Energy efficiency jakarta

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Lately, the Indonesian capital of Jakarta has been seeing itself starring in many headlines around the world for the wrong reason: that of being one of the world"s most polluted cities on Earth, at least according to IQAir, a Swiss-based air quality technology company that also operates AirVisual, a real-time air quality information platform.

It has become a source of shame for many Indonesians and the country"s government, which has since ordered the Jakarta administration to reinvigorate policies that would reduce the city"s pollution levels and to encourage residents to take measures to improve air quality.

Fortunately, the signs show that Indonesia is aware of this need and remains committed to reducing its carbon emissions. These signs include the issuance of Government Regulation No. 33 of 2023, its continued negotiations with relevant stakeholders on the Just Energy Transition Partnership (JETP) funds, and in other ongoing, and, no-less significant, efforts - whether it"s government-to-government, business-to-business, or in the public-private sector.

Issued in June of this year, the regulation is an important breakthrough in policy terms for the implementation of energy-efficient technologies in the country. Not only is it the first regulation of its kind for the nation, but the regulation also falls in line with many of the recommendations issued by the international community in the global fight against climate change.

Furthermore, the regulation acknowledges the need for government facilitations, incentives and disincentives in order to spur the adoption of energy efficiency technologies in industries. While the detailed stipulations will be reliant on the upcoming ministerial regulations, the regulation at least mandates the provision of access to information, consultation, as well as financing.

It may be noted here that roughly 80% of energy consumption in Indonesia is consumed by 20% of the 191 sub-sectors as defined by the 4-digit Indonesian industry classification system, also known as KBLI. Inthis regard, the regulation may thus be considered an accurate approach to the country"s energy transition efforts as it mainly targets the largest contributors to the country"s carbon emission levels.

Planned to be launched initially six months after the G20 summit in December of 2022, the issuance of the investment plan was delayed to August before it was delayed again to approximately the end of this year.

At a recent event however, Deputy of Infrastructure and Transportation at the Coordinating Ministry of Maritime affairs and Investment Rachmat Kaimuddin, said that the plan would be completed by October of 2023, earlier than the previously announced delay.

However, with the interest rates attached to the funds being roughly similar to commercial loansand a grant portioncomprising ofonly around 1% of the total funds (roughly $217 million), themoney would be likely directed to the construction of various new and renewable energy plants and exportable renewable energy.

Even so, he said Indonesia remains committed to seizing the JETP funds, adding that it was necessary in the country"s efforts to achieve its goal of cutting carbon-emission levels by 31.89% on its own or 43.2% with international support by 2030, further attaining net-zero emissions by 2060.

The efforts above are just a couple of examples of what the country has done, and is doing, to contribute to the combat against climate change.Another recent example is the September launch of the country"s first carbon emission credit trading platform (IDXCarbon), which aims to develop a market that could further incentivize Greenhouse Gas-emission reductions.

Some 13 carbon credits nearing 460 kilotons CO_2 equivalent from state-owned PT Pertamina Geothermal Energy"s project in North Sulawesi were traded at the opening, priced at Rp 69,600 (or roughly $4.50) per ton. Buyers reportedly included Bank Central Asia and Bank Mandiri, two of some of the largest banks in Indonesia, as well as companies from the mining sector.