



DEWAN PERWAKILAN RAKYAT REPUBLIK INDONESIA

National Initiative to Encourage Clean Energy

2nd Caucus of the AIPA, 22nd – 25th June 2010

No	National Initiative to Encourage Clean Energy	Views on Possible Common Legislation
1	<p>Indonesia as a net oil importer nation has formulated several policies as the foundation for the establishment of national energy resilience, continuity of economic development, decreasing dependencies on fossil energy and its ecological usage</p> <p>The politics of energy alternative development could be seen with the existence of national legislation No.30 Year 2007 on Energy and a number of other regulatory frameworks such as : (1) Presidential Decree No.5 Year 2006 on National Energy Policy ; (2) Presidential Instruction No.1 Year 2006 on the Availability and Utilization of Biofuel; and the Ministry of Energy and Regulation No.32 on the Availability, Utilization and</p>	<p>1. Harmonization of policies and legislation in order to develop alternative non-fossil energy as a form of clean energy. Harmonization of policies and legislation among AIPA member countries could be achieved through the following steps</p> <ul style="list-style-type: none">• Sharing of experiences, knowledge and practices among parliamentarians of AIPA member countries within workshop and training programs to increase capacity building process for the establishment of a common legislation• Promote regional standards for the development of legislation to develop alternative non-fossil energy that

<p>Sales of biofuel as an alternative fuel</p> <p>The objectives of Indonesia energy policy are clearly articulated in Presidential Decree No.5 Year 2006 which is oriented on the roles of energy to the national consumption of energy in the year 2025 through optimal combination of energy as follows :</p> <ol style="list-style-type: none"> (1) decrease of oil consumption becoming less than 20 % (2) increase in gas consumption to more than 30% (3) increase in coal consumption to more than 33% (4) increase in bio- fuel consumption to more than 5% (5) increase in new energy consumption such as geothermal, nuclear, sun energy, etc to more than 5 % (6) increase in the consumption of liquefied coal to more than 2 % <p>Another important approach within the scheme of the utilization of the Presidential Decree is the existence of the target for energy elasticity in order to measure the levels of efficiency in the year 2025</p> <p>The new National Legislation on Energy will provide the background framework for other national legislation on this sector such as the national legislation on national and gas and national legislation on electricity. The existence of these national legislations will enhance the possibilities for sustainability of energy development. The national legislation also stipulates the establishment of a National Energy Commission (DEN) which has the</p>	<p>are renewable within the AIPA forum through the establishment of Energy standards Information System (ESIS) and Renewable Non-Fossil Energy and Energy Efficiency Partnership Expert Working Group within the mechanism of AIPA.</p> <ol style="list-style-type: none"> 2. Harmonization of Legislation in the use of non-fossil energy which has mandatory characteristics on the industry and public transportation sector. 3. Harmonization in national energy mix strategies of AIPA member countries in order to support clean energy use which could be achieved through the following approaches : <ul style="list-style-type: none"> • Resource mapping – identifying areas of potential cooperation for clean energy use through the establishment of a reliable regional database on renewable energy resource base. This will assist AIPA member countries in identifying potential for clean energy that are renewable and identifying areas of complementary interest among parliamentarians of AIPA member countries • Increase skill base – strengthening skill base of parliamentarians of AIPA member countries to formulate strategies on this issue through the exchange of information on technology development for clean energy. This could be achieved through dialogues and consultation, workshop and training courses and the full utilization of internet to establish parliamentarians
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responsibilities of creating energy politics on four realms of policy-making as follows :

- (1) Designing and formulating national energy policies for the endorsement of the government with the approval of the Indonesian House of Representatives in areas : (a) Energy supply for national priorities ; (b) the priorities of energy development ; (c) utilization of energy resources and ; (d) national energy reserves
- (2) Formulating National Energy Action Plan ;
- (3) Creating measures for crisis management during energy emergency cases and
- (4) Monitoring the implementation of policies on the fields of energy which has inter-sectoral Characteristics.

Indonesia's decision to leave OPEC has stimulated a series of Indonesian policies in order to fulfill the national resilience energy requirements. The development of alternative energy that is based on non-fossil fuels will continue to attract the attention of Indonesia. This is supported by the fact that Indonesia has a large area to support the development of the alternative energy. The development of non-fossil energy sources such as from palm oil etc that has become the agenda of the Indonesian government through its bio-fuel development program.

Indonesia also sees that the issue of alternative energy development specially the development of non-fossil energy has to be seen in a comprehensive manner

research networks to diffuse information on clean energy

- Evaluation of progress and performance of clean energy strategies – an ad-hoc committee or working group to examine how and why particular clean energy strategies succeed in different AIPA member countries and the dissemination of its findings to all AIPA member nations

	<p>taking into account its resilience for developing countries. This meant that the development of alternative non-fossil energy has to be seen within the context of fulfilling basic needs of each country. In addition to that, developed countries as the largest energy consumer in the world must give their utmost support to the development of non-fossil alternative through financial support, technology transfer and the development of the capacities of the human resources.</p> <p>Indonesia, politically and legally, is ready to contribute to every effort in enhancing cooperation within the regional and multilateral realm in order to manage clean energy, lessening the dependencies to energy that is fossil-based, and in strengthening cooperation in the development of alternative energy in order to strengthen national energy resilience, maintaining the sustainability of supply of energy and not giving excessive impact on the maintenance of the environment.</p>	
2	<p>In line with energy politics and the policies that have been implemented on the national scale, Indonesia has also ratified international regimes that has an ecological dimension and continuously enforces clean energy use such as the ratification to the UN Conventions on Climate Change (UNFCCC) in the form of Indonesian National Legislation No.6 Year 1994 on the ratification of United Nations Framework Convention on Climate Change and the Kyoto Protocol through national legislation No.17 Year 2004 on the Ratification of the Kyoto Protocol to The United Nations Framework Convention on Climate Change.</p>	<p>4. New UNFCC data shows that ten ASEAN countries have ratified the conventions and protocols. Consequently, there needs to be harmonization to the supporting legislation for each country hat has ratified the implementation of <u>article 10 alinea (b) letters (i) of the Kyoto Protocols and article 4 alinea 1 letters (c) of the Convention for Climate Change (UNFFC)</u></p> <p>Additional Information :</p> <p>Article 4 alinea 1 letters (c) UNFCC stated as follows:</p>

As a follow-up to this commitment, Indonesia has been able to accomplish a political breakthrough as part of our support to use clean energy through the Indonesian declaration on the Conference of UNFCCC (COP 15) which stated the Indonesian commitment through the national commission for climate change to decrease greenhouse emission effect to 26 % with the national fund and 41 % with international support in the year 2020. In the effort to achieve this target, the emission mitigation efforts of GRK are continuously implemented on its sources, such as from the sector of energy plants, industry and transportation and its sinker such as the management of land, land-use change and forestry (LULUCF). Consequently, the effort to reduce the emission levels of GRK is the necessity of using clean energy.

“All parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, shall :

(c) Promote and cooperate in the development, application and diffusion, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases not controlled by the Montreal Protocol in all relevant sectors, including the energy, transport, industry, agriculture, forestry and waste management sectors.

Article 10 alinea (b) letters (i) of the Kyoto Protocol stated that :

“All parties, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, without introducing any new commitments for Parties not included in Annex 1, but reaffirming existing commitments under Article 4, paragraph 1 of the Convention, and in continuing to advance the implementation of these commitments in order to achieve sustainable development, taking into account Article 4, paragraph 3,5, and 7,of the Convention, shall:

(b) formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change and measures to facilitate adequate adaptation to climate change:

		(i) Such programmes would, inter alia, concern the energy, transport and industry sectors as well as agriculture, forestry and waste management. Furthermore, adaptation techniques and methods for improving spatial planning would improve adaptation to climate change.
3	Indonesia is committed to cooperation and engagement with organizations such as the Asian Development Bank and World bank in the areas of renewable energy development, maintenance and financial funding in order to support Indonesian objective of reducing Greenhouse gas emissions by 26 % by 2020	Clean Technology Fund (CTF) from the World Bank and Asian Development Bank to transform the use of renewable energy in Indonesia. CTF is designed to transform the country's development pattern through greater utilization of geothermal power resources and promoting energy efficiency and the use of renewable energy sources.
4.	Indonesia and the US government has agreed to establish the US-Indonesia Clean Energy Expansion Program through the greater maximization of the Technology Transfer Program so that Indonesia could develop its renewable energy such as geothermal energy	Indonesia welcomes and supports the establishment of cooperation on clean energy program with all AIPA member countries to reinforce and strengthen the programs that are currently implemented with the US government.