

Could energy subsidy reform improve Indonesia's economic growth?

Effective energy subsidy policy reform could also facilitate the new government's goal of achieving 8 per cent annual economic growth, by freeing up an estimated 33.7 trillion Indonesian Rupiah IDR (~ 1.9 billion USD) in fiscal resources from LPG and 23.8 trillion IDR (~ 1.5 billion USD) from electricity subsidies, as explained below.

What is Indonesia's energy subsidy policy?

The ETP Forum helped coordinate support to Indonesia's G20 Presidency in 2022 and ASEAN Chairship in 2023. This energy subsidy policy brief explores Indonesia's household subsidies for energy consumption, and lays out a pathway for reform that will be crucial for achieving a just transition in Indonesia.

Would Indonesia benefit from tackling fossil fuel subsidies?

While Indonesia would benefit from tackling fossil fuel subsidies at all levels, this new CPD policy brief looks specifically at household subsidies for energy consumption. It outlines the case for reform, and demonstrates how the government could free up an estimated 50 trillion Indonesian Rupiah (over \$3 billion USD) from the state budget.

How much money does Indonesia spend on energy subsidies?

Energy subsidies remain a significant burden on Indonesia's state budget. In 2024, the government allocated Rp 386.9 trillion (\$23.9 billion) for energy subsidies, which included: Solar Diesel Subsidy (Rp 89.7 trillion): The government covers 43 percent of the market price of Rp 11,950 per liter for Solar diesel, equivalent to Rp 5,150 per liter.

Should energy policy reforms be ratcheted up in Indonesia?

Energy policy reforms have to be ratcheted up in Indonesia. The nascent literature on energy policy reform focuses on the technocratic aspect (Resosudarmo et al., 2023), the political economy of regional energy planning (Setyowati & Quist, 2022), and the policy commitment across ASEAN countries (Overland et al., 2021).

Why is energy adoption low in Indonesia?

Energy adoption in Indonesia remains low due to the government's own policy of maintaining massive subsidies for fossil fuels. As Indonesia plans to achieve net-zero emissions by 2060 or sooner, and the power sector's emissions peak in 2030, energy subsidy and Summary The Importance of Analyz

Reflecting on the growing energy storage market in Indonesia, GEM Indonesia as the leading industrial event organizer in Southeast Asia for more than 15 years proudly present Battery & Energy Storage Indonesia 2025 - Indonesia's ...

Latest jakarta energy storage subsidy policy

Nevertheless, the diffusion of microgrid technology has been severely constrained by its high costs. On the one hand, because of unregulated competition, policy uncertainty and ...

A subsidy for thermal energy storage is available up to PLN 5,000, increasing to up to PLN 16,000 (\$4,132) for electrical energy storage systems. The capacity should be at least ...

Indonesia's economy is highly dependent on the fossil fuel industry as evidenced in measures of non-taxable revenue, energy subsidy, energy mix and regulatory flexibility. To cut carbon emissions by 41% in 2030, ...

It seeks to shift fossil fuel subsidies to renewables and is urging the government to implement a clear, measurable plan for the upcoming national energy policy. Indonesia's energy...

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Alliance (CESA), identifies and summarizes these existing trends in state energy storage policy in support of decarbonization, as reported in a survey the authors distributed to ...

The Indonesian Government's substantial investment in energy subsidies, designed to assist poor and vulnerable households, ironically favors the wealthy and exacerbates ...

Indonesia's total energy supply increased nearly 60% from 2000 to 2021. As energy demand rose, coal stepped in to fill the gap. Per unit of energy consumed, its energy sector now emits one-third more CO₂ than in 2000. ...

Jakarta's energy storage subsidy policy. Jakarta E-Mobility Event Day 1: DKI Jakarta's Commitment to. Jakarta has been named as the host city for the Urban 20 (U20), which is a ...

Indonesia. In 2020-2021, in response to the COVID 19 pandemic, Indonesia has committed at least USD 6.78 billion to supporting different energy types through new or amended policies, according to official government ...

President Prabowo Subianto Thursday (10/31) at the Merdeka Palace, Jakarta, outlined strategic actions for enhancing national energy independence and implementing targeted energy ...

Effective energy subsidy policy reform could also facilitate the new government's goal of achieving 8 per cent annual economic growth, by freeing up an estimated 33.7 trillion ...

Argentina. In 2020-2021, in response to the COVID 19 pandemic, Argentina has committed at least USD 1.44

billion to supporting different energy types through new or amended policies, according to official government ...

We talked about the public support for de-carbonization and how it is influencing energy policy, and how Indonesia is using its natural resources to build a stronger presence in ...

Jakarta--A report by the Institute for Essential Services Reform (IESR) highlights that policies that encourage the growth of ESS in Indonesia must support its development. The ...

comprehensive analysis outlining energy storage requirements to meet U .S. policy goals is lacking. Such an analy sis should consider the role of energy storage in meeting the ...

Jakarta, December 15, 2023 - The Institute for Essential Services Reform (IESR) assesses that the energy transition is already in full swing in 2023, and it is ready to take off if the ...

Given these challenges, the new government must reassess the sustainability of subsidies and redirect fiscal resources toward clean energy initiatives and long-term energy security. Indonesia's ...

In 2023, Indonesia has been able to make progress with policies and actions in several sectors in order to align emission reduction targets with the Paris Agreement's 1.5C temperature limit. International financial agreements, ...

The need to reduce greenhouse gas emissions has catalysed the rapid growth of renewable energy worldwide. However, the intermittent nature of renewable energy requires ...

Indonesia's government is considering setting its energy subsidies at 186.9 trillion rupiah (\$11.9bn) in 2024 to maintain its citizens' purchasing power, said the Ministry of Energy and ...

policies and energy transition goals. Indonesia is lagging behind peers in Variable Renewable Energy deployment and has yet to adopt standards of automation and ...

Weak policies, unattractive tariffs, fossil fuel subsidies and regulatory uncertainties deter renewable energy investors. Despite these challenges, Indonesia holds immense promise.

The role that increased interconnection among Indonesia's main islands could play in the long term is addressed in IEA's upcoming Energy Sector Roadmap to Net Zero Emissions in Indonesia. A key barrier to ...

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National Institute of Solar Energy; National Institute of Wind Energy; Public Sector Undertakings. Indian Renewable Energy Development Agency Limited (IREDA) Solar Energy ...

subsidy reforms (Jakarta Globe, 2015; Bloomberg, 2015). Fuel subsidy policy has often been cited as a detrimental factor to Indonesia's credit rating in the past few years. The ...

Solar-home storage with a capacity of 2 kWh will be subsidized Subsidy consists of a non-repayable loan covering up to 50% of the investment, for a maximum of EUR7,000 Program ...

Subsidy policies for energy storage technologies are adjusted according to changes in market competition, technological progress, and other factors; thus, energy storage subsidy ...

Jakarta, October 15, 2024 - Throughout 2023, global renewable energy capacity will increase by 473 GW, with 74 percent or 346 GW coming from solar energy. This achievement shows that solar energy can be a key strategy for reducing ...

The new subsidy scheme aims to balance financial sustainability with the government's commitment to assisting vulnerable communities, providing a more equitable ...

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