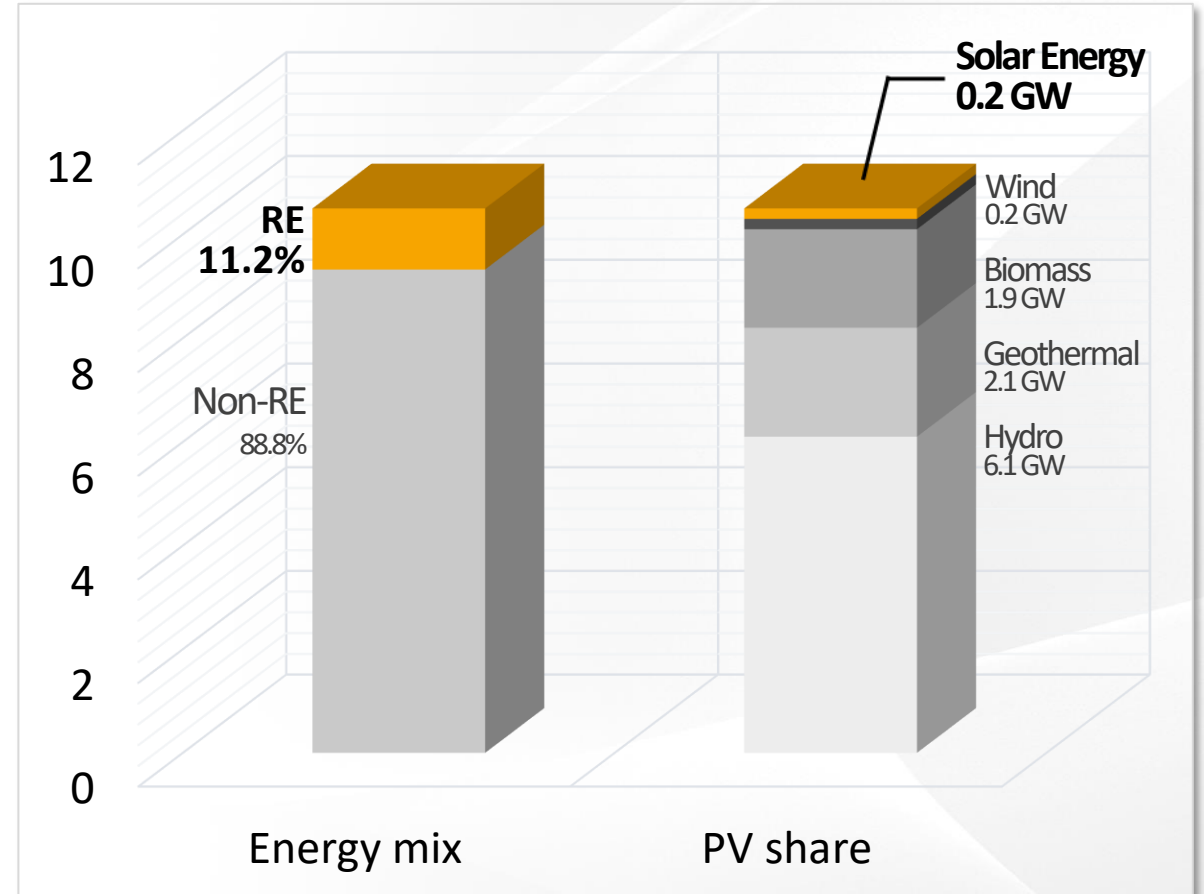
The Indonesian Government plans to tackle growing energy demand with renewable energy and to achieve carbon zero.



Source: UN ESCAP (Economic and Social Commission for Asia and the Pacific), Reuters

Renewable energy installed capacity

Significant amount of investment is needed to increase the share of new and renewable energy.



Source: IISD (International Institute for Sustainable Development)

Land Acquisition: The characteristics of Indonesia and the project areas



Indonesia as a vast archipelago of 17,000 islands

Naturally, microgrid suits best when it comes to energy development in Indonesia. KDN has conducted several feasibility studies for PV projects, such as microgrid system, e-mobility charging system, and solar farms

The nature of project areas

Usually, the project sites are the places with high energy demand, such as airport locations, tourist destinations, eco-friendly islands, or high priority development areas. In most cases, these areas have not enough land to construct PV plants for the capacity required, and their real estate prices are very high.



Project Financing: ODA grant from the government or PF loan from financial institutions

Project financing by financial institutions

The project financing process from financial institutions is deeply complex.

In addition, KEPCO KDN has tighter investment rules to monitor and control international projects, because it is a government owned company.



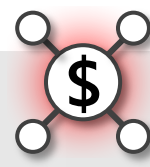
Land Acquisition



Feasibility Study



Permits



PF
(need deposit or
commitment fees)



Construction
(pay taxes)



Commission

Project financing through ODA grants

Korean government monitors each step throughout the whole financing process.

So, we can reduce the risk of becoming subjective and being influenced by narrow perspectives or biases.

It helps us to maintain objectivity so that we can make unbiased decisions and secure the reliability.



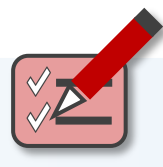
Pre-feasibility
Study



Assessment



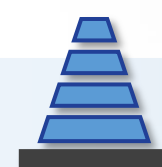
Feasibility
Study



Assessment



Land
Acquisition



Permits,
Construction
(zero tax
on import duty)



Assessment



Commission

Creating business alliances: With Indonesian government and private companies

To build and nurture strategic business network and partnerships

Creating successful alliances from A to Z for PV project development will be helpful and necessary to save time and optimize manpower planning during the implementation process, which will eventually save a lot of costs. We need support from both Indonesian government and private companies in Indonesia, across various fields, such as real estate, construction, engineering, et cetera.



Thank you.