# How can Indonesia accelerate renewables investment?


## Indonesia must immediately prioritise renewable electricity. Here's why:

- Indonesia is looking to phase out coal by 2040 and reach net zero by 2060 or sooner.
- Over 60% of the country's electricity is currently supplied by coal and electricity demand could triple or even grow fivefold by 2050.
- Indonesia has set a target of installing 100GW of new solar power before 2030, yet the country's current total power capacity is around 107GW.

## The challenge is great, but Indonesia has enormous renewables potential:

- Indonesia is currently using only 0.3% of its 3.7TW renewables potential.
- There's 333GW of immediately available and economically viable renewables capacity in the country.

## And improved access to renewables will bring investment and jobs:

- Indonesia can tap into the $1.3 trillion USD predicted to be invested in Asia Pacific renewables by 2030.
- 130 RE100 members operate in Indonesia, representing over 3TWh of electricity demand per year . With the right policies in place, they will invest in Indonesian renewables to meet their renewable electricity goals at pace and scale.
- Expanding Indonesia's solar, wind, and battery manufacturing could generate $551.5 billion USD in economic value and create 9.7 million jobs by 2060.

## How can Indonesia access this investment?

- To meet its 2030 climate commitments, Indonesia needs to fill an estimated $146 billion USD funding gap. Shared use of Indonesia's transmission network, or 'Pemanfaatan Bersama Jaringan Transmisi' is one solution that would increase private investment in renewables projects in Indonesia.


## What is shared use of the transmission network?

- Shared use of the transmission network means that renewable electricity is allowed to be delivered through the existing grid infrastructure owned by PT Perusahaan Listrik Negara (PLN), the state utility, from private generators to load centres through a leasing mechanism. To make shared use possible, Indonesia's national energy plans, regulations, and policies need to include language that supports its implementation.

## Here are the main benefits for Indonesia and its renewables capacity:

- Structured correctly, shared use of the transmission network would be a win-win, attracting new corporate investment in Indonesia and helping companies achieve their renewable energy targets, while offering a predictable, long-term revenue stream for PLN.
- With corporate demand for renewables booming, this would attract new companies to Indonesia, as business hubs would be connected to renewables rich areas.
- Plus, improved corporate renewables access would enable companies to grow in Indonesia, and help Indonesia remain competitive with its neighbours, such as Malaysia and Vietnam, who have already implemented similar schemes.

**Read our report Accelerating renewables investment in Indonesia to learn more.**

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