

Study on the Financial Implications of the Early Retirement of Coal-Fired Power Plants in Indonesia



PROJECT SNAPSHOT

Country: Indonesia

A well-defined implementation plan with a thorough financial analysis of early retirement for coal plants is crucial to successfully reduce reliance on coal. This allows for a smooth transition that fosters investment in renewable energy sources, creates environmentally friendly jobs, and ultimately, reduces greenhouse gas emissions.

This project assesses the government's proposed plans and provided a detailed financial analysis to understand the impact of the early retirement of coal-fired power plants on national finances at both the financial and fiscal levels.

ETP'S CONTRIBUTION

ETP employed a systematic and cohesive methodology to address critical factors impacting the electricity sector. This included financial health, tariff structures, subsidies, broader energy sector financing, and the state of national finances.

ETP also prepared a prioritization tool for evaluating coal-fired power plants for early retirement, culminating in a comprehensive roadmap for their phased decommissioning.



IMPACT



Expedite the phasing out of coal-fired power plants (CFPPs) in Indonesia



OUTCOME



Government announces an official roadmap for early retirement of power plants



OUTPUT



Policy recommendations on the early retirement plans of coal-fired power plants in Indonesia and its financial implications

CONNECT





IMPLEMENTATION PARTNERS

Hartree Consultores

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STAKEHOLDERS

Ministry of National Development
Planning (BAPPENAS)
Ministry of Energy and Mineral
Resources (MEMR)



PROJECT DURATION

July 2022 - February 2024

CONTACT DETAILS

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KEY OUTPUTS

- Mapping past and existing policy and regulatory frameworks, including roadmaps and financing frameworks for early CFPP retirement
- Review of high-level implication of early CFPP retirement programme
- Deep dive analysis of the early CFPP retirement impact to PLN's financial and state fiscal conditions
- Identification of measures, factors, risks, opportunities and 1-2 showcase projects that can deliver the early CFPP retirement program
- Sensitivity analysis on the early CFPP retirement program to the electricity subsidy and tariff as well as regional economic impact
- Recommendations for policy, fiscal frameworks and resource allocation
- Delivery of the early CFPP retirement roadmap