



PLN

# STRATEGY TOWARDS FUTURE UTILITY 3.0



PLTU Tanjung Jati B



**JAKARTA, OCTOBER 2020**

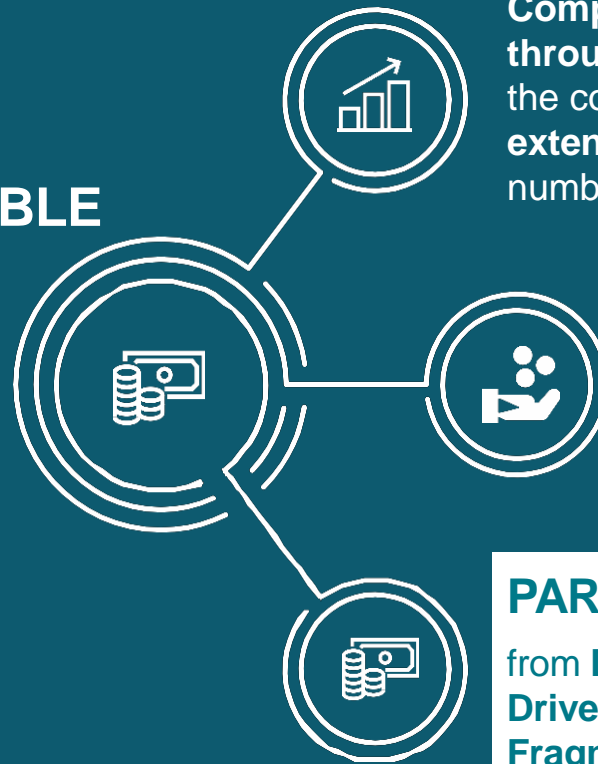
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# CEO MESSAGES



## SUSTAINABLE GROWTH



### GROWTH IN REVENUE

Company ensure that the revenue has to grow through intensification programs (e.g. increase the consumption of existing customer) and extensification programs (e.g. increase the number of new customer)

### FUTURE GENERATIONS ORIENTED

Provide clean energy, committed to innovation, adaptive and creative to seek for opportunities

### PARADIGM SHIFTING

from **Distributed** to **Centralized** Planning, from **Supply Driven** to **Demand Driven**, from **Vertical-Horizontal Fragmented** to **Vertical-Horizontal Integration**, from **Non-Renewable (dominant)** to **New & Renewable Energy**

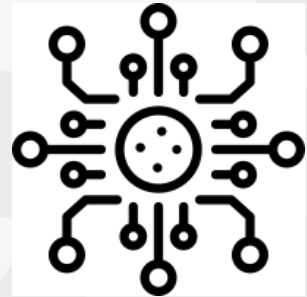
Facing the challenges of Industry 4.0 era, PLN response by showing its character, dedication, loyalty and adaptability which grow into aspirations to transform and become a company which has a vision beyond generation.

## Deregulation/ Democratization



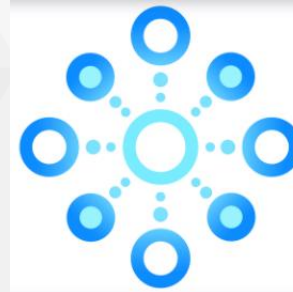
- Digital Procurement
- Investment Prioritization
- Regulatory and Sector Structure

## Digitalization



- Digitally enabled distribution excellence
- Digitally enabled execution machine (including operation command center, capex war room and dashboards)
- PLN Mobile relaunch

## Decentralization



- Billing and collection optimization
- Outage management
- Distributed Energy Resources (DERs)
- Energy storage
- Demand response

## Decarbonization



- Power plant of the future
- Launch 'green boosters', (e.g, Biomass co-firing, Diesel replacement, floating PV)
- Electric vehicles infrastructure

Electricity champion of South-East Asia and #1 customer choice for energy solutions

## GREEN

Leading Indonesia's energy transition through rapid and efficient scale-up of renewables

## LEAN

Lean, reliable and least cost provider of electricity to home, business and industries



## INNOVATIVE

Stimulating growth through innovative business models and services

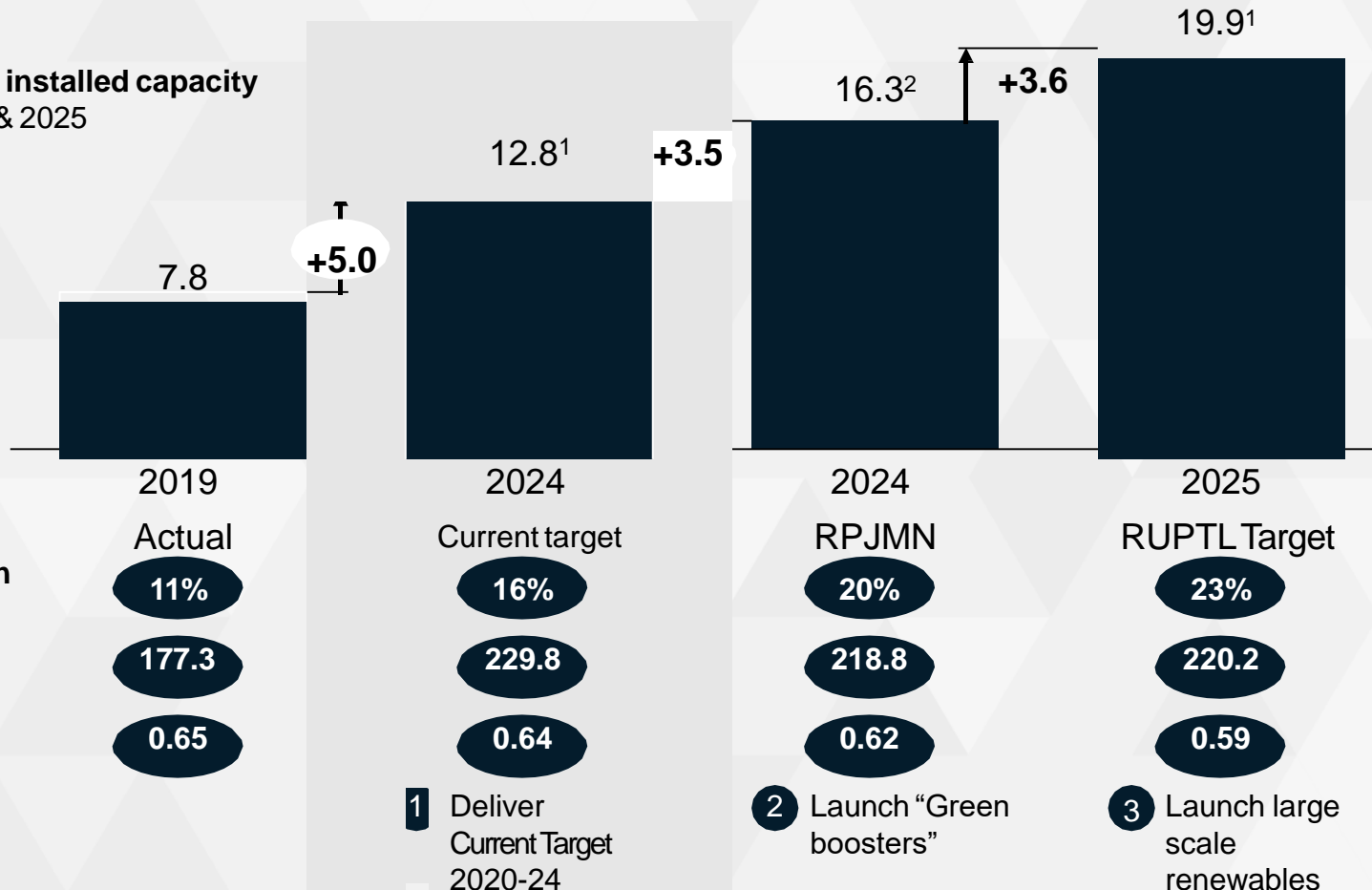
## CUSTOMER FOCUSED

Delighting customers through world class quality and services

The Indonesian Government through a National Energy Policy, is committed to achieve renewable energy target of 23% by 2025. Based on RUPTL 2019 – 2028, the national energy mix composition by 2025 consists of 23% renewable energy, 22% gas, 0,40% fuel and 54,60% coal.

Current PLN RE target is **12.8 GW in 2024 (+5.0 GW vs today)**

**Renewable (RE) installed capacity**  
GW, 2019, 2024 & 2025



Achieving the national mandate will **require initiatives for additional 3.5 GW by 2024 (RPJMN target) and 7.1 GW by 2025 (RUPTL target)**

PLN has **identified three sets of initiatives** to achieve RE aspirations: deliver current target, launch green boosters and build large Renewables:

- 1 Deliver current target (5.0GW)
- 2 Launch 'green boosters', (e.g, Biomass co-firing, Diesel replacement, floating PV)
- 3 Launch large scale renewables (e.g. hydro for REBID, geothermal, LSS)

**RE proportion in production, %**  
**CO<sub>2</sub> emission, mn tons/annum**  
**CO<sub>2</sub> emission, kg/kWh**

Actual  
**11%**  
**177.3**  
**0.65**

Current target  
**16%**  
**229.8**  
**0.64**  
**1** Deliver Current Target 2020-24

RPJMN  
**20%**  
**218.8**  
**0.62**  
**2** Launch "Green boosters"

RUPTL Target  
**23%**  
**220.2**  
**0.59**  
**3** Launch large scale renewables

1. 1<sup>st</sup> Draft RJPP 2020-2024 (in revision process)

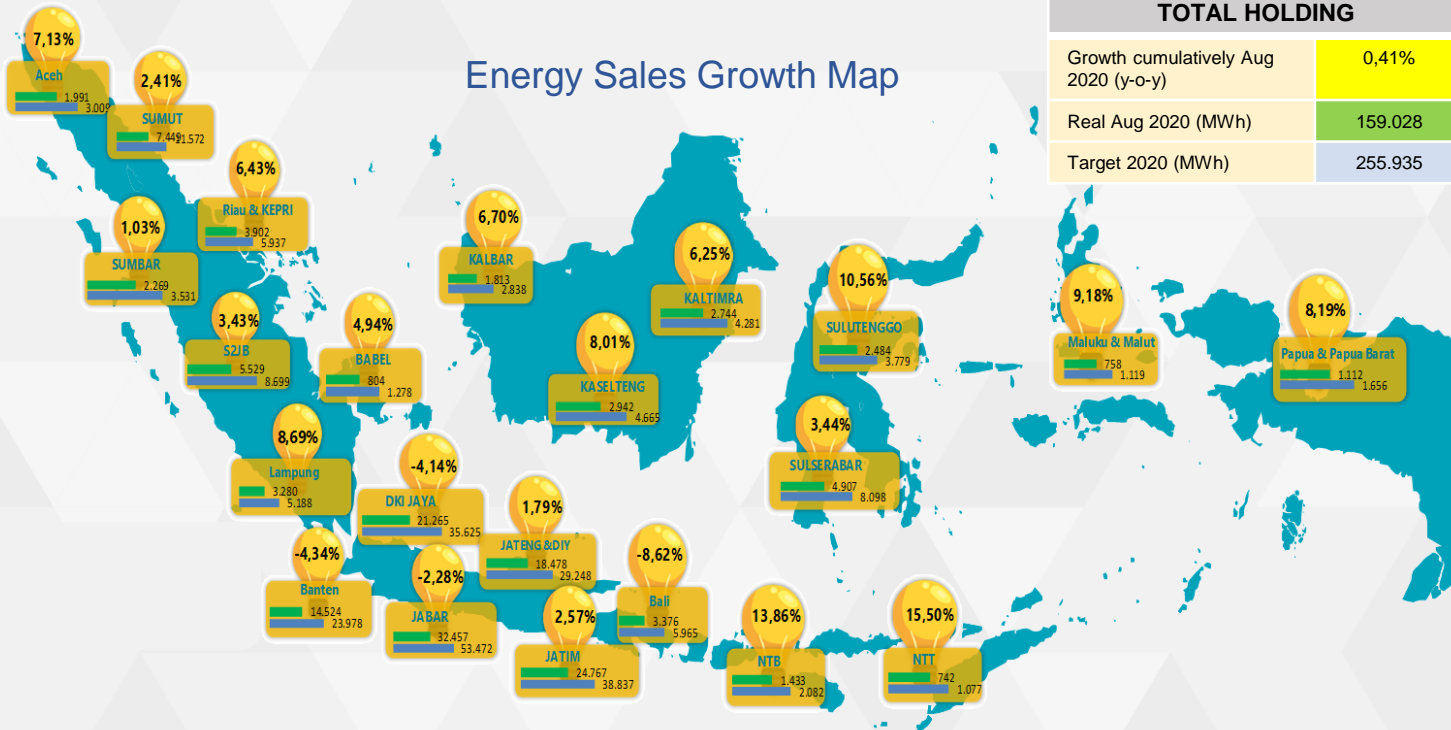
2. Using 46% Renewable CF and RJPP low scenario as a total market demand for 2024 (355TWh) and 2025 (374TWh)

Source: PLN SILM 2019

# CHALLENGE & MITIGATION DUE TO COVID-19



Energy Sales Growth Map



TOTAL HOLDING	
Growth cumulatively Aug 2020 (y-o-y)	0,41%
Real Aug 2020 (MWh)	159.028
Target 2020 (MWh)	255.935

Energy Sales Growth (y-o-y) Holding & Regional

	Apr'20	Mei'20	Juni '20	Juli 20	Agst 20	Cum. Agt 20
<b>HOLDING</b>	-1,67%	-10,73%	5,46%	-2,01%	-0,26%	0,41%
REG JMB	-4,39%	-14,65%	4,70%	-4,01%	-2,11%	-1,47%
REG SUMKAL	5,27%	-0,77%	7,32%	2,89%	3,92%	4,95%
REG SUL, MPNT	7,63%	2,53%	7,86%	6,12%	7,88%	7,75%

COVID-19 pandemic, slow the energy sales growth, especially in Java-Madura-Bali region which has **negative** growth (year-on-year). However, other regions shows a **positive** growth. Thus, despite the realization are still far from the target, on corporate scale, the sales still shows a **positive** growth.

PLN response to the COVID-19 impact by characterizing the projects in several priorities, which are:

- Priority 1: Mandatory project (e.g. high legal risk/implication; financed by government, take-or-pay projects)
- Priority 2: Projects which gives the highest IRR
- Priority 3: Shifting from supply driven to demand driven
- Priority 4: Stimulant to increase revenue (e.g. discounted price to upgrade household capacity)
- Priority 5: dispatch optimization and primary energy optimization,

## PLN's next steps & Stakeholders contribution

Centralize end-to-end project execution for big renewable projects (e.g. more than 10 MW)

Set-up smart grid and smart meters for strategic cities, including the development of New Capital City of Indonesia

Launch dual FS/Feed with cluster strategy for diesel replacement with renewables

Set up long term strategic partnership with potential **biomass suppliers** (e.g., PTPN, Perhutani)

Develop **REBID** scheme for large-scale renewables linked to industrial estate (with government support)

## Distribution of Industrial Estate



PLN is widely open for any discussions and knowledge sharing regarding electricity development in Indonesia. Partnership and risk sharing is necessarily needed to find the best solution for further development.



Thank You