



INDONESIA

Indonesia has an abundance of geothermal resources and big hopes for the sector. The government aims to source 15 percent of its electricity from renewables by 2025, including 5 GW of geothermal power. Indonesia has 880 megawatts installed in the sector and is slated to issue tenders for projects soon. The country also offers tax incentives for renewable energy developers and hopes to have 0.5 GW of installed solar by 2025. Finally, Indonesia said after the climate summit in Copenhagen that it would reduce its emissions 26 percent by 2020 through various forestry efforts, energy efficiency programs and development of renewables but was not clear on the baseline year it would be using for its commitment.

Despite the government's support, investors and developers have been deterred from the market by concerns about the political and regulatory environment. Indonesia is considering sharing the financial burden of the early stages of geothermal project development to help lower the investment risk, which could go some way toward easing investment concerns. However, more is needed.

Immediate adoption of a renewable electricity standard is a necessary first step toward providing some certainty. The RES could start modestly and then escalate over the coming years. Indonesia should also be wary of putting all its efforts into its abundant geothermal resources and should offer incentives and possibly specific requirements under its RES for wind and solar development. Finally, carbon capture and storage requirements and programs would help clean up its existing portfolio and would make renewables more attractive.

FINANCE AND INVESTMENT (2009)*	
Total Investment	\$354 million
G-20 Investment Rank	16
Percentage of G-20 Total	0.3%
5-Year Growth Rate	94.5%

INSTALLED CLEAN ENERGY (2009)	
Total Renewable Energy Capacity	1.1 GW
Total Power Capacity	4.2%
Percentage of G-20 Total	0.4%
5-Year Growth Rate	7.9%
Key Renewable Energy Sectors	
Geothermal	880 MW
Biomass	400 MW

KEY CLEAN ENERGY TARGETS (2025)	
Geothermal	5,000 MW
Solar	500 MW
Renewable Energy Power	15% of all electricity to be sourced from clean energy

KEY CLEAN ENERGY INCENTIVES	
Geothermal	Preferential tariffs, no import duties
Renewable Energy Power	Guaranteed purchase of renewable power by state utilities

NATIONAL CLEAN ENERGY POLICIES	
Carbon Cap	
Carbon Market	
Renewable Energy Standard	✓
Clean Energy Tax Incentives	✓
Auto Efficiency Standards	
Feed-in Tariffs	✓
Government Procurement	✓
Green Bonds	

*Includes investments in venture capital and public markets, and asset finance for all clean energy technologies including biofuels and energy efficiency.