

**Statement by
The Indonesian Delegation
On
Meeting Growing Needs for Energy Services Through
Increase Use of Renewable Energy, Greater Reliance on
Advance Energy Technology Including Advance
And Fossil Fuel technologies**

**The 14th Session of Commission on Sustainable Development
New York, 3 May 2006**

Mr. Chairman,

For the delegation of Indonesia, this fourteenth session of the Commission on Sustainable Development, is timely and critical, given the obvious difficulties that have become attached to the world's energy supplies. Taken in that light, our discussion about energy are vital for continued sustainable development. Indonesia recognizes that these are rather challenges times for most countries. With inadequate oil supplies internationally and increasing demand for energy, it is clear that appropriate conservation measures must be adopted to ensure that the future is not energy deficient.

To decrease the high growing rate of energy demand, government promoting the change of paradigm toward the use of energy more efficiently. In the meantime, the demand for fossil fuels continues to increase as Indonesia has to pursue the industrial development goals and to meet the energy-consuming population grow in number. However, the statistic shows that during the last three decades (1970-2004), while Indonesia's consumption of oil has increased in absolute terms, as a percentage of its total energy consumption, oil share in the energy mixed fell gradually from 88 % in 1970 to 52 % in 2004. On the other hand, natural gas, coal and renewable energy sources namely geothermal and hydro have grown in importance over the same period.

As part of its thrust to increase people's accessibility mainly in rural or isolated areas to electricity based on renewable sources of energy, the government has committed itself to the construction of such facilities as Solar Home Systems along with Microhydro, Wind, and Small Geothermal power plants. Its rural electrification policy also promotes best practices in these remote areas. The renewable power plants will be financed by central and regional government budgets with assistance from international donor agencies.

Mr. Chairman,

To support plants connected to the grids produced by renewable sources of energy, we would like to share with you that the Government has issued Decrees concerning purchasing tariffs for plants using renewable energy for small plants with a capacity of up

to 1 MW and the medium with capacity range of more than 1 up to 10 MW. Through the Decrees, some small renewable energy power plant such as micro hydro have been constructed and interconnected to the grid. Another Government initiative is that in the next 2 years, all small power plants in rural areas will be replaced by renewable energy power plants. In transportation sector, bio-diesel and bio-ethanol are being promoted.

In addition to the use renewable energy, the Government has also promoted the broader utilization of natural gas domestically although a big effort have to do to overcome the lack of infrastructure. Clean coal technology has also developed namely Upgrading Brown Coal, coal liquefaction and coal gasification.

With the increasing price of crude oil and growing concern about creating a clean environment, it is expected that the momentum generated by these changes will facilitate popular expectance of clean energy particularly renewable energy and the need of using energy efficiently. However, we have realized that all the technologies related require high investment. Therefore, partnership program are needed in making the technology to be commercially at affordable price.

Thank you.