Exceptions for stop building coal-fired power plants in Indonesia

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Abstract. Indonesia planned to stop building new Coal-Fired Power Plants after 2023 which are in line with its NDC for Global Climate Change Regimes. But, Joko Widodo, Indonesia President, issued regulations that the government will allow to build new coal-fired power plants until 2030. This paper will explain Indonesia policy in allowing the construction of new coal-fired power plants. By using international regimes in renewable energy approach, Indonesia's role in fulfilling the needs in energy and also commitment to transform to clean energy will be explained. The Results of this paper show that Indonesia used rhetoric to show their commitment to get international support in funding for renewable energy developments. Yet, Indonesia allowing the construction of new coal-fired power plants has been used for bargaining positions for most of its interest in international forums. Indonesia got $20 billion deals from G7 Countries for transitions in The Just Energy Transition Partnership (JETP) scheme but is still getting international attention to get more investments. Indonesia also handled most of Non Governmental Organizations efforts to stop building new coal-fired power plants by making public statements for its reliable plant of transitions. In conclusion, Indonesia is using coal-fired power plants rhetoric to get funding for its transitions coping with the climate changes agenda in energy sectors.

1 Introduction

This paper will explain Indonesia’s reasons for continuing to grant permits to build coal-fired power plants after a commitment to stop using coal as a source of electrical energy. Each country agrees to meet the Paris Agreement targets and reduce the impact of climate change. One of the big agendas of this regime is reducing carbon emissions. In the energy sector, the use of coal needs to be replaced with cleaner renewable energy sources to reduce emissions by a large amount. Since Indonesia signed the Paris Agreement, Indonesia has been asked to commit to reducing carbon emissions. One of these commitments is to produce clean energy by utilizing new, renewable energy sources. Thus, Indonesia is planning a transition from using coal for electricity generation to renewable energy sources. This is demonstrated by

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the State Electricity Company (PLN) which is targeting carbon neutral electrical energy by 2060.

Indonesia is still tug-of-war in the use of coal, especially in PLTUs. Indonesia plans that in 2025 it will start closing Steam Power Plants (PLTU) that use coal. Indonesia also stipulates not to build new PLTUs in Presidential Regulation Number 112 of 2022. However, in the eyes of the public, Indonesia is inconsistent because it is still planning to build new PLTUs at the end of 2022 until 2025. Some researchers say that Indonesia has difficulty releasing coal as an energy source. Indonesia still provides large subsidies with electricity rates that are lower than international standards. Apart from that, the costs used to produce electricity are much lower if you use coal in a PLTU [1]. Indonesia is not fast enough to make the transition because it does not yet have a nuclear power plant like in European countries for renewable energy sources. Indonesia will only build a nuclear-powered power plant in 2049[1]. The Domestic Political Situation is also an obstacle for Indonesia to make the transition. Entrepreneurs in coal mining in Indonesia have an important role in the energy chain in Indonesia. Many entrepreneurs in the regions who have businesses in the coal sector absorb a large workforce, so there is community dependence and emotional attachment to coal mining. There will be changes in economic and social structures that require firm policies to encourage transition [2, 3].

This paper explains further the reasons why Indonesia is still using coal under pressure from the international regime for renewable energy. Several diplomatic and negotiation efforts in various forums and organizations by Indonesia to gain support for coal phase-out are the main object of this paper.

2 Methods
Mitigation efforts in the Paris Agreement are realized by many countries with transition plans to use clean energy. For countries that depend on coal for their energy, it will be difficult to make a transition [4]. Demands from the international public regarding the large carbon emissions produced by burning coal make these countries have to think about ways and strategies to demonstrate their commitment to the Paris Agreement [4], [5]. Indonesia is a country that is under pressure from the international public because of the use of coal as an energy source. This paper will look at public diplomacy efforts in various international forums conducted by Indonesia. Discourse is a tool that can be used in public diplomacy [6]. The discourse behind the tug-of-war over Indonesia's use of coal will be dissected to find reasons for Indonesia to build a reputation for meeting the Paris Agreement targets.

This article analyzes the meaning of the statements made by the Indonesian government in each international forum. The data in this paper was collected through tracking Indonesian government speeches and statements relating to electricity generation and renewable energy. The results of the interpretation of these speeches and statements illustrate the form of Indonesia's diplomatic efforts in carrying out the energy transition and reducing the negative impacts of climate change.

3 Results and discussion
One of the reasons Indonesia is making the transition to New Renewable Energy (NRE) which is considered slow, especially regarding the existence of PLTU or Steam Power Plants, can be seen from an economic perspective. In this case, there are many opportunities where Indonesia, through government figures, has intensified campaigns that Indonesia is a country that has a strong intention to transition to NRE [7]. Indonesia has ratified the Paris Agreement and transferred it to Law Number 16 of 2016, which encourages reduction of greenhouse gas emissions through a Nationally Determined Contribution (NDC) and this has become a point of emphasis in international forums. However, on various occasions, there is one consistent theme that can be found from various actors at various occasions, in front of various
audiences – efforts to attract foreign investment. This is done through various opportunities, the majority of which are meetings attended by parties from two or more countries in the world [8].

The construction of PLTU in Indonesia is a form of investment by several development banks in Asia. China is a country that invests a large amount for PLTU in Indonesia. However, in 2019, China began reducing and cutting funds for PLTU construction. Several PLTU development plans with Indonesia are among those that have an impact. In this situation, Indonesia seeks to attract the attention of China which is also committed to reducing the use of coal as an energy source [9]. President Joko Widodo seeks to promote green energy projects along with the Capital City of Nusantara (IKN) project to Chinese entrepreneurs at an event at the Shangri-La Hotel, Chengdu, China, July 28, 2023, which resulted in an investment agreement between the two countries.

Efforts to promote green energy were also carried out in Germany, at the Hannover Messe industrial exhibition, April 17, 2023. On this occasion, Joko Widodo made a statement regarding the transition to green energy, "Of course this requires investment, requires large financing, at least USD 1 trillion by 2060 Indonesia invites investors from Germany to develop a green economy. Once again, Indonesia is very open to investment and cooperation." Promotional efforts were also carried out in Singapore, on 7 June 2023. On this occasion, Joko Widodo directly stated that "...this meeting was to promote his main investments in the fields of energy transition, green infrastructure and the development of the Indonesian Capital City (IKN)."

In front of 800 participants at the 2023 Ecosperity Conference, Joko Widodo stated "I advise you not to wait too long. This is a very interesting golden opportunity for Indonesia and you can be a part of it." "EV battery production next year, as well as production of 1 million electric cars and 3.2 million electric motorbikes in 2035," said Joko Widodo.

Apart from that, Indonesia is also actively promoting in several international forums. One of them is the International Economic Modeling Forum which is supported by ARISE+ Indonesia, an organization funded by the European Union, and Oxford Economics. On this occasion, the Deputy for Economic Affairs of the National Development Planning Agency, Amalia Adininggar Widyasanti invited the potential for collaboration and cooperation for the use of EBT in Indonesia.

On another occasion, Indonesia also promoted efforts to transition to green energy in Glasgow, Scotland, at the UN Climate Change Conference (COP26). Indonesia said that Its transition should be supported by technology and funding so it won't put an enormous burden on the people, the industry, and the state finances. Indonesia needs US$50 billion for transformation towards new renewable energy and it costs US$37 billion for forestry sector, land use, and sea carbon.

The effect of this vigorous promotion of EBT investment can then be seen through the investment or agreements that appear. It can be seen in several of the meetings above that there is potential or even agreement, both formal and non-formal, such as the meeting with China which immediately resulted in "...an agreement between Indonesia and China to continue to encourage investment in Indonesia", according to Joko Widodo's comments and with Germany which “...will encourage investment among G7 countries into Indonesia of up to €10 billion.”, according to a reply speech by Chancellor Olaf Scholz. At the G20 meeting, Indonesia also succeeded in securing an agreement on the Just Energy Transition Partnership (JETP) to reduce dependence on fossil fuels and coal. As a form of follow-up to JETP, Indonesia also succeeded in agreeing on cooperation in the development of small modular reactor nuclear energy renewable energy technology with the United States through the Indo-Pacific Chamber of Commerce and Industry Business Forum meeting in Nusa Dua, Bali, on March 18, 2023, containing technical and economic assistance, including a development fund.
of USD 1,000,000. Similar things also have an impact on other countries that have not received visits, one of which is Singapore, which on March 16 2023 succeeded in agreeing on a Memorandum of Understanding (MoU) which includes facilitating the development of solar photovoltaics (PV) and Battery Energy Storage Systems (BESS) technology and EBT exports. This MoU is considered to "...strengthen the energy infrastructure, energy transition and energy security for both Singapore and Indonesia, and also support regional initiatives such as the Asean power grid. ", said the Prime Minister of Singapore, Lee Hsien Loong. Other countries that have succeeded in agreeing on similar agreements are countries such as South Korea – which focuses on investment cooperation, technology transfer, capacity-building, and accelerating renewable energy development.

4 Conclusion

Indonesia postponed the PLTU moratorium to ensure that domestic energy needs are met to grow the industry. Indonesia seeks to attract investors with rich resource offers to develop green industries. Rhetoric as a developing country is used to gain support in the transition process, starting from technology transfer, infrastructure development and other investments. The target of accelerating the use of nuclear technology in power generation in Indonesia is starting to appear with collaboration with investors to develop small modular reactors. Indonesia's diplomacy to show commitment and efforts to reduce carbon emissions is directed at getting new investors in renewable energy. The sooner Indonesia gets investors, the sooner it will realize an emissions-free Indonesia which will contribute to reducing the impact of climate change.

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