

## Indonesia energy storage policy updates

In 2023, Indonesia's energy transition began to gain momentum. The Ministry of Energy and Mineral Resources has started inter-ministerial discussions to prepare a roadmap for phasing out coal by 2050. JETP CIPP has launched an agreement for the early retirement of the Cirebon PLTU. The National Energy Board has updated the 2014 National Energy Policy to align with the zero emissions target by 2060.

Two state-owned companies, PLN and Pertamina, are also taking concrete steps towards the energy transition by setting ambitious renewable energy targets and investing in new projects. In addition, a growing number of companies are demanding clean electricity and investing in renewable energy. However, the transition in the transportation and industrial sectors is still in its early stages. A lack of leadership, urgency, and direction from the top has slowed the pace of decarbonization in these two sectors.

IESR is pleased to present IETO 2024, which documents the progress of the energy transition in the power, industry, transportation, and building sectors and their enabling environment: policy, regulation, finance, clean technology adaptation, and public and local participation. IETO 2024 is the most comprehensive report yet, the result of more than 7 months of collaboration and research by 16 young and highly motivated IESR analysts.

Although Indonesia's recent energy transition looks bleak, we should celebrate every small step the country has taken to reduce fossil fuel use and replace it with clean energy to protect future generations from the catastrophic consequences of climate change.

Indonesia Energy Transition, Energy Sector Emissions, Zero Emission Target 2060, JETP CIPP, PLTU Cirebon, PLN, Pertamina, Renewable Energy, Sustainable Transportation, Industrial Decarbonization, IETO 2024, IESR

Indonesia is one of the fastest growing economies in the world and with its rapidly growing energy demand, abundant energy and mineral resources, it is set to play a key role in the global economic and energy landscape. Decarbonising its power system has been identified as a key enabler to achieve its pledge for net zero emissions by 2060, as coal power dominates its electricity mix.

To support Indonesia's power sector decarbonisation efforts, the Just Energy Transition Partnership was established during a G20 summit in Bali, in November 2022. The first deliverable of the Just Energy Transition Partnership, which was supported by the IEA, is the Comprehensive Investment and Policy Plan, published in November 2023. It details an energy transition pathway for the power sector, proposes policy reforms, provides a framework for a just energy transition and outlines financing needs and requirements.

In this report, we take stock of the current power sector landscape of Indonesia, summarise IEA's role in the

JETP Secretariat and contributions to the work that led to the JETP's Comprehensive Investment and Policy Plan. We also provide an overview of the JETP pathway as well as analysis and recommendations for the effective decarbonisation of Indonesia's power sector.

IEA (2023), Navigating Indonesia's Power System Decarbonisation with the Indonesia Just Energy Transition Partnership, IEA, Paris <https://>, Licence: CC BY 4.0

According to the International Energy Agency, "successfully deploying CCUS relies on the establishment of legal and regulatory frameworks to ensure the effective stewardship of CCUS activities and the safe and secure storage of CO<sub>2</sub>"<sup>1</sup>. MEMR 2/2023 (which consists of 11 chapters and 61 articles) has been drafted with the goal of encouraging the development of commercial scale CCS/CCUS projects in Indonesia. Some of the key items addressed in MEMR 2/2023 include:

CCS/CCUS technologies are set to play an important role in supporting the clean energy transition across Southeast Asia. Indonesia's neighboring countries Malaysia, Vietnam, Thailand and the Philippines all have potential for geological storage of CO<sub>2</sub> and are working to draft their own regulations and so are likely closely monitoring the developments in Indonesia and the impact MEMR 2/2023 has on the development of domestic CCS/CCUS projects.

NYC Climate Week included over 900 events with an estimated 100,000 participants swarming the City. While indicative of growing interest in climate action, some note that the record turnout foreshadows a smaller presence at COP 29 in Azerbaijan.

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