Just Energy Transition Partnership Indonesia

JETP Secretariat

Wednesday, 05 June 2024
JETP Financing

JETP Priority Project

JETP Work Plan 2024
JETP Secretariat coordinates with various stakeholders and reports to the GoI National Energy Transition Task Force and the IPG

1. Only involved in matters related to eligibility of public funding. 2. Rumah PATEN deals with every entity, including those outside IPG & GFANZ. 3. Only for JETP-related matters.
Recap | To accelerate the energy transition in Indonesia, six investment focus areas (IFAs) have been identified

1. Encourage the Implementation of Energy Efficiency and Electrification
   - Encouraging decarbonization of the industrial, transport and building sectors through energy efficiency and electrification
   - The energy transition starts with energy efficiency and electrification

2. Development of Transmission and Distribution
   - Development of transmission networks (intra and inter interconnection transmission system)
   - Developing and enhancing T&D networks minimizes the necessity for captive power capacity, promoting greater energy accessibility

3. Dispatchable Renewable Energy Acceleration
   - Dispatchable renewable energy infrastructure prioritized for the short term
   - Geothermal and hydropower plants could act as a foundation for a low-carbon economy

4. Variable Renewable Energy Acceleration (VRE)
   - Acceleration of VRE development by considering the readiness of electricity system infrastructure
   - Solar and wind power plants possess potential to be cost-effective electricity sources to meet power demands

5. Early CFPP Retirement and Managed Phase-out
   - Phased retirement of coal-fired power plants to meet CO₂ emission targets
   - Decommissioning coal-fired plants allows for increased penetration of renewable energy and enabling CFPP operational flexibility

   - Enabling infrastructure and industries related to the energy transition
   - The energy transition presents opportunities for job creation and enhancing Indonesia's economic competitiveness

*On Process*
The US$21.6 billion pledged for JETP Indonesia features various terms and conditions

- Non-Concessional loan is defined as public funding through the private arms of the IFIs, which typically will be at market rate but can come with better terms. These type of funding typically can be accessed by private players.

Source: JETP Analysis (2023)
Different types of financing structure between the IPGs means there will be numerous terms to be considered when accessing the fund.

- Modality types from Japan and EU are not yet clarified – it will be decided on project basis.
- Non-Concessional loan is defined as public funding through the private arms of the IFIs, which typically will be at market rate but can come with better terms. These type of funding typically can be accessed by private players.
- Potential funding from the Netherlands is up to $100 mio grant from Invest International coupled with $200 mio loan from either II or FMO, and another up to $100 mio grant ODA money. Both grant funding are not included in the JETP pledge and are still subject to approval. The timeline for approval is within Q2 or Q3 this year.
Status update: Grant/TA Programs & Loans Projects

**Grant/TA programs**

- **19** Ongoing programs totaling US$ 157.3 million
- **12** Recently launched programs totaling US$ 58.0 million
- **7** Programs undergoing discussions totaling US$ 81.0 million

**Ongoing programs**

- **13** Grant managers

**Financial Institution:**

- ADB
- KFW
- AFD
- DANIDA SUSTAINABLE INFRASTRUCTURE FINANCE
- THE WORLD BANK

**Executing Agency:**

- OECD
- lea
- giz
- USTDA
- EUICF
- Millennium Challenge Corporation

**Loans projects**

- **3** Projects recently signed or approved totaling US$ 657.1 million
- **4** Projects undergoing negotiations totaling US$ 2.1 billion
Agenda

- JETP Financing
- JETP Priority Project
- JETP Work Plan 2024
### Priority projects under procurement

<table>
<thead>
<tr>
<th>No</th>
<th>Project Sponsor</th>
<th>Program Name/ Focus Area</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IPP</td>
<td>De-dieselization</td>
<td>De-dieselization is PLN flagship program to replace 5,200 MW of its diesel power plants in 2,100 location into renewable energy. Through the de-dieselization program, Diesel Power Plants (PLTD) which previously served the needs of communities in isolated areas, will gradually be shifted to a hybrid method utilizing new renewable energy (EBT) from Solar Power Plants (PLTS).</td>
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<td>2</td>
<td>PLN Indonesia Power with Partners</td>
<td>Hijaunesia 1 &amp; 2</td>
<td>Hijaunesia is a VRE expansion program led by PLN subsidiary PT Indonesia Power. The program comprises a total of 17 Solar PV, floating Solar PV and Wind Power offered in 2020 and 2023. Three have been dropped and the remaining 14 projects are now part of the JETP Priority Projects. All 14 projects are in the process of finalizing PPA and securing financing, with some of them going through an accelerated process.</td>
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<tr>
<td>3</td>
<td>IPP</td>
<td>Procurement Hydro</td>
<td>PLN is currently evaluating proposals from IPP for the procurement of hydropower projects with the capacity of 400 MW in Sulawesi and 250 MW in Sumatra.</td>
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<tr>
<td>4</td>
<td>PLN</td>
<td>South Sulawesi Transmission Line 275KV</td>
<td>The project aims to develop transmission lines and substations in Sulawesi, generally built to connect systems that have so far remained isolated, forming a transmission backbone to channel large amounts of energy to the center loads that are located very far apart, and to connect the systems into a larger system (interconnection) from South Sulawesi to Southeast Sulawesi.</td>
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<tr>
<td>5</td>
<td>PLN Nusantara Power with Partners</td>
<td>PLTS Sutami / Karangkates</td>
<td>Auction concluded and winner announced. Joint venture building and PPA negotiation in progress.</td>
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JETP Work Plan 2024

Agenda

- JETP Financing
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JETP Secretariat Work Plan in 2024

Work Plan 2024

- Commencing the Captive Coal Study
- Formation of the 5th Working Group on Energy Efficiency and Electrification
- Aligning available funding to the right needs
- Drafting of the Just Transition implementation plan
- Update of the Technical modelling (following the release of RUKN)
- Setting up meta-monitoring platform for project implementation
Thank you