

President Joko Widodo  
Istana Merdeka  
Jakarta  
Indonesia

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Your Excellency Joko Widodo, President of Indonesia

## **Leading businesses urgently call on the government to unlock Indonesia's true renewable energy investment potential**

In alignment with Indonesia's strategy for a net zero economy, over 430 of the world's biggest and most influential businesses, including 121 companies who work in Indonesia and represent [2.1TWh](#) electricity consumption, **strongly encourage Indonesia to be ambitious on renewables** within the upcoming redrafting of the National Energy Plan (*Kebijakan Energi Nasional, KEN*) and National Long-Term and Medium-Term Plan (*Rencana Pembangunan Jangka Panjang Nasional, RPJPN, Rencana Pembangunan Jangka Menengah, RPJMN*).

RE100 is the global corporate renewable energy initiative bringing together hundreds of ambitious businesses committed to using 100% renewable electricity by 2050 at the very latest, including in their operations in Indonesia. These businesses also highly value the green credentials of their supply chains, an important priority due to upcoming carbon tariff regulations, such as the European Union's Carbon Border Adjustment Mechanism and similar Australian carbon tariff, which will influence ongoing corporate investment in Indonesia. In Indonesia, RE100 works in collaboration with the [Institute for Essential Services Reform \(IESR\)](#) bringing their expertise and experience to our mission, and recently formally announced this partnership at the [Indonesia Solar Summit](#) on August 21<sup>st</sup>, 2024.

With the National Energy Plan being confirmed in October, this is a critical year to make or break Indonesia's commitment to net zero by 2060 or sooner. Alongside IESR, RE100 is encouraged by the steps taken in the Net Zero Plan and urges key near-term plans such as the KEN, RPJPN, and RPJMN to mirror this. For these plans, RE100 seeks to assure your government that global businesses are eager for greater ambition, regulatory improvements, and increased investment in renewables. This will enable businesses to drive further investment in renewables, supporting both their RE100 targets and Indonesia's renewable energy targets.

Within these plans, there are three areas that RE100 companies see as important to address to mobilise greater private investment in renewables:

1. **Ambition:** Incentivise progress on renewables by aligning national renewable energy targets with the [Just Energy Transition Partnership \(JET-P\)](#) modelled target of minimum 34% by 2030. Accompanying this a detailed national renewable energy strategy is needed to send a strong market signal on the future of renewables. As documented by the [Ministry of Energy and Mineral Resources \(MEMR\)](#), Indonesia has immense renewable potential, but at the end of 2021, only 0.3% of it was realised. A more ambitious target and industrial strategy on renewables is needed to incite confidence in private investors and help Indonesia seize the renewables opportunity.

2. **Accessibility:** Create an electricity market structure that allows for more diverse options of electricity procurement between corporate buyers and all power producers, with an emphasis on options that stimulate additional renewables coming online. Focusing on increasing the quota for rooftop solar installation, introducing standardised templates for corporate Power Purchase Agreements (PPAs), and passing legislation on power wheeling, in order to promote businesses investment in Indonesia's energy transition.
3. **Availability:** Increase the amount and pace of new renewable projects coming onto the grid to support businesses credible claims of renewable electricity. According to the [Performance Report](#) of the Directorate General of New, Renewable Energy, and Energy Conservation, from MEMR, Indonesia only added 540 MW of new projects in 2023. Investment from [RE100 members in the region](#) is a certainty. This poses an opportunity for Indonesia but diverse mechanisms to channel this investment are needed. Indonesia must set a clearer green tariff structure for renewable purchases, to directly channel corporate investment towards PLN bringing new capacity online at the 10-20x increased rate needed, as specified in JET-P's [Comprehensive Investment and Policy Plan](#).

Indonesia has an opportunity to realise the economic and social benefits of the energy transition. Strong leadership on renewables growth and climate change will enhance Indonesia's geopolitical standing, drive sustainable economic growth, and encourage substantial skilled job creation. According to [IRENA](#), renewable energy jobs in Indonesia are expected to increase throughout the transition, from 0.63 million currently to 0.74 million in 2030 and 1.07 million in 2050. Economy-wide employment is modelled to be 2.6% higher with a net-zero aligned transition plan, compared to Indonesia's current planned energy transition.

In accordance with the global pledge made at COP28 to triple installed renewable energy capacity, signed by over 130 countries, including many of Indonesia's neighbours and competitors, now is the time to act on renewables.

Ambitious commitments make sense for business, as well as for Indonesia's own international competitiveness, energy security, and economic prosperity. RE100 and IESR stands ready to assist the government in seizing this opportunity and would welcome the opportunity to meet to discuss these issues further.

Yours Sincerely,

Helen Clarkson  
CEO, Climate Group  
On behalf of RE100

