



Putting PLN's Net Zero Ambition into Context

The Numbers Will Need to Add Up

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25 June 2021

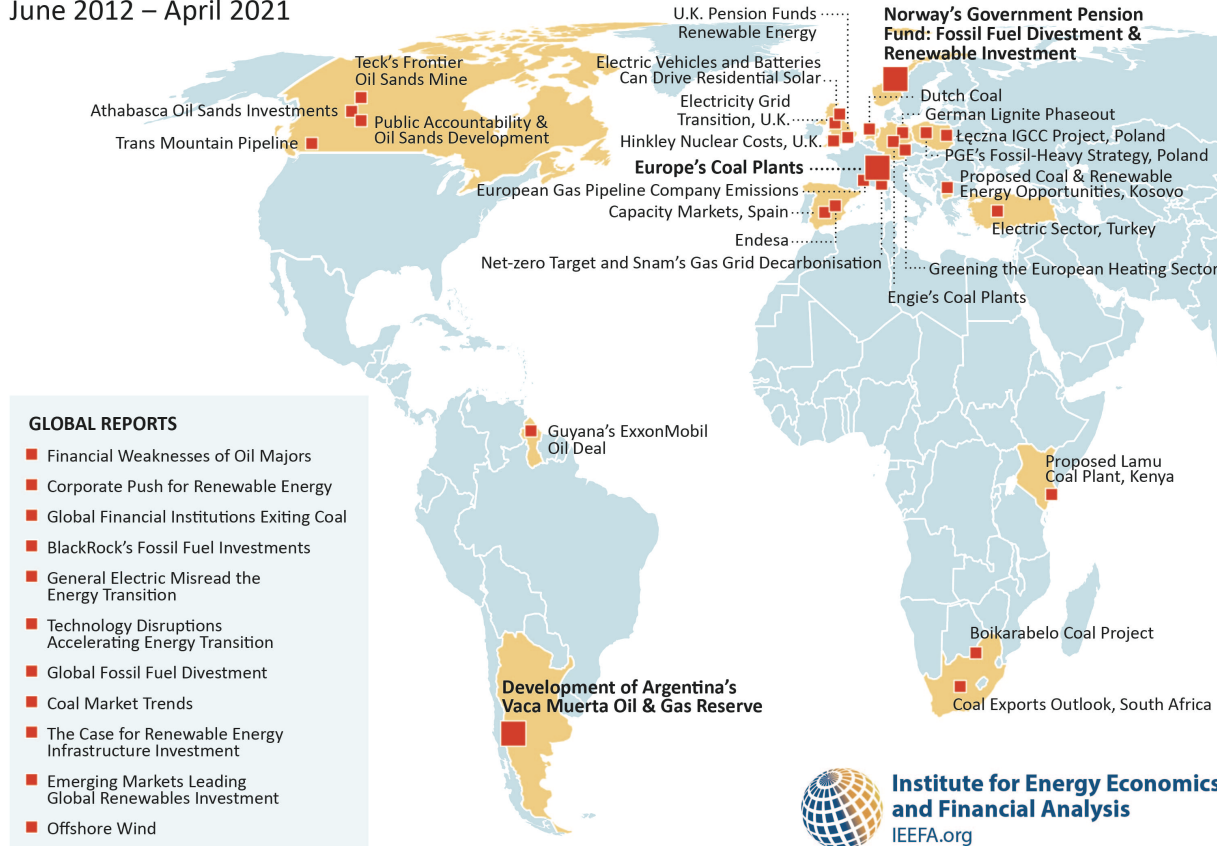


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A Snapshot of IEEFA

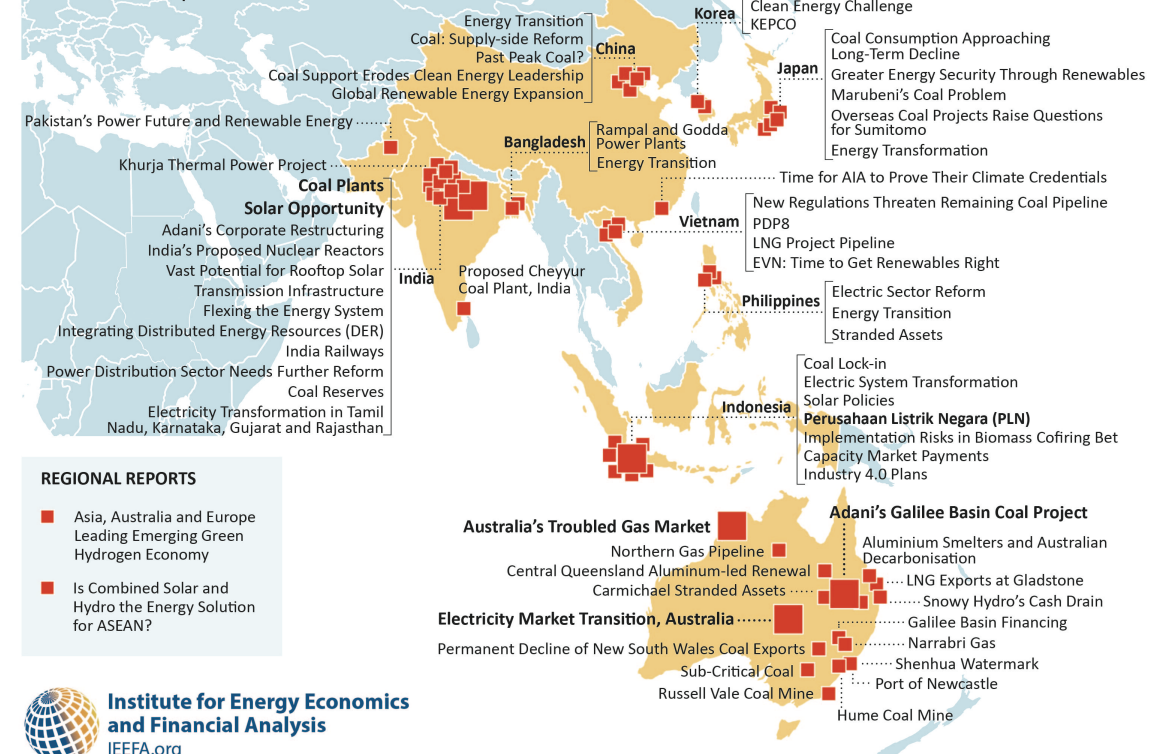
... the Americas, Europe, and Africa ...

June 2012 – April 2021



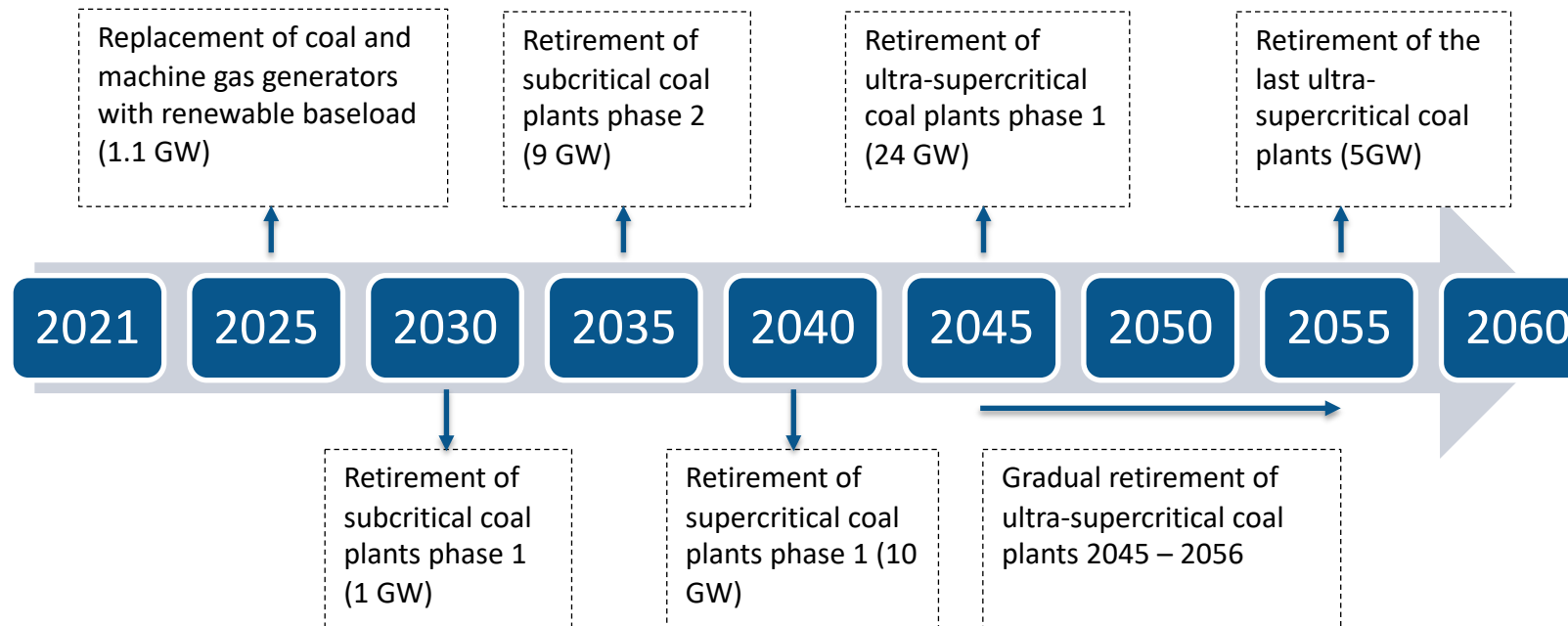
... and across Asia and Australia.

June 2012 – April 2021



PLN's Announcement in a Parliamentary Hearing

27th May 2021

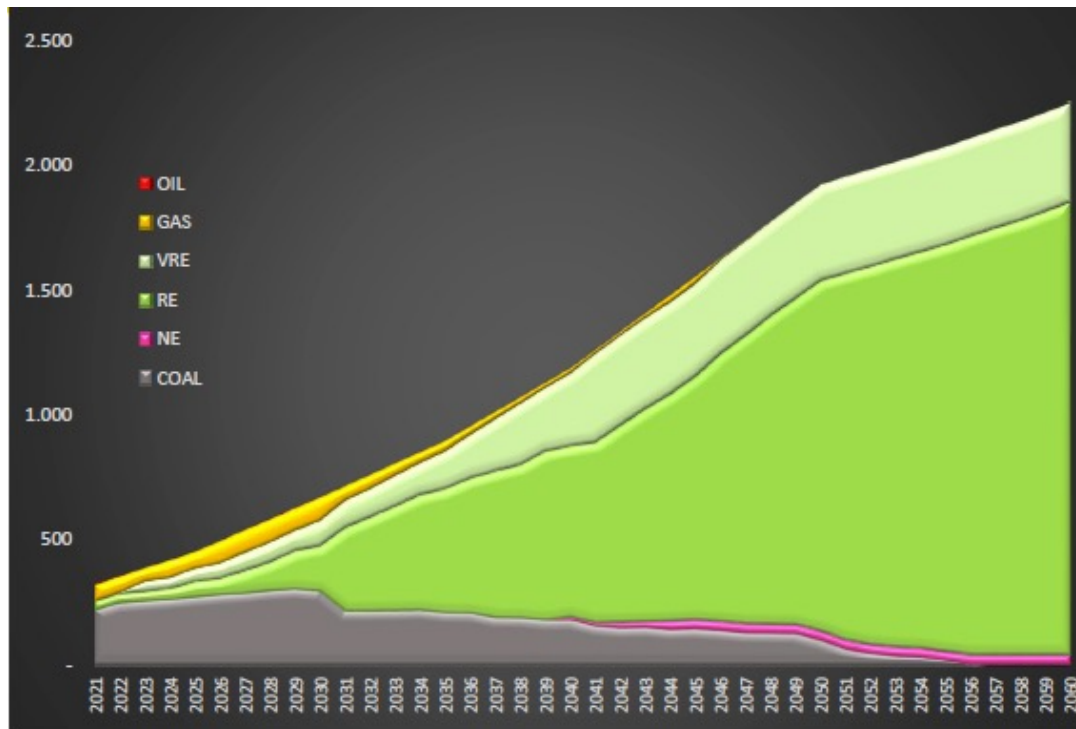


MEMR's Press Release

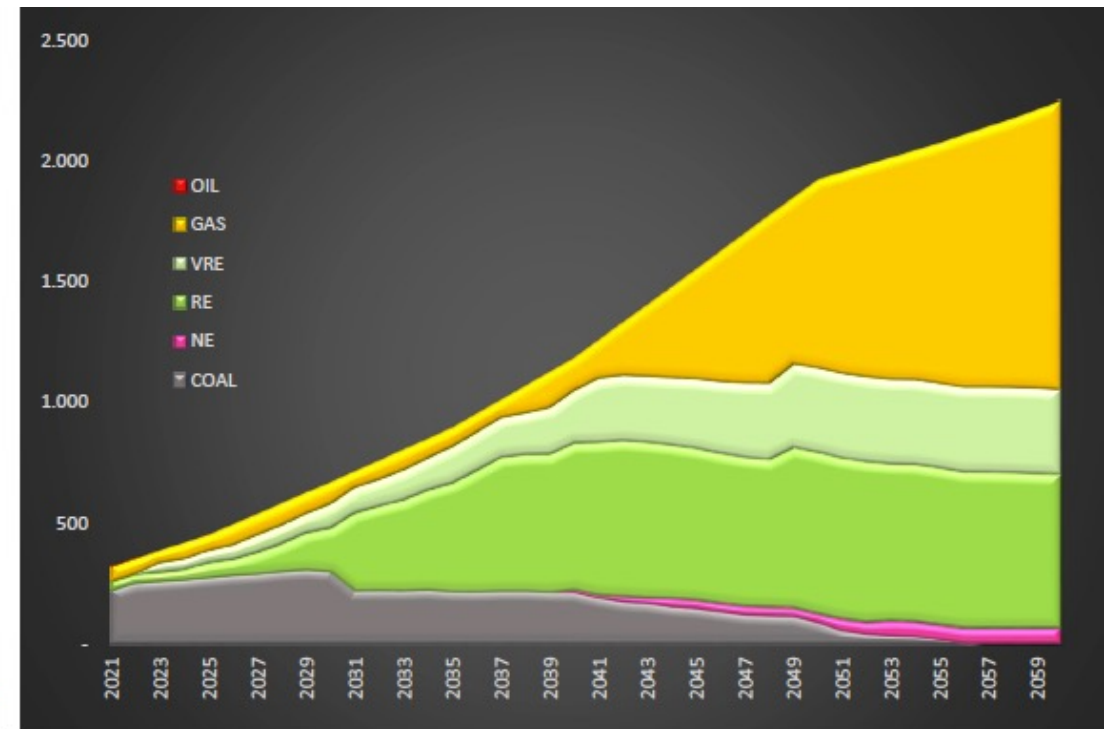
4th June 2021

Indonesia's Electricity Production 2021–2060 (TWh)

Scenario 1

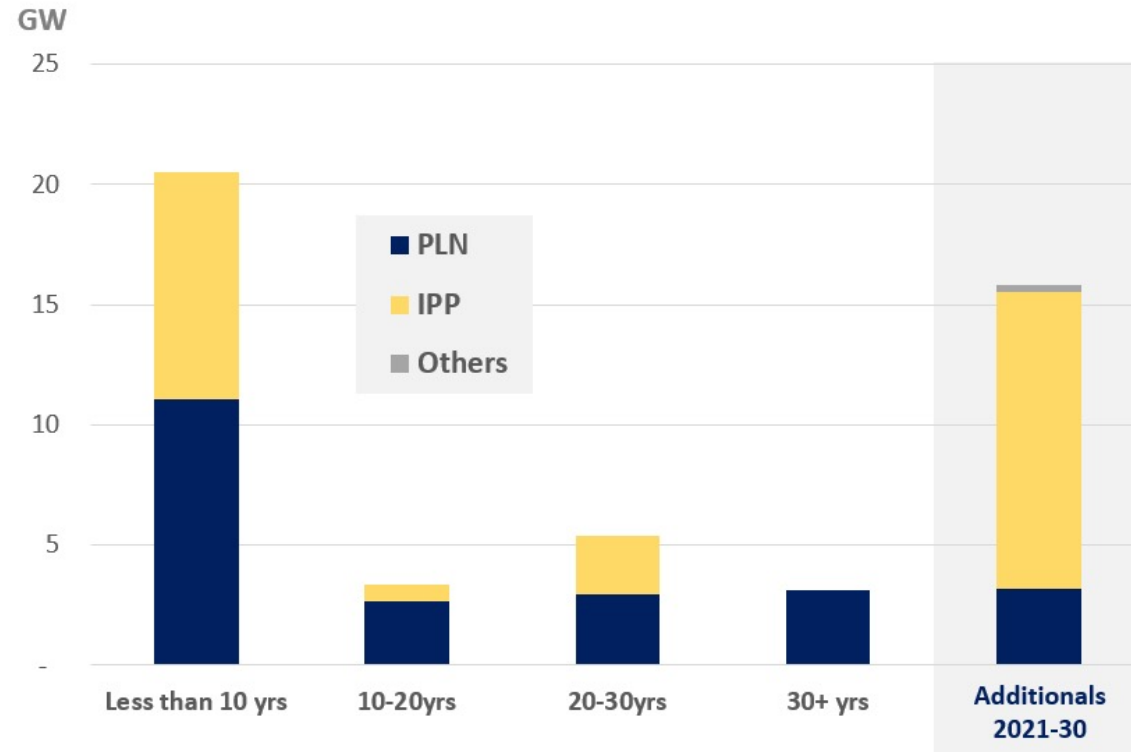


Scenario 2



New Optics, Old Substance

Existing Steam Power Plants (PLTU) Capacity Age and Additional Plans



Includes 1GW of legacy steam power plants running on oil or gas.

Source: RUPTL, MEMR, PLN.

1

This is not an early retirement plan for coal.

All coal plants are still on track to operate for their forecast economic/contractual life.

New Optics, Old Substance

Coal Power Plants Project Pipeline

2

The 35 GW coal power programme will largely stay on track.

- Despite the looming over-capacity in Java-Bali grid and Sumatera grid
- Around 16 GW of NEW coal capacity will come online between 2021 and 2030 (1.7 GW of which are still “under further discussion”)

Province	Construction	Procurement	PPA	Financing	Planning	Designated Name	Owner	Remarks	Capacity (MW)	COD year
Banten						Jawa-9 & Jawa-10	IPP	Indo Raya Tenaga (Indonesia Power, Barito Pacific)	2,000	2025/26
						Lontar Unit 4 aka Lontar Exp	PLN		315	2021
Jawa Barat						PLTU Jawa-1 (FTP2) aka Cirebon Unit 2	IPP	Cirebon Electric Power	1,000	2022
						Indramayu Unit 4 (FTP2)	PLN		1,000	2029
Jawa Tengah						PLTU Jawa-3 (FTP2) aka Tanjung Jati A	IPP	Tanjung Jati Power Co, Bakrie Power (B&Brothers Tbk, YTL Corp)	1,320	2025/26
						Jawa-4 (FTP2) aka Tanjung Jati B Unit 5-6	IPP	Bhumi Jati Power (Sumitomo, Kansai, United Tractors (Astra))	2,000	2021
Aceh						Jawa Tengah (PPP) aka Batang	IPP	Bhimasena Power Ind (J-Power, Adaro Power, Itochu)	1,900	2021
						Meulaboh aka Nagan Raya Unit 3-4	IPP	Meulaboh Power Gen (PP Energi, China Datang Ovs., Sumberdaya)	400	2023
Sumut						Sumut 1 Unit 1-2	K Wilus	Operating Areas Cooperation (Kerjasama Wilayah Usaha)	300	2023
Jambi						PLTU MT Jambi-1 Unit 1-2	IPP	Putra Indotenaga - PLN BB	600	2027
						PLTU MT Jambi-2 Unit 1-2	IPP	Pembangkitan Perkasa Daya	600	2026
Sumatera Selatan						MT Sumsel-I Unit 1-2	IPP	Shenhua Guohua Lion Power Ind (Shenhua, Lion Energy)	600	2023
						MT Sumsel-8 Unit 1-2	IPP	Huadian Bukit Asam Power (Bukit Asam, China Huadian)	1200	2022
Kalimantan Barat						MT Sumbagsel 1 Unit 1-2	IPP	Sumbagsel Energi (Sakti) Perwali	300	2024
						Parit Baru (FTP1) Unit 1-2	PLN		100	2022
Kalimantan Timur						Bengkayang (FTP1) Unit 1-2 aka Pantai Kura2	PLN		55	2022
						Tanah Grogot Unit 1-2	IPP	[?]	14	2023
Kalimantan Tengah						MT Kalselteng 3 Unit 1-2	IPP	PJBInvest - PLN BB	200	2024/25
Kalimantan Selatan						Sampit Unit 1-2	PLN		50	2023
						Kalselteng 2 Unit 1-2	PLN		200	2022
Kalimantan Utara						Kotabaru Unit 1	PLN		14	2023
						Malinau Unit 1	PLN		6	2021
Sulawesi Utara						Tanjung Selor Unit 1	PLN		14	2021
						Sulut 3 Unit 1	IPP	Minahasa Cahaya Lestari (Toba Bara S, Sinohydro Corp)	50	2021
Gorontalo						Talaud Unit 1	PLN		6	2022
Sulawesi Selatan						Sulut 1 Unit 1	PLN		100	2023/24
Sulawesi Tengah						Sulbagut 1 Unit 1-2	IPP	Gorontalo Listrik Perdana (TBS, Toba S, Shanghai Electric PC)	100	2021
						Barru 2 (1x100MW)	PLN		100	2021
Sulawesi Tenggara						Palu 3 Unit 1-2	PLN		100	2023
						Sulbagsel Unit 1-2	PLN		400	2023/24
Nusa Tenggara Barat						Bau-Bau Unit 1-2	IPP	[?] - Note that this unit is different from Bau-Bau PLN units	30	2023/24
						Lombok Unit 1-2 (FTP 2)	PLN		100	2021/22
Nusa Tenggara Timur						Lombok 2 Unit 1-2	PLN		100	2023/24
						Bima Unit 1-2 (FTP 1)	PLN		20	2029
Maluku						Sumbawa 2 Unit 1-2	PLN	PLN (Previously unallocated in RUPTL2019)	100	2023/24
						Atambua Unit 1-4	PLN		24	2030
Papua						Rote Ndao Unit 1-2	PLN		6	2022/23
						Timor 1 Unit 1-2	PLN		100	2022/23
Papua Barat						Alor Unit 1-2	PLN		6	2022/23
						Ambon-Waai (FTP1) Unit 1-2*	PLN		40	2023
Papua Barat						Sofifi Unit 1-2	PLN		6	2021
						Feni Halmahera Timur (Haltim) Unit 1-4	PLN	PLN - potentially for PTBA/Antam	200	2024
Papua Barat						Nabire - Kalibobo Unit 1-2	IPP	[?]	14	2022
						Sorong [Ex Timika]	PLN		28	2030

*) MEMR presented cancellation plan for PLTU Ambon/Waai (FTP1), but the unit is still on RUPTL2021 draft

15,818

New Optics, Old Substance

Coal Plants Still in Financing Stage Status According to PLN Annual Report 2020

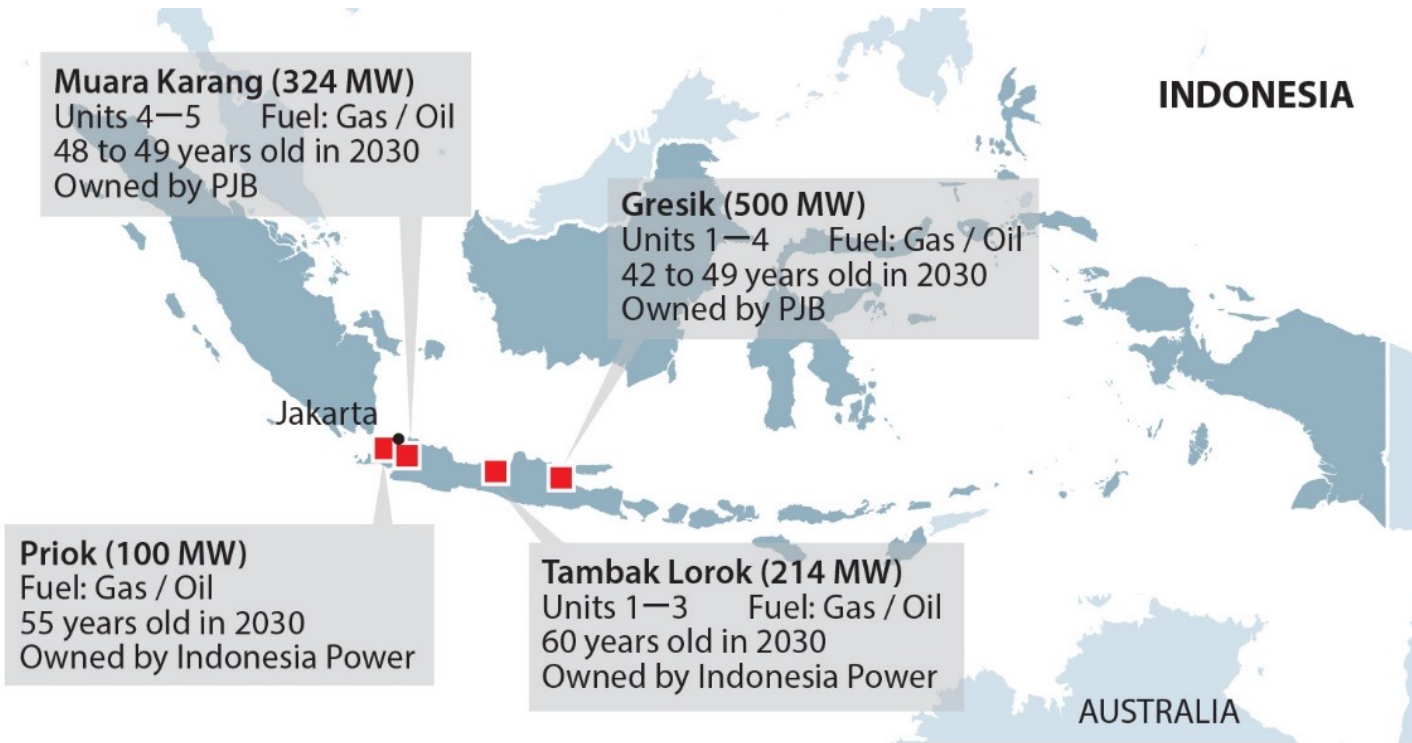
Province	Plant Name	Plant Name	Ownership	Capacity (MW)	COD
Jambi	PLTU MT Jambi-1 Unit 1	IPP	PLN Subsidiary (PT Putra Indotenaga & PLN BB)	300	2027
	PLTU MT Jambi-1 Unit 2	IPP	PLN Subsidiary (PT Putra Indotenaga & PLN BB)	300	2027
	PLTU MT Jambi-2 Unit 1	IPP	PT Pembangkitan Perkasa Daya	300	2026
	PLTU MT Jambi-2 Unit 2	IPP	PT Pembangkitan Perkasa Daya	300	2026
South Sumatera	MT Sumbagsel 1 Unit 1	IPP	PT Sumbagsel Energi (Sakti) Perwali	150	2024
	MT Sumbagsel 1 Unit 2	IPP	PT Sumbagsel Energi (Sakti) Perwali	150	2024
West Java	Indramayu Unit 4 (FTP2)	PLN		1,000	2029
	PLTU Jawa-3 (FTP2) Unit 1 aka Tanjung Jati A	IPP	Bakrie Power (B&Brothers Tbk 20%, YTL Corporation 80%)	660	2025
	PLTU Jawa-3 (FTP2) Unit 2 aka Tanjung Jati A	IPP	Bakrie Power (B&Brothers Tbk 20%, YTL Corporation 80%)	660	2026
Central Kalimantan	MT Kalselteng 3 Unit 1	IPP	PLN Subsidiary (PT PJBIInvest & PLN BB)	100	2024
	MT Kalselteng 3 Unit 2	IPP	PLN Subsidiary (PT PJBIInvest & PLN BB)	100	2025
South Kalimantan	MT Kalselteng 5 Unit 1	IPP	PLN Subsidiary (PT PJBIInvest & PLN BB)	100	2025
			TOTAL	4,120	

The 35 GW coal power programme will largely stay on track.

- 4.1 GW out the 16 GW were still under 'Financing Stage' according to PLN Annual Report 2020 - meaning it HAS NOT reached financial close
- 2 projects were from the FTP-2 program : PLTU Jawa-3 / Tanjung Jati A and PLTU Indramayu
- Most of the projects are IPP owned

New Optics, Old Substance

First Phase 2030 1 GW Potential Retirement Are Long Overdue



3

The first phase of PLN's 1 GW retirement planned for 2030 are *very old* plants.

They would have been in service for 50-60 years by then.

What are the steps that PLN has taken to prepare for these decommissioning plans, including the environmental remediation?

New Optics, Old Substance

Small Coal Plants Cancellation List

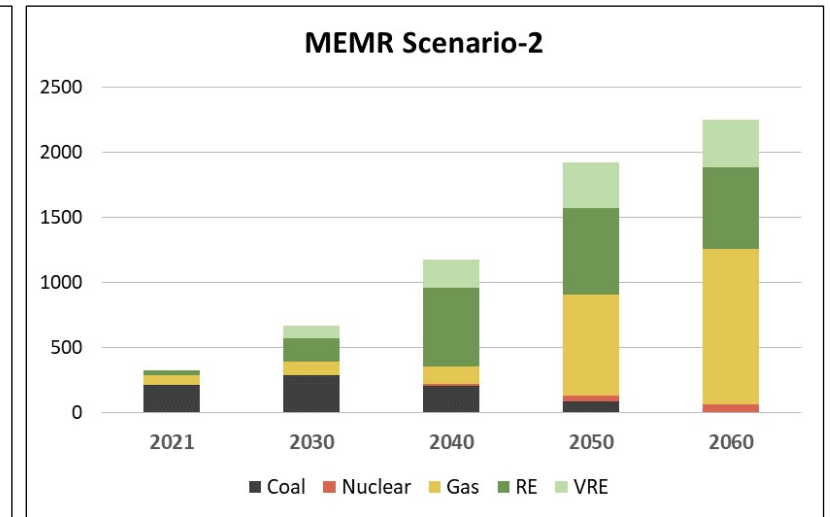
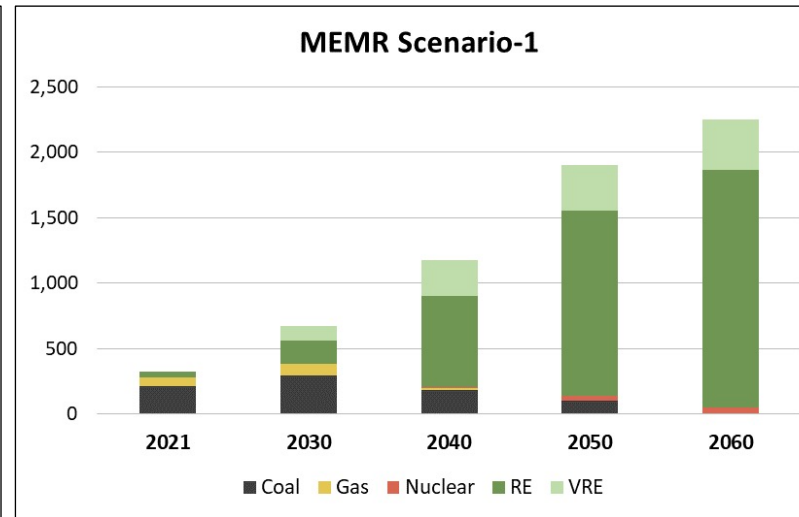
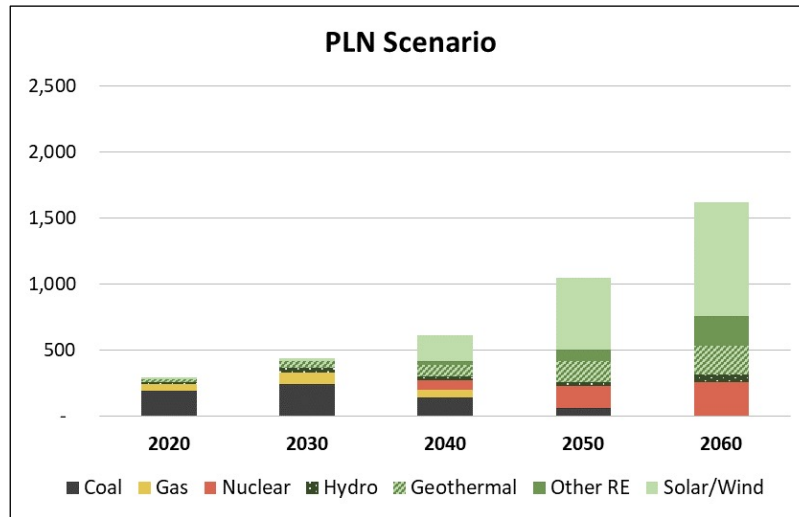
Region	Name	Capacity (MW)		Owner	Status	IEEFA Remarks
Sumatera	PLTU Tembilahan	2x5.5	11	IPP	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Sumatera	PLTU Kuala Tungkal	2x7	14	PLN	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Sumatera	PLTU Ipuh Seblat	2x3	6	PLN	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Sumatera	PLTU Bengkalis	2x10	20	PLN	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Kalimantan	PLTU Tarakan	2x7	14	PLN	Cancelled	Already changed to Gas Engine Units (PLTMG) in RUPTL 2019
Kalimantan	PLTU Kuala Pambuang	2x3	6	PLN	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Kalimantan	PLTU Bontok	2x7	14	PLN	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Sulawesi	PLTU Raha	2x3	6	PLN	Cancelled	Already changed to Substation (GI) in RUPTL 2019
Sulawesi	PLTU Bau-Bau	2x10	20	PLN	Cancelled	New cancellation
Sulawesi	PLTU Wangi-Wangi	2x3	6	PLN	Cancelled	Already changed to Diesel Units(PLTD) in RUPTL 2019
Maluku & Papua	PLTU Ambon-FTP1	2x15	30	PLN	Cancelled	New cancellation
Maluku & Papua	PLTU Jayapura	2x15	30	PLN	Cancelled	Already changed to Mobile Power Plant (MPP) in RUPTL 2019

4

10 out of 12 'troubled' small coal plants that were targeted for cancellation were actually cancelled *two years ago* in 2019 RUPTL.

New Optics, Old Substance

Different PLN and MEMR 2060 Net Zero Scenarios (TWh)



5 MEMR's and PLN's Net Zero Emission (NZE) scenarios are based on different assumptions.

- Different electricity growth projection
- Different approaches in the use of technologies - solar, wind, nuclear, gas/gasified fuel, and biomass

So, What is New?

Major changes but little emphasis in announcements

Province	Plants Name	Capacity (MW)	DRUPTL 2021 Total Modified (MW)	Ownership	Notes
Banten	Jawa-5	1000	1,660	PLN Subsidiary (majority owned by PT Indonesia Power)	*unclear info. Jawa 5 was tendered in 2016, and annulled in 2017. PLN then decided Jawa-5 will be built by PT IP and its JV consortium. But the plan disappeared in 2018 RUPTL, and reappear in 2019 RUPTL. The plan was for 2x1000 MW in 2016, and later on reduced to 1000 MW in 2019 RUPTL. In DRUPTL 2021 the plan is postponed according to system's needs
	Banten unallocated	660		Unallocated	Stated as postponed according to system's needs
North Sumatera	Sumut-2 Unit 1 & 2	600	600	PLN Subsidiary (majority owned by PT PIB Investasi, minority PT Gamma Energi Negeri)	Stated as postponed according to system's needs
Riau	Riau-1 Mine Mouth	600	600	PLN Subsidiary (51% PIB Investasi & PLN Batubara; 49% Samantaka batubara (BlackGold & China Huadian))	Stated as postponed according to system's needs
Riau Islands (Excl. Batam)	Bintan Unit 1 & 2	200	200	PLN	Changed to Baseload Power
Bangka Belitung	Bangka 1-A Unit 1 & 2	100	130	PLN	Changed to Baseload Power
	Belitung 2 Unit 1 & 2	30		PLN	Changed to Baseload Power
South Sumatera	Banyuasin Unit 1 & 2	240	890	IPP (*Oceanwide)	Stated as postponed according to system's needs
	Sumsel Mine Mouth (expansion)	350		IPP (not signed)	Stated as postponed according to system's needs
	Sumsel 6 Mine Mouth	300		IPP (not signed)	Stated as postponed according to system's needs
Lampung	Lampung extension	300	300	PLN	Stated as postponed according to system's needs
West Kalimantan	Kalbar 2	200	414	PLN	Changed to Baseload Renewables
	Kalbar 3	200		PLN	Changed to Gas or Steam Gas
	Ketapang (ex-Timika)	14		PLN	Shifted to Papua
East Kalimantan	Kaltim 3 Mine Mouth Unit 1 & 2	200	414	PLN subsidiary (Putra Indo Tenaga & PLN Batu Bara)	To be replaced with renewables
	Kaltim 5 Mine Mouth Unit 1 & 2	200		PLN subsidiary (Putra Indo Tenaga & PLN Batu Bara)	To be replaced with renewables
	Berau (ex-Timika) Unit 1 & 2	14		PLN	Shifted to Papua
Central Kalimantan	Kalselteng 4 Unit 1 & 2	200	200	PLN subsidiary (PT PIB Investasi - PLN Batu Bara)	To be replaced with renewables
South Kalimantan	kalselteng 5	200	100	PLN subsidiary (PT PIB Investasi - PLN Batu Bara)	Capacity was 200 MW in R19, but then 100 MW was delisted from R21 and planned to be replaced with renewables
North Sulawesi	Sulbagut 3 Unit 1 & 2	100	300	PLN	Changed to Baseload Power
	Sulbagut 2 Unit 1 & 2	200		PLN	Stated as postponed according to system's needs
Central Sulawesi	Tolitoli Unit 1 & 2	50	50	PLN	Stated as postponed according to system's needs
Southeast Sulawesi	Sulbagesel 2 Unit 1 & 2	400	430	PLN	Stated as postponed according to system's needs
	Bau-bau 2 Unit 1 & 2	30		PLN	Changed to Baseload Renewables
West Nusa Tenggara	Lombok 3 Unit 1 & 2	100	200	PLN	To be replaced with renewables
	Lombok 4 Unit 1 & 2	100		PLN	To be replaced with renewables
East Nusa Tenggara	Timor 2	50	50	PLN	To be replaced with renewables
Maluku	Ambon	50	50	PLN	To be replaced with renewables
Papua	Jayapura 2	50	100	PLN	To be replaced with renewables
	Jayapura 3	50		PLN	Stated as postponed according to system's needs
Papua Barat	Sorong 3	50	50	PLN	To be replaced with renewables
TOTAL		6,838	6,688		

1

6.8 GW of NEW coal power “modifications” or “postponed” in the DRUPTL 2021

Changed to renewable baseload, shifted to other sources of generation or postponed until further notice.

Almost all of the scrapped coal plants affect projects that are owned by PLN’s directly or indirectly via one of PLN’s fully-owned subsidiaries

PLN’s and MEMR’s announcements have not drawn more attention to this initiative

So, What is New?

Proportion of Renewables vs Fossil Fuel in 2019 RUPTL and 2021 DRUPTL

Generation	RUPTL 2019-2028		DRUPTL 2021-2030	
	(MW)	%	(MW)	%
New & Renewables	16,762	30%	19,899	48%
Fossil Fuel	39,633	70%	21,069	52%

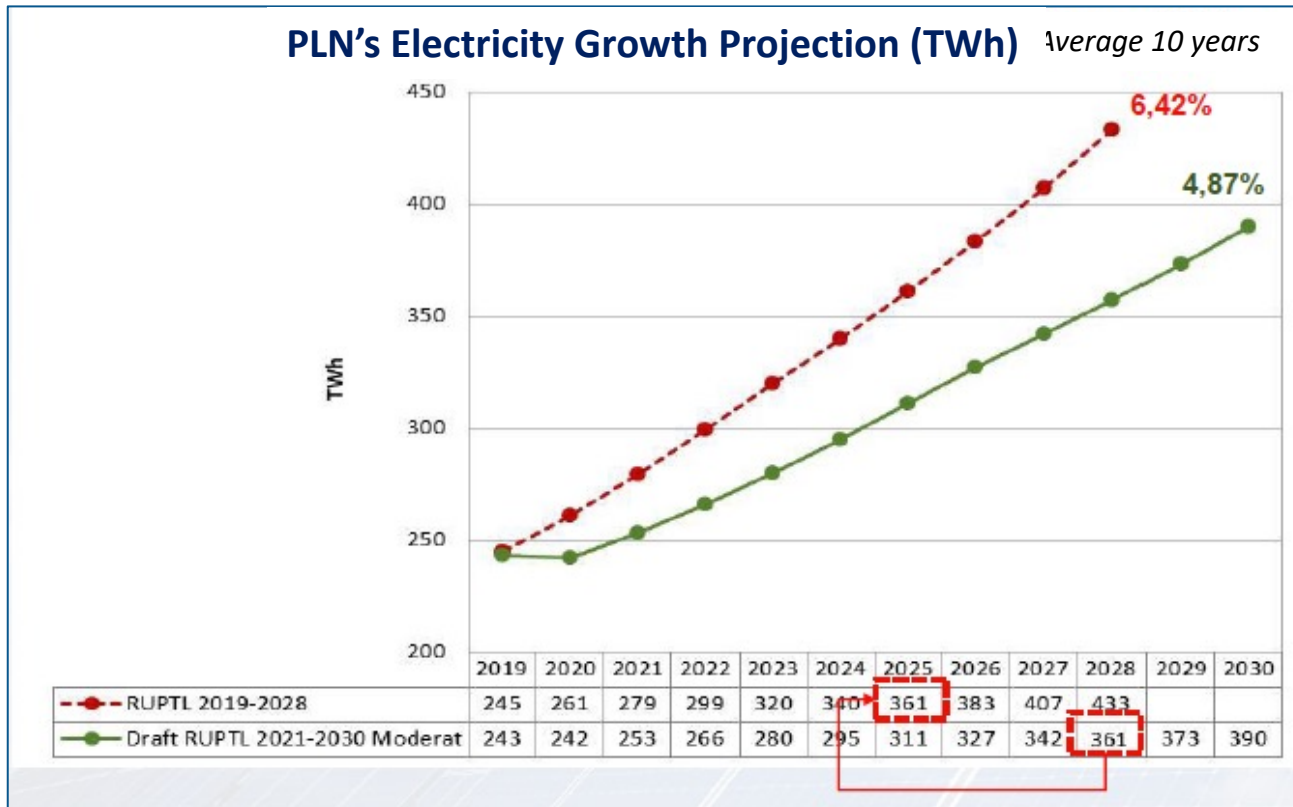
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Proportion of renewables is higher in DRUPTL 2021 as compared to the 2019 RUPTL.

BUT higher share comes from the sharp decline in new fossil fuel capacity instead of sharp increase in the renewables itself.

So, What is New?

PLN's Electricity Growth Projection



3

Electricity demand growth projection for the next 10 years is toned down.

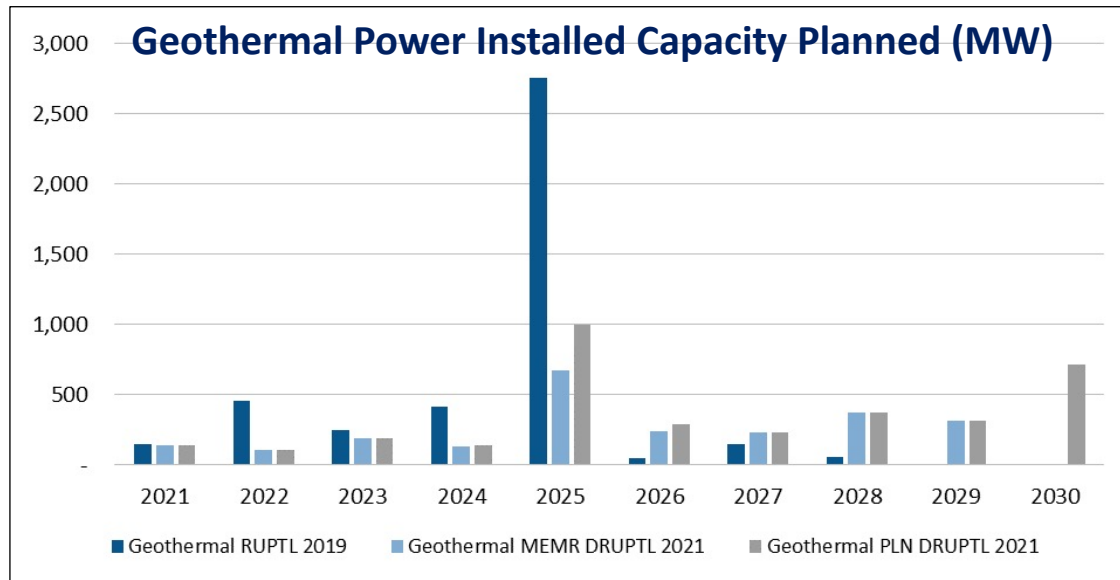
A persistent issue in previous RUPTLs

So, What is New?

Biomass, Hydro, and Geothermal updates

4 Rapid increase in biomass co-firing, large scale hydro and geothermal are the chosen shortcut to reach the Paris Agreement target in 2025

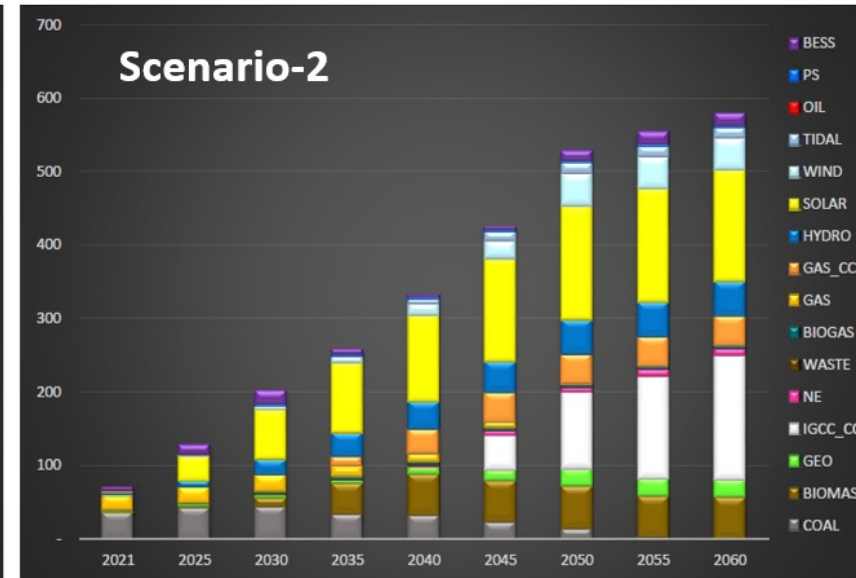
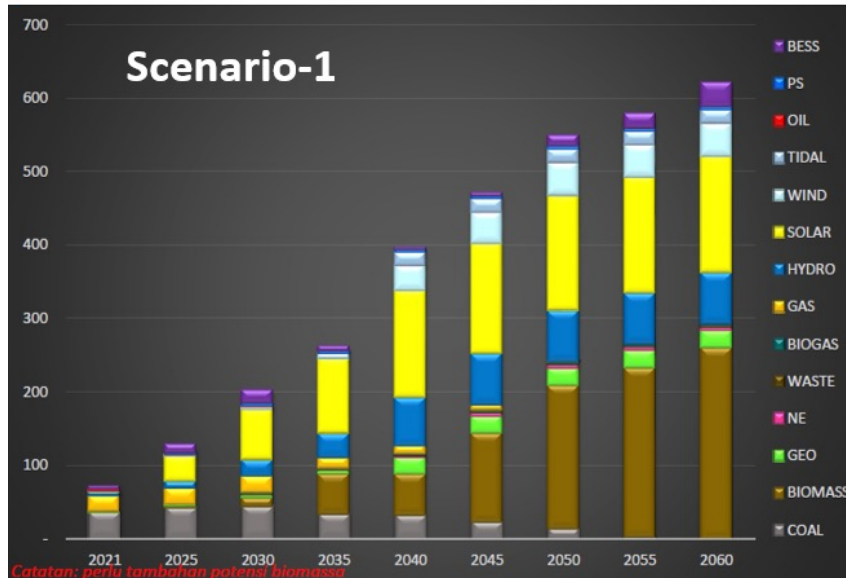
- Large hydro remains crucial
- New Renewable Energy Based Industry Development (REBID) → 6-9 GW of hydro in Kayan river
- Large hydro are well-known with unstated risks including construction risk, environmental risk, and operational risk



- Unrealistic geothermal development target updated
- Although there seemed to be different targets from PLN vs MEMR
- Meanwhile biomass is considered as the fast-track to reach 2025 target (from less than 1% to 6% in 2025)
- PLN sees biomass as less capital intensive, and the risk of price setting is pushed onto the suppliers and the government.

So, What is New?

MEMR Power Generation Capacity Scenarios (GW)



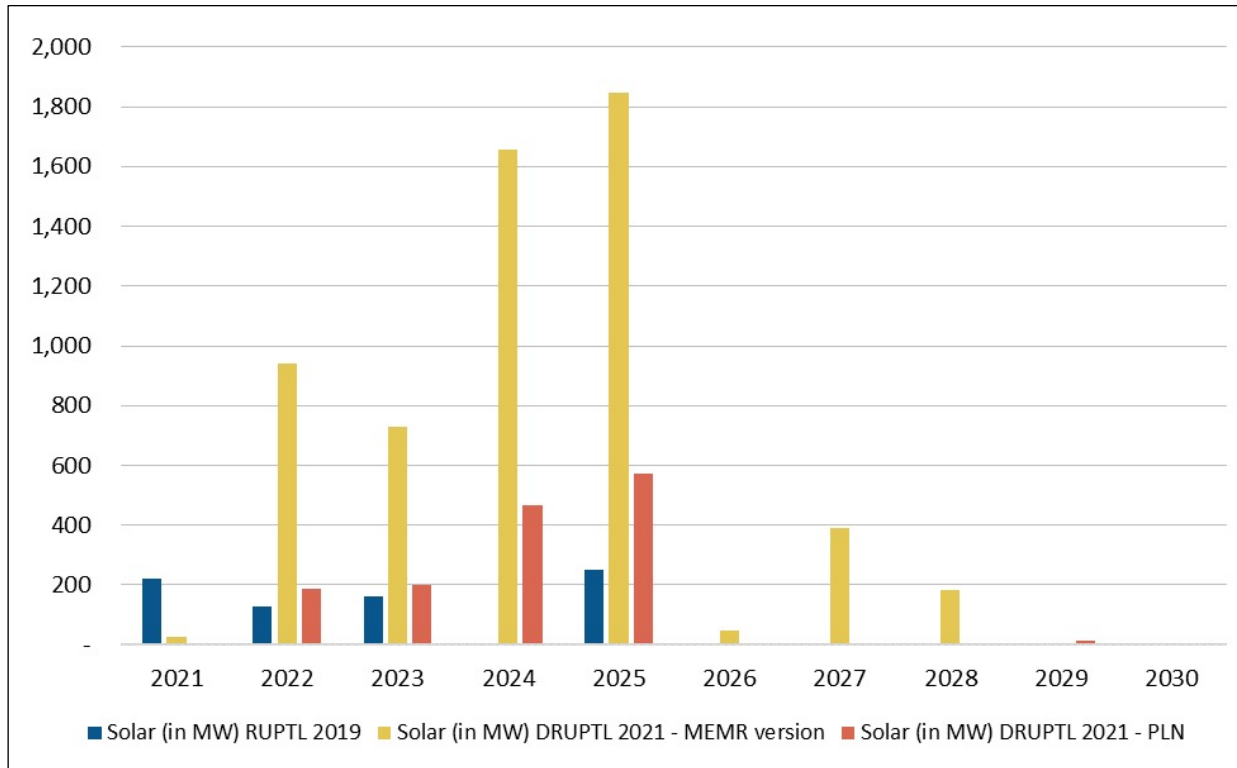
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Placing a big bet on novel technologies while downplaying proven options for the Net Zero target – Biomass, gasification and carbon capture instead of solar and wind.

- **HUGE** ambition on biomass capacity
 - Approximately 250 GW of biomass in 2060 means **1.4 billion ton/year of biomass** aka more than **200 times** the biomass capacity of the US!
- IGCC + CCS – neither are economically proven technology. IGCC = gasification of fuel (from coal?? Or biomass??)

So, What is New?

Solar Power Additions (MW)



Placing a big bet on novel technologies while downplaying proven options for the Net Zero target – Biomass, gasification and carbon capture instead of solar and wind.

- **Solar and wind power – still being on the back burner**
- PLN's current plan to increase solar power is still far from ambitious:
 - 612 MW of floating solar on existing dams (to be combined with hydro power)
 - 435.5 MW on ex-mining sites
 - 112.5 MW of utility scale solar on PLN's existing site
 - Small hybrid solar power in micro-grids on isolated islands
 - 1000 MW of rooftop solar – a program endorsed by MEMR and Indonesian solar energy associations

So, What is New?

Diesel Conversion plan

6

Converting 2 GW of diesel power plants into renewables in isolated places.

- 5200 units of diesel gensets in 2130 locations
- To be replaced by renewables + storage
- First phase 200 locations for 265 MW

Diesel Units Locations Spread Around Indonesia



Bringing the Ambition into Reality – PLN Annual Report Says it All

1

PLN's increased operating profit in FY2020 was mainly a result of a huge drop in fuel expenses, mostly from oil and gas .

- PLN saved IDR 30 trillion from fuel cost alone
- Due to :
 - Sharp drop in oil prices
 - New gov support to cap gas price
 - Reduction in fuel volume as demand declined in 2020

PLN Fuel Expenditure (in IDR Million)

Fuel Expenses	2020	2019	Cost Reduction (IDR)	%
Fuel oils				
High speed diesel	13,831,217	20,637,756	(6,806,539)	-33%
Fuel marine oil	797,241	2,378,592	(1,581,351)	-66%
Industrial diesel	584	2,313	(1,729)	-75%
Others	1,168,555	1,710,712	(542,157)	-32%
Subtotal	15,797,597	24,729,373	(8,931,776)	-36%
Non-oil fuels				
Coal	46,158,057	49,397,601	(3,239,544)	-7%
Natural gas	40,040,431	58,054,184	(18,013,753)	-31%
Geothermal	3,540,237	3,406,242	133,995	4%
Water	346,831	222,372	124,459	56%
Subtotal	90,085,556	111,080,399	(20,994,843)	-19%
Lubricants	121,132	274,710	(153,578)	-56%
TOTAL	106,004,285	136,084,482	(30,080,197)	-22%
Volume	2020	2019	Vol Reduction	%
Fuel oils (kilo liter)	2,669,946	3,118,762	(448,816)	-14%
Coal (tonnes)	66,683,392	67,008,829	(325,437)	-0.5%
Natural gas (MMSCF)	378,246	479,776	(101,531)	-21%
TOTAL				

Bringing the Ambition into Reality – PLN Annual Report Says it All

2 Implementing changes in the accounting standard of SFAS 73, would have created a different financial result.

- But PLN is exempted from implementing SFAS 73 on its PPAs and ESCs
- Exemption by issuance of OJK Regulation no 6/2017
- What this means:
 - If PPAs and ESCs were treated as finance leases, **PLN's lease liabilities would increase by an estimate of 1,314%** from IDR 18.5 trillion to IDR 261.4 trillion. Simultaneously, PLN's assets will increase by 12% and its equities will be much lower as unappropriated retained earnings drop by IDR 54.1 trillion.
 - The changes in accounting treatment **would have lowered PLN's net profit significantly from IDR 5.9 trillion to IDR 990 billion in 2020.**
 - If PPAs and ESCs are treated as finance leases, PLN's purchased electricity expense would have declined by 91.6%, but at the same time, **PLN's finance cost (interest expense) would have increased by 170.8%**, bringing the finance cost from IDR 27.4 trillion to IDR 74.2 trillion.

PLN Consolidated Profit and Loss Statement

Year Currency	2019 IDR	2020 IDR	2020 with SFAS 73 IDR
Revenues			
Sale of electricity	276,061,925	274,898,464	274,898,464
Customer connection fees	6,934,597	312,725	312,725
Others	2,644,067	4,311,826	4,311,826
Total Revenues	285,640,589	279,523,015	279,523,015
Operating Expenses			
Fuel and lubricants	136,084,482	106,014,285	135,363,422
Purchased electricity	83,563,991	98,651,604	8,320,866
Lease	3,617,376	3,101,334	3,299,327
Maintenance	22,328,178	21,940,509	29,487,013
Personnel	25,908,771	24,965,707	24,965,707
Depreciation	35,318,071	36,662,917	44,856,604
Rights-of-use assets depreciation		2,479,663	2,479,663
Others	8,620,069	7,192,146	7,192,146
Total Operating Expenses	315,440,938	301,008,165	255,964,748
Operating Loss Before Subsidy	(29,800,349)	(21,485,150)	23,558,267
Government's electricity subsidy	51,711,774	47,988,114	47,988,114
Compensation Income	22,253,517	17,904,508	17,904,508
Operating Income After Subsidy	44,164,942	44,407,472	89,450,889
Other income - net	(3,667,666)	1,916,966	1,916,815
Gain (loss) on foreign exchange - net	9,486,326	(7,742,152)	(9,842,324)
Financial income	755,103	1,125,519	1,125,519
Financial cost	(24,619,495)	(27,415,886)	(74,231,203)
Income (Loss) Before Tax	26,119,210	12,291,919	8,419,696
Tax Benefit (Expenses)	(21,797,080)	(6,298,491)	(7,429,185)
Income for The Year	4,322,130	5,993,428	990,511

Implementing changes in the accounting standard of SFAS 73, would have created a different financial result.

What this means:

- This means that there is approximately IDR 242.9 trillion of PLN's long-term liabilities that are currently not recorded on its books (off-balance sheet).
- The changes in treatment for leases would have created a much higher debt to equity ratio for PLN from 0.69 to 0.99, a level that might ring an alert to some lenders depending on its existing bank covenants.

PLN Consolidated Balance Sheet

Year Currency	2019 IDR	2020 IDR	2020 with PSAK 73 IDR
Assets			
Non-current Assets			
Property, Plant, and equipment	1,400,685,118	1,401,888,487	1,573,980,560
Right-of-use assets		31,193,985	31,193,985
Investment properties	5,283,708	5,408,572	5,408,572
Investments in associates	3,868,060	14,112,585	14,112,585
Investments in joint ventures	6,432,705		
Prepaid taxes		8,898,076	8,898,076
Deferred tax assets	2,215,963	195,290	195,290
Receivables from related parties	951,643	975,149	975,149
Restricted cash in banks and time deposits	5,980,703	5,882,934	5,882,934
Other receivables	824,545	1,295,416	1,295,416
Receivables from government		17,275,490	17,275,490
Other non-current assets	7,445,895	4,780,480	4,780,480
Total Non-current Assets	1,433,688,340	1,491,906,464	1,663,998,537
Current Assets			
Cash and cash equivalents	46,598,783	54,735,434	54,735,434
Short-terms investments	334,153	366,708	366,708
Trade receivables from:			
Related parties	819,836	731,817	731,817
Third parties	24,310,702	20,546,599	20,546,599
Receivables on electricity subsidy	-	819,067	819,067
Compensation Receivable			
Other receivables	47,451,084	1,746,344	1,746,344
Inventories	12,934,233	10,277,289	10,277,289
Prepaid taxes	17,634,137	7,287,693	7,287,693
Prepaid expenses and advances	1,206,785	640,881	640,881
Receivables from related parties	4,719	1,486	1,486
Other current assets	72,241		-
Total Current Assets	151,366,673	97,153,318	97,153,318
Total Assets	1,585,055,013	1,589,059,782	1,761,151,855

Implementing changes in the accounting standard of SFAS 73, would have created a different financial result.

- Once this exemption expires, key stakeholders need to realize there will be a sudden change in PLN's financial position that could potentially affect financial metrics and PLN's leverage to accessing debt
- Credit Rating Agencies (CRAs) such as Moody's are well-aware of the conditions . They have long been adjusting PLN's financial metrics.
- PLN's stand-alone BCA is non-investment grade (Ba2 – Ba3 in the past 4 years), but its final rating receives a 3-4 notch upgrade due to very high support from the gov.

PLN Consolidated Balance Sheet

Year Currency	2019 IDR	2020 IDR	2020 with PSAK 73 IDR
Assets			
Non-current Assets			
Property, Plant, and equipment	1,400,685,118	1,401,888,487	1,573,980,560
Right-of-use assets		31,193,985	31,193,985
Investment properties	5,283,708	5,408,572	5,408,572
Investments in associates	3,868,060	14,112,585	14,112,585
Investments in joint ventures	6,432,705		
Prepaid taxes		8,898,076	8,898,076
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Prepaid expenses and advances	1,206,785	640,881	640,881
Receivables from related parties	4,719	1,486	1,486
Other current assets	72,241		-
Total Current Assets	151,366,673	97,153,318	97,153,318
Total Assets	1,585,055,013	1,589,059,782	1,761,151,855

Year Currency	2019 IDR	2020 IDR	2020 with SFAS 73 IDR
Liabilities and Equity			
Equity			
<i>Equity attributable to owners of the Parent</i>			
<i>Capital stock - par value of Rp 1 per share</i>			
<i>Authorized - 439,000,000 shares</i>			
<i>and 204,000,000 shares as of Dec</i>			
<i>31, 2017 and 2016</i>			
<i>Subscribed and paid-up</i>			
<i>109,826,526 shares and</i>			
<i>109,826,526 shares as of 31st</i>			
<i>Dec 2018 and 2017, respectively</i>	115,181,002	135,342,182	135,342,182
Additional paid-in capital	9,919,958	5,216,571	5,216,571
Stock subscription from			
Government in issuance process	10,528,230		
Retained earnings:			
Appropriated	60,334,896	64,657,026	64,657,026
Unappropriated	70,997,731	71,928,554	17,784,360
Other comprehensive income	661,509,952	661,734,097	661,734,097
Equity attributable to owners of the	928,471,769	938,878,430	884,734,236
Non-controlling interests	908,644	934,162	934,162
Total Equity	929,380,413	939,812,592	885,668,398

Year Currency	2019 IDR	2020 IDR	2020 with SFAS 73 IDR
Non-current Liabilities			
<i>Deferred tax liabilities - net</i>	28,121,540	31,746,600	16,235,838
Long-term liabilities - net of current portion			
Two-step loans	35,251,741	35,617,153	35,617,153
Government and non-bank govern	4,359,569	3,649,146	3,649,146
Lease liabilities	11,569,377	14,035,913	249,387,044
Bank loans	184,023,820	154,489,751	154,489,751
Bonds payable and sukuk ijara	174,292,298	192,850,308	192,850,308
Electricity purchase payable	6,431,448	6,097,857	5,400,483
KIK-EBA loans	1,354,642	655,772	655,772
Payable to related parties	92	9,432	9,432
Employee benefits liabilities	50,838,258	54,609,453	54,609,453
Deferred revenues		5,644,472	5,644,472
Other payables	133,662	182,093	182,093
Total Non Current Liabilities	496,376,447	499,587,950	718,730,945
Current Liabilities			
Trade payables			
Related parties	11,814,735	8,505,191	8,002,261
Third parties	40,188,048	30,643,364	28,510,400
Taxes payable	2,383,288	1,747,279	1,747,279
Accrued expenses	16,754,640	7,449,309	9,590,411
Customers' security deposits	14,235,879	14,802,396	14,802,396
Project cost payable	150,664	153,983	153,983
Deferred revenue	1,049,231	1,617,725	1,617,725
Derivative liabilities		327,544	327,544
Current maturities of long-term liabilities			
Two-step loans	2,725,805	3,062,879	3,062,879
Gov and non-bank gov financial ir	1,998,476	2,416,967	2,416,967
Lease liabilities	2,540,107	4,450,390	12,059,933
Bank loans	21,693,338	18,816,957	18,816,957
Bonds payable and sukuk ijara	6,946,478	14,970,000	14,970,000
Electricity purchase payable	399,458	427,974	406,495
KIK - EBA loans	586,620	871,177	871,177
Employee benefits liabilities	5,232,467	8,500,782	8,500,782
Other payables	30,598,919	30,895,322	30,895,322
Total Current Liabilities	159,298,153	149,659,239	156,752,511
Total Liabilities	655,674,600	649,247,189	875,483,456
TOTAL EQUITY AND LIABILITIES	1,585,055,013	1,589,059,781	1,761,151,854
Debt to Equity Ratio	0.71	0.69	0.99

Bringing the Ambition into Reality – PLN Annual Report Says it All

A Screenshot of PLN's Annual Report 2020

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2020 DAN 2019 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)		CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (Expressed in millions of Rupiah, unless otherwise stated)	
	Catatan/ Notes	2020	2019
PENDAPATAN USAHA			
Penjualan tenaga listrik	37	274,898,464	276,061,925
Penyambungan pelanggan	23	312,725	6,934,597
Subsidi listrik Pemerintah	38	47,988,114	51,711,774
Pendapatan kompensasi	16	17,904,508	22,253,517
Lain-lain	39	4,311,826	2,644,067
Jumlah Pendapatan Usaha		345,415,637	359,605,880
BEBAN USAHA			
Bahan bakar dan pelumas	40	106,014,285	136,084,482
Pembelian tenaga listrik	41	98,651,604	83,563,991
Sewa	42	3,101,334	3,617,376
Pemeliharaan	43	21,940,509	22,328,178
Kepegawaian	44	24,965,707	25,908,771
Penyusutan aset tetap	6	36,662,917	35,318,071
Penyusutan aset hak-guna	7	2,479,663	-
Lain-lain	45	7,192,146	8,620,069
Jumlah Beban Usaha		301,008,165	315,440,938
LABA USAHA		44,407,472	44,164,942
Penghasilan/(beban) lain-lain - bersih (Kerugian)/keuntungan	47	1,916,966	(3,667,666)
kurs mata uang asing - bersih		(7,742,152)	9,486,326
Penghasilan keuangan		1,125,519	755,103
Beban keuangan	46	(27,415,886)	(24,619,495)
LABA SEBELUM PAJAK		12,291,919	26,119,210
BEBAN PAJAK	48	(6,298,491)	(21,797,080)
LABA TAHUN BERJALAN		5,993,428	4,322,130

3

Repositioning of subsidy and compensation income - from previously accounted below the operating margin to now considered at par with PLN's revenue.

- Subsidy and compensation payment from the government is viewed as recurring instead of one-off items
- Any chance for full-cost recovery without subsidy?

What to Look For?

- **Coherent and realistic targets – between MEMR and PLN**
- **Coal demand and pricing trends in the run-up 2030.** Watch out on the export quota!
- **Has the renewable energy (RE) potential been explored to the fullest?** Wind (both onshore and offshore) and ocean energy VS ICGG + CCS?
- **Focus attention on the un-needed coal plants which remain in the plan but could potentially be scrapped – especially those that have NOT REACHED financial close.**
 - Request clarity on deadlines – Is the deadline for initiating construction, reaching financial close, or putting the unit into operation?
 - Ask for transparency on the current status for each unit in the pipeline - bear in mind that 'under construction' can have a very liquid meaning.
 - Critically examine the drawbacks for adding more plants in already-congested grids – be mindful of increasing subsidy and compensation payment – these are taxpayers' monies.

THANK YOU