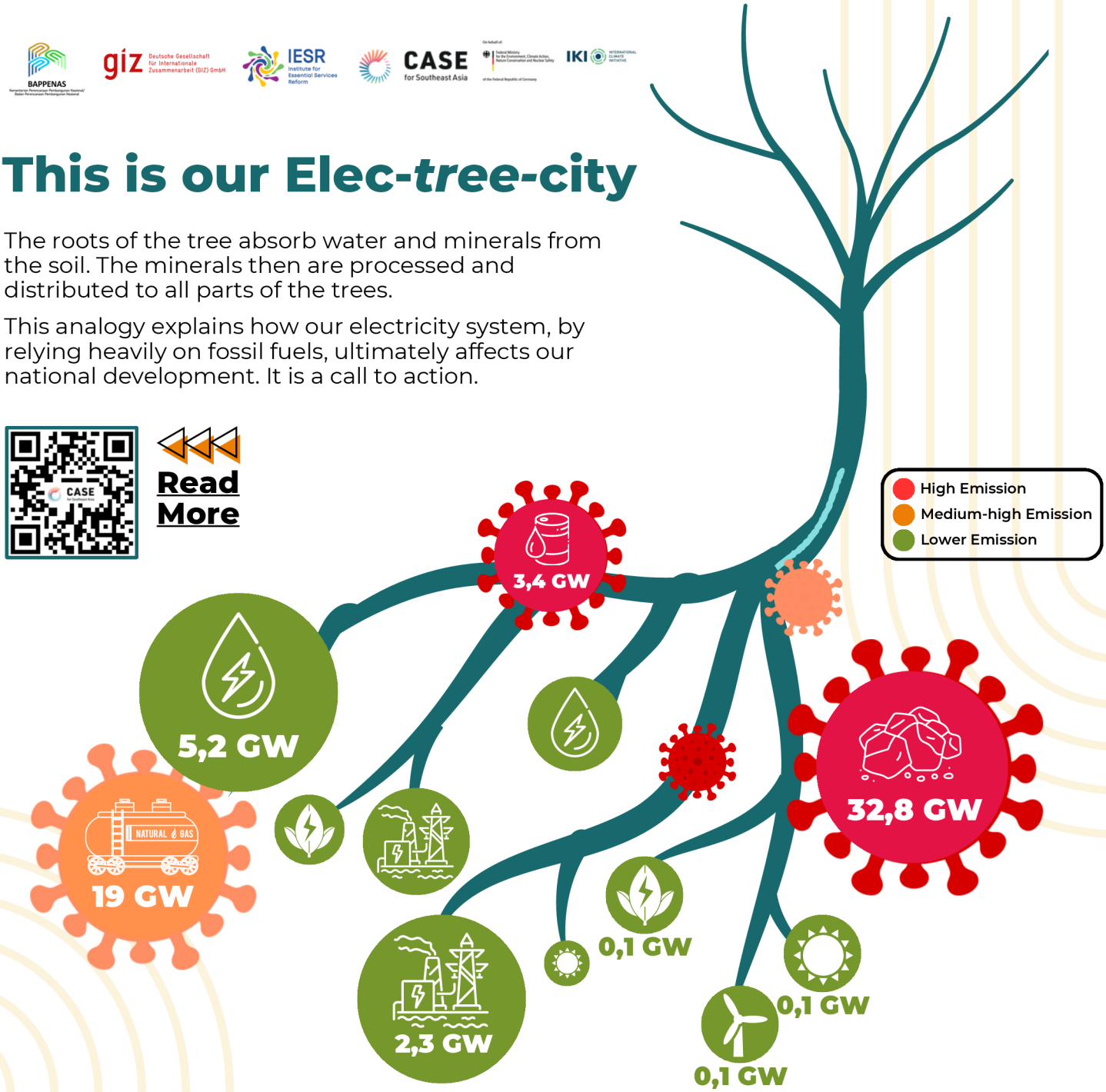
This is our Elec-*tree*-city

The roots of the tree absorb water and minerals from the soil. The minerals then are processed and distributed to all parts of the trees.

This analogy explains how our electricity system, by relying heavily on fossil fuels, ultimately affects our national development. It is a call to action.

Read More



87% of our electricity is sourced from fossil energy which are high in Greenhouse Gas (GHG) emission.

Source:

- Agora Energiewende, NewClimate Institute, and Energy Research Institute. (2024). Electricity Market Designs in Southeast Asia: Harnessing Opportunities for Renewable Energy Growth – Indonesia, Thailand, Vietnam, and the Philippines. Clean, Affordable and Secure Energy for Southeast Asia Project.
- CREA;IESR.(2023). Health Benefits of Just Energy Transition and Coal Phase Out in Indonesia
- World Energy Council. (2014). Climate Change: Implications for the Energy Sector.

CO_2 **High GHG emission cause the Earth's temperature to rise**

Rapid temperature changes lead to Climate Change

- **Health-related Impacts from climate change**
- **More climate induced natural disasters**
- **Economic losses from impacts of climate change**
- **Electricity system and infrastructure are unstable**

National development could be affected by the losses

in collaboration with: Agora Energiewende

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How can Indonesia utilize more renewables in its electricity system?

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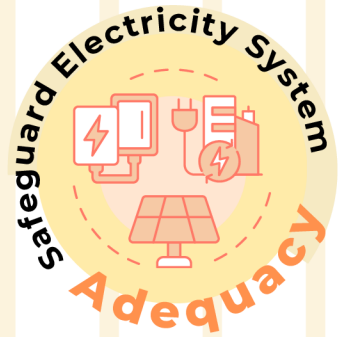
Pillar I: Provide long-term investment certainty for variable renewable energies (VREs)

- Increase **RE procurement** and link it to the **updated Long-Term Plan**.
- **Revise tender scheme** with more **transparent scoring** and **ease PLN's equity ownership criteria in IPP projects** to lower risk for investors.
- **Decouple RE tariffs** from average electricity costs.
- Introduce **pay-as-produced Power Purchase Agreements (PPAs)** for renewables to provide revenue certainty and de-risk investments.
- Support households looking to **invest in rooftop solar** with a net-billing scheme.
- Enable **third-party access** to the grid to **leverage investor interest** in Indonesia's renewable energy sector.

Pillar II: Enhance system flexibility to integrate variable renewables into the system at the least cost

- **Remove dispatch distortions**: 1) reform the subsidy on coal consumption (into a "domestic tax obligation") to reflect true costs while protecting consumers 2) provide priority dispatch for all VRE output to integrate and utilize the low-cost renewable energy available in the system.
- Value and unlock **flexibility services** that conventional assets can provide to the system.
- Upgrade system operations with **intraday dispatch scheduling** and **real-time data.**



Pillar III: Safeguard system adequacy in line with long-term decarbonization and flexibility needs

- Revise planning and adequacy assessments for cost optimization.
- Plan for system flexibility needs.
- Introduce network tariffs to support grid investment.

Pillar IV: Provide clarity on and efficiently manage the retirement of inflexible and carbon-intensive assets

- Halt the procurement pipeline (of 14 GW) of new coal power plants.
- Prioritize **reform of the domestic market obligation for coal** (Pillar 2) and continue with **targeted reforms of the cap-tax-and-trade carbon pricing** policy
- Reorganize the coal fleet to facilitate an accelerated entry of renewables into the power system: **1) Repurpose, 2) Reserve and 3) Retire.**

Pillar V: Ensure affordable electricity for consumers while maintaining the sector's financial sustainability

- Consider **fiscal support measures** to enable PLN to deliver and mobilize the requisite investments for a transitioning power system
- Affordable prices need **coal plant closures and renewable growth**.
- Introducing **rooftop solar investment support schemes** for low-income households.