

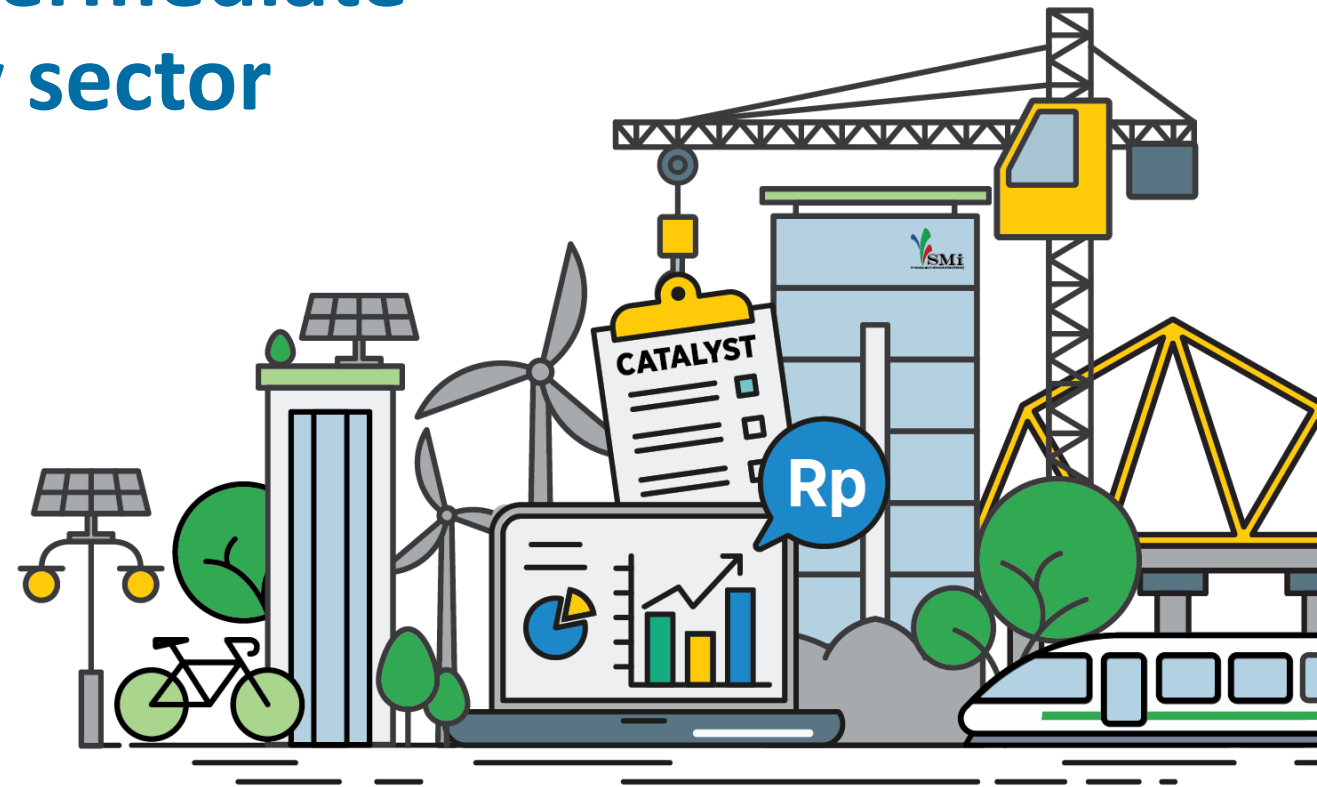
ISEW 2024

The role of PT SMI to intermeditate private capital to energy sector

Pradana Murti

Director

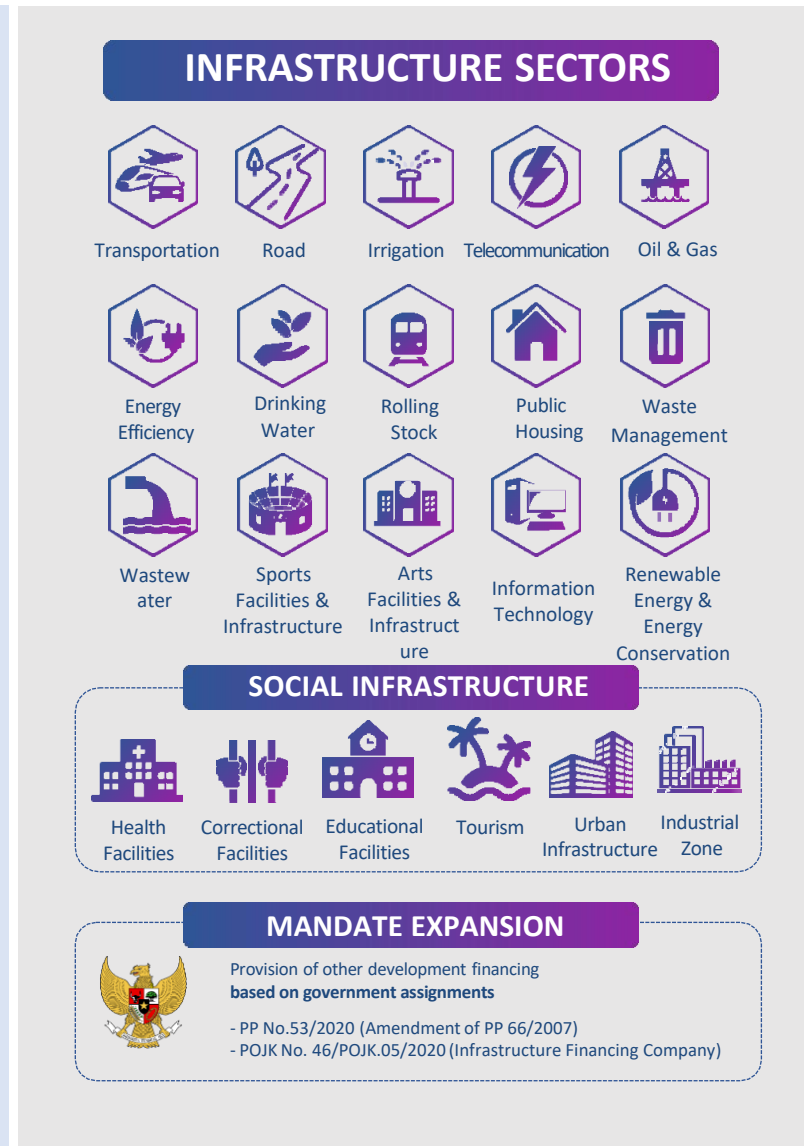
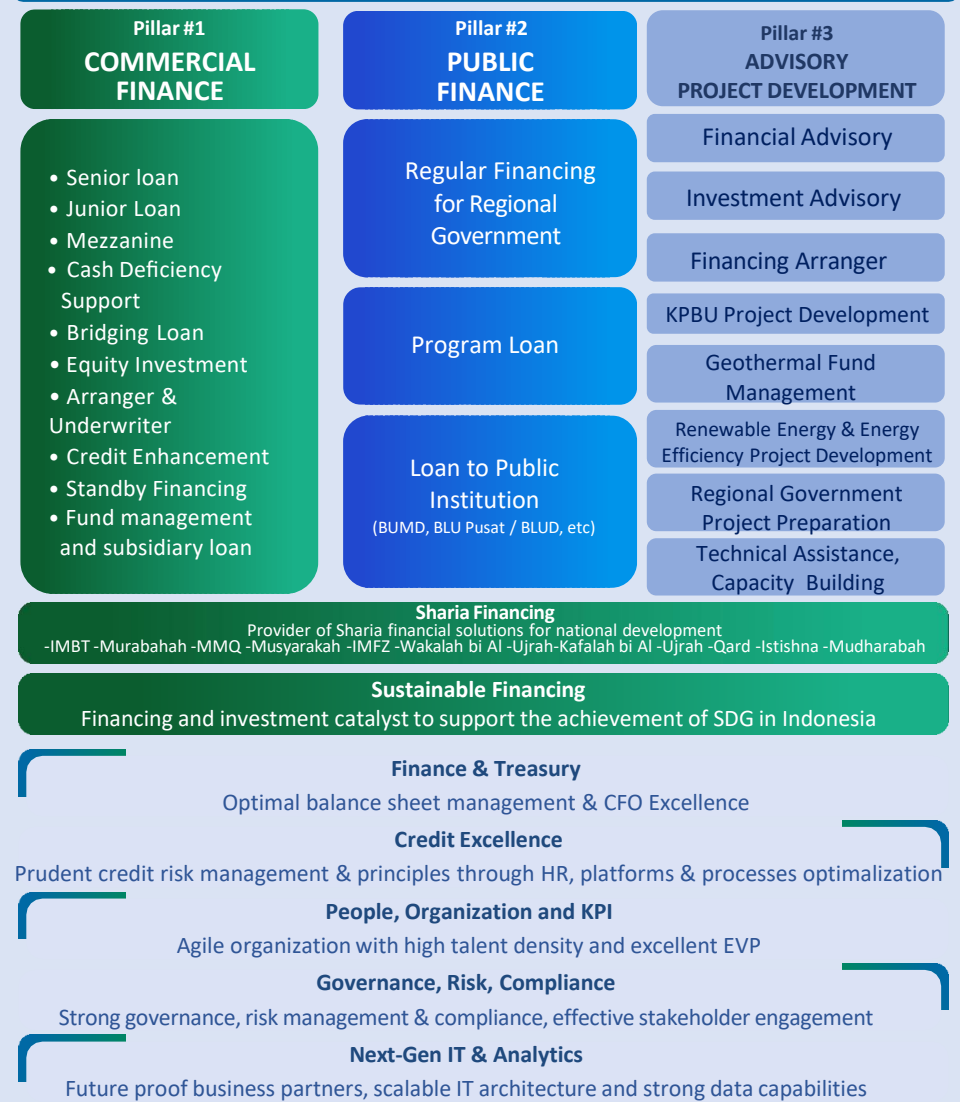
September 2024



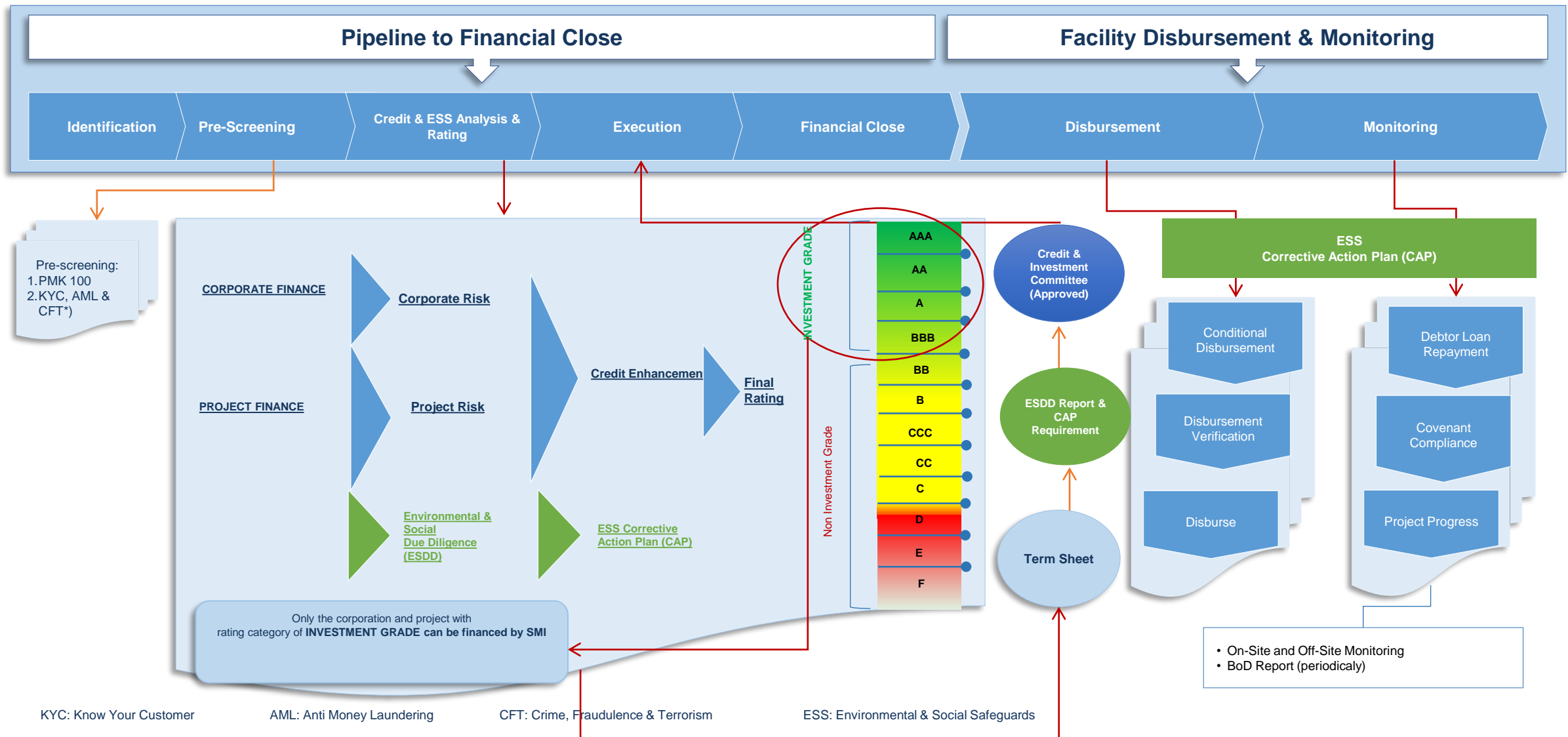


- Vision**
"A leading catalyst in the acceleration on the national infrastructure development"
- Mission**
- To become a strategic partner who provides added value in infrastructure development in Indonesia.
 - To establish flexible financing products.
 - To provide quality services which comply with good corporate governance.

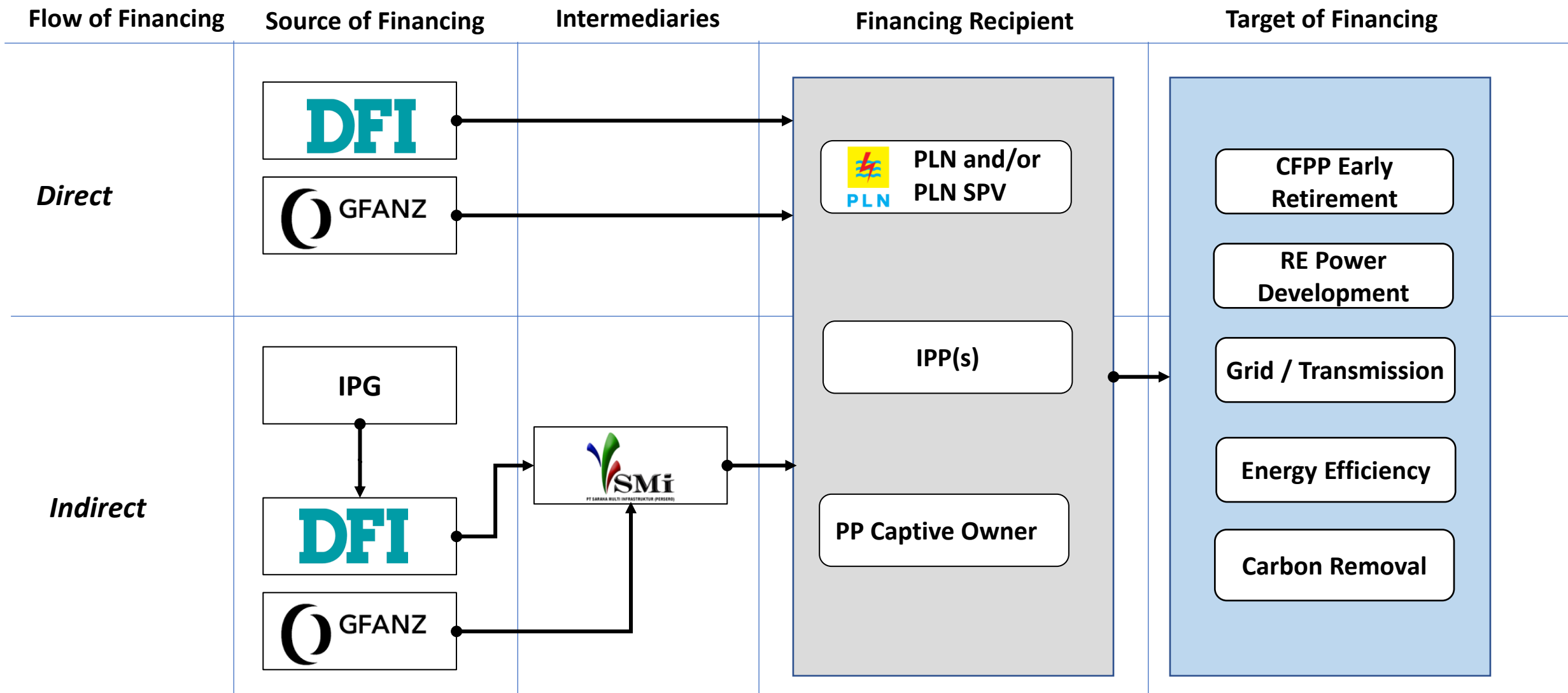
PT SMI's Business Pillars




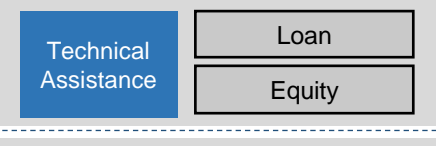
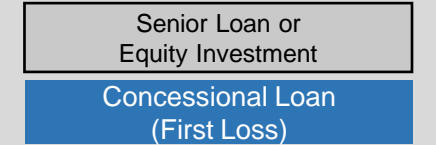
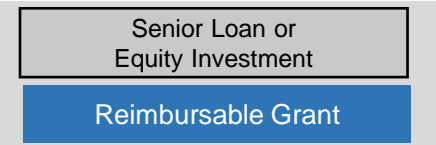
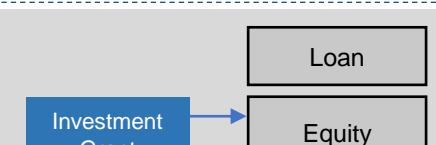
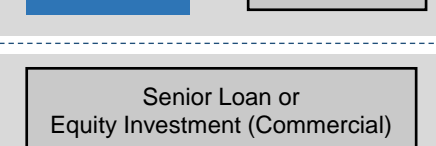
Financing Process in PT SMI



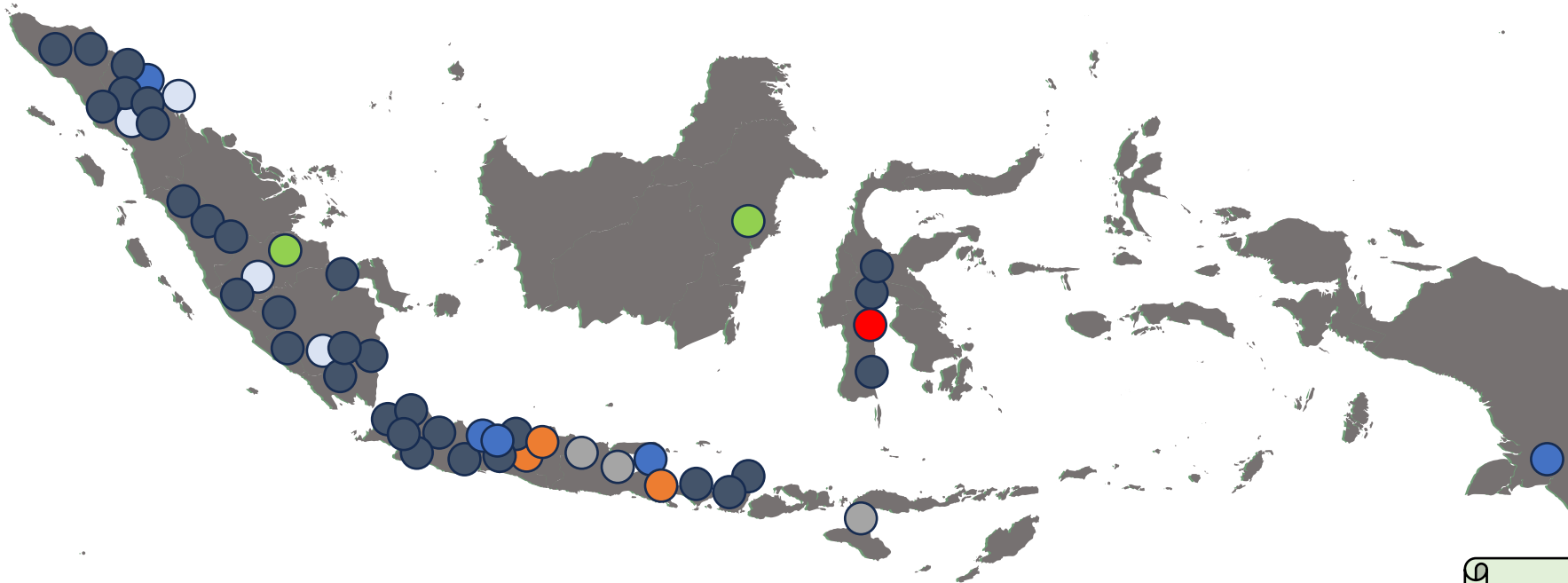
Financing Modalities under JETP to Support Energy Transition



Implementation Model of Blended Financing Structure

Type of Facilities	Blended Finance Structure	Description	Program
Development <i>(Early-Stage Risk)</i>		Grants for meeting project preparation costs for viable RE projects ready to scale, and is targeted explicitly at mobilizing debt finance	Early-stage project (potentially could be scaled up)
		Grants to support due diligence transaction focus on legal, financial, environmental or technical assessment aspect of RE	Feasible projects ready to be financed
De-risking <i>(Financing and Credit Risk)</i>		Concessional capital originating to reduce credit risk and ensure the amount of capital which is exposed first should there be a financial loss on a security, including equity or debt	Marginally feasible projects
		Grants originating to reduce the early-stage exploration risk taken by geothermal developers with the uncertainty to find resources.	Marginally feasible projects
		Grants originating which aims to reduce the risk of capital expenditure by providing grant support to reduce the capital expenditures	Marginally feasible projects
		Concessional Capital originating in the Guarantee Format to reduce the cost of fund of long-term financing which can catalyst commercial financing	Feasible projects

PT SMI's Portfolio in Green Energy



Total of Financing Commitment:
USD 898,3 Million

Total of Project Cost:
USD 2,4 Billion

7,431,584 MWh
Total potential generated energy per year

USD 25,7 million
Total potential equivalent carbon credit per year

6,801,759 -ton CO₂e
Total potential GHG emission avoidance per year*

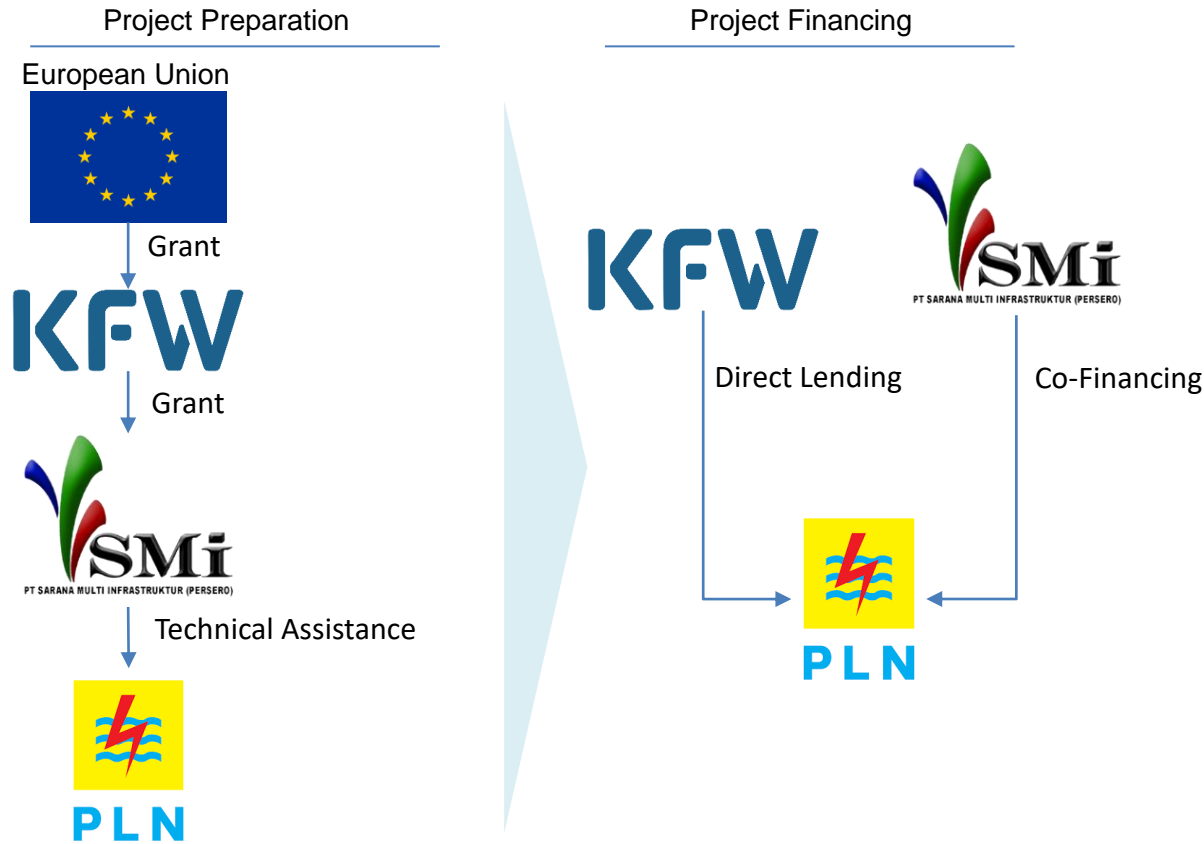
- Wind PP – 1 Project
- Geothermal PP – 3 Projects
- Gas & Steam PP – 2 Projects
- Biomass PP – 5 Projects

53 green projects with total capacity of > 2,2 GW

- Mini & Micro hydro PP – 35 Projects
- Solar PP – 3 Projects
- Hydro PP – 4 Projects

*PT SMI calculated the estimated environmental impact and other additional impact on those three projects finance by issuance of the green bond. Indicators are derived up to 31 Dec 2023 data.

Case Study: Grindulu and Sumatra Pumped Storage Hydro Power Plant



Signing of *Head of Agreement* between PT PLN (Persero), PT Sarana Multi Infrastruktur (Persero), and KfW in Dubai, 3 December 2023

Project	<ol style="list-style-type: none"> 1. PLTA Grindulu Pumped Storage (4x250 MW) 2. PLTA Sumatra Pumped Storage (2x250 MW)
Support:	Feasibility study and environmental & social scoping
Status:	Signing of Head of Agreement
Follow ups:	<ol style="list-style-type: none"> 1. Consultant procurement process 2. Signing of technical assistance agreement

Financing Perspective on Energy Efficiency

Guaranteed Saving Model



Shared Saving Model



Enhancement
needed to
support energy
efficiency
business model

- Uncertainty from energy saving, therefore, need to be guaranteed or insured by third party
- Need bankable ESCO company (good track record and good financial statement)
- Support in the form of incentive for Investment Grade Audit (IGA) for project owner
- Corporate finance model can be an alternative to project finance model; however the energy efficiency asset is still included as underlying
- Bundling of several projects into one facility, considering average projects are small sized projects, to reduce transaction cost

Collaboration in Supporting Energy Efficiency

Description	Technical assistance to PT SMI to support energy efficiency financing. Funded by UK Government under MENTARI/ASEAN Low Carbon Energy Programme. Delivered by Carbon Trust and EY
Scope	<p>EE Loan Product</p> <ul style="list-style-type: none">- Creation of PT SMI-tailored EE Loan Product- Development of EE Loan Product Manual- Identification of a pipeline of potential EE projects from PT SMI's existing clients <p>EE Risk Framework</p> <ul style="list-style-type: none">- Review of best practice EE Risk Frameworks for Financial Institutions- Development of an EE risk framework for PT SMI- Consultations and workshops for PT SMI's staff



Terima kasih,



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