

Existing Cooperative Approaches. Article 6.2 Domestic Implementation

**ERCST “Informal Forum on Implementation of Article 6 of the Paris Agreement”
Mitsui & Co. Global Strategic Studies Institute**

JOKO PRIHATNO

SENIOR POLICY ANALISIS

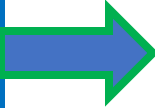
NEGOSIATOR ARTICLE 6 FROM INDONESIA

**A. PROGRESS IMPLEMENTATION DOMESTIC AND INTERNATIONAL
CARBON PRICING UNDER PARIS AGREEMENT ON EXISTING SRN PPI**

DOMESTIC AND INTERNATIONAL CARBON TRADING UNDER PARIS AGREEMENT

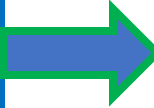
ENHANCED NDC by MOE:

1. TARGET ER CM1 = 31.89% from Baseline BAU
2. Target ER CM2 = 43.20% from Baseline BAU



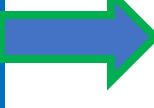
NDC ROADMAP 2021 to 2030 By MOE:

1. Annually projected per sector;
2. Minimum Mitigation Activities per sector;
3. as guidance Sectoral relevant to elaborate on carbon trading roadmap



CARBON PRICING ROADMAP by Sectoral Ministry:

1. Annually projected per sub sector;
2. Carbon Pricing Mix (ETS, Carbon Credit and Voluntary market);
3. Strategy to meet NDC sub sector;



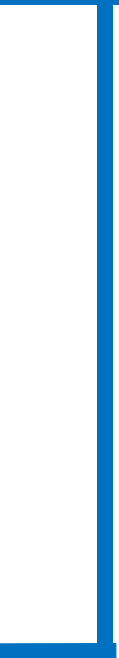
1. Performance NDC Target for each Sector in 2021 to 2023 CM1 by MOE = surplus ER > 200 million ton CO2 e

1. Private Company Surplus Emissions Reduction Target;

2. Selling by Indonesians Carbon Exchange for Domestic and International trading;
3. Direct Selling to International with Authorization (NDC ER Target has Achieved)

1. Private Company Surplus Emissions Reduction Target;

2. Direct Selling for Domestic;
3. Direct Selling to International with Authorization (NDC ER Target has Achieved)



Indonesia Carbon Exchange Resume

(26 September 2023 – 10 Januari 2025)



TRADE VOLUME (tCO2e)

1.040.053



TRADE VALUE (IDR)

55,237 bn



RETIREMENT VOLUME (tCO2e)

428.133

LISTED PROJECT: 2.948.184 tCO2e



PROYEK LAHENDONG UNIT 5 & UNIT 6

PT Pertamina Geothermal Energy Tbk

Project Owner: PT Pertamina Power Indonesia

SRN Series: SPE-10-PR-VI-2023-14464

Vintage: 2016 – 2020

Listed Date: 26th September 2023

Listed Volume (tCO2): 864.209



PENGOPERASIAN PEMBANGKIT LISTRIK BARU BERBAHAN BAKAR GAS BUMI PLTGU PRIOK BLOK 4 PLTGU PRIOK

Project Owner: PT PLN Indonesia Power

SRN Series: SPE-11-PR-IV-2024-17421

Vintage: 2021

Listed Date: 3rd January 2025

Listed Volume (tCO2): 763.653



PEMBANGUNAN PEMBANGKIT LISTRIK BARU BERBAHAN BAKAR GAS BUMI PLTGU BLOK 3

PJB Muara Karang

Project Owner: PT PLN Nusantara Power

SRN Series: SPE-11-PR-V-2023-10867

Vintage: 2022

Listed Date: 23rd October 2023

Listed Volume (tCO2): 900.000



KONVERSI DARI PEMBANGKIT SINGLE CYCLE MENJADI COMBINED CYCLE (ADD ON) PLTGU GRATI BLOK 2 PLTGU GRATI

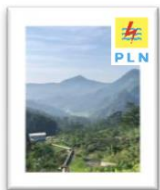
Project Owner: PT PLN Indonesia Power

SRN Series: SPE-11-PR-VI-2024-22454

Vintage: 2021

Listed Date: 6th January 2025

Listed Volume (tCO2): 407.390



PENGOPERASIAN PEMBANGKIT LISTRIK TENAGA AIR MINIHIIDRO

PLTM Gunung Wugul

Project Owner: PT PLN Indonesia Power

SRN Series: SPE-10-PR-X-2023-16887

Vintage: 2021 - 2022

Listed Date: 8th July 2024

Listed Volume (tCO2): 12.932



KONVERSI DARI PEMBANGKIT SINGLE CYCLE MENJADI COMBINED CYCLE BLOK 2 PLN NP UP MUARA TAWAR

Project Owner: PT PLN Nusantara Power

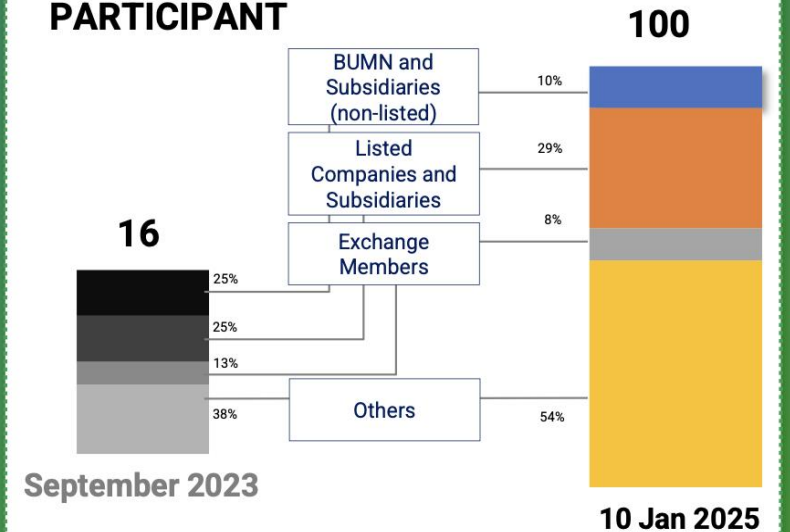
SRN Series: SPE-11-PR-VI-2024-16141

Vintage: 2023

Listed Date: 8th January 2025

Listed Volume (tCO2): 30.000

CARBON EXCHANGE PARTICIPANT



525%

total participants growth between Sep 2023 to Jan 2025

Retirement Integration in IDXCarbon and SRN-PPI

CARBON CREDITS Retirement Confirmation

Confirmation that the carbon retirement request has been completed on SRN through IDXCarbon, with the following details:

Contract IDTBS | Volume 1 tCO2

Beneficiary: CarbonShare

Retirement Details

Emissions Period: Dec 31, 2023 - Dec 31, 2024
 Date of Retirement: Apr 24, 2024
 Serial Block: SPE-11-PR-V-2023-10867 (002950 - 002950)
 Offset Scope: Scope 3
 Retirement Note: N/A

Serial Block ID: SPE-11-PR-V-2023-10867 (002950 - 002950)

Project Details

Project Name: Pembangunan Pembangkit Listrik Baru Berbahan Bakar Gas Bumi PLTGU Blok 3 PJB Muara Karang
 Project ID: 11-PR-V-2023-10867
 Registry: SRN
 Country: Indonesia

Navigation: Beranda, Tentang, Data, Kontak

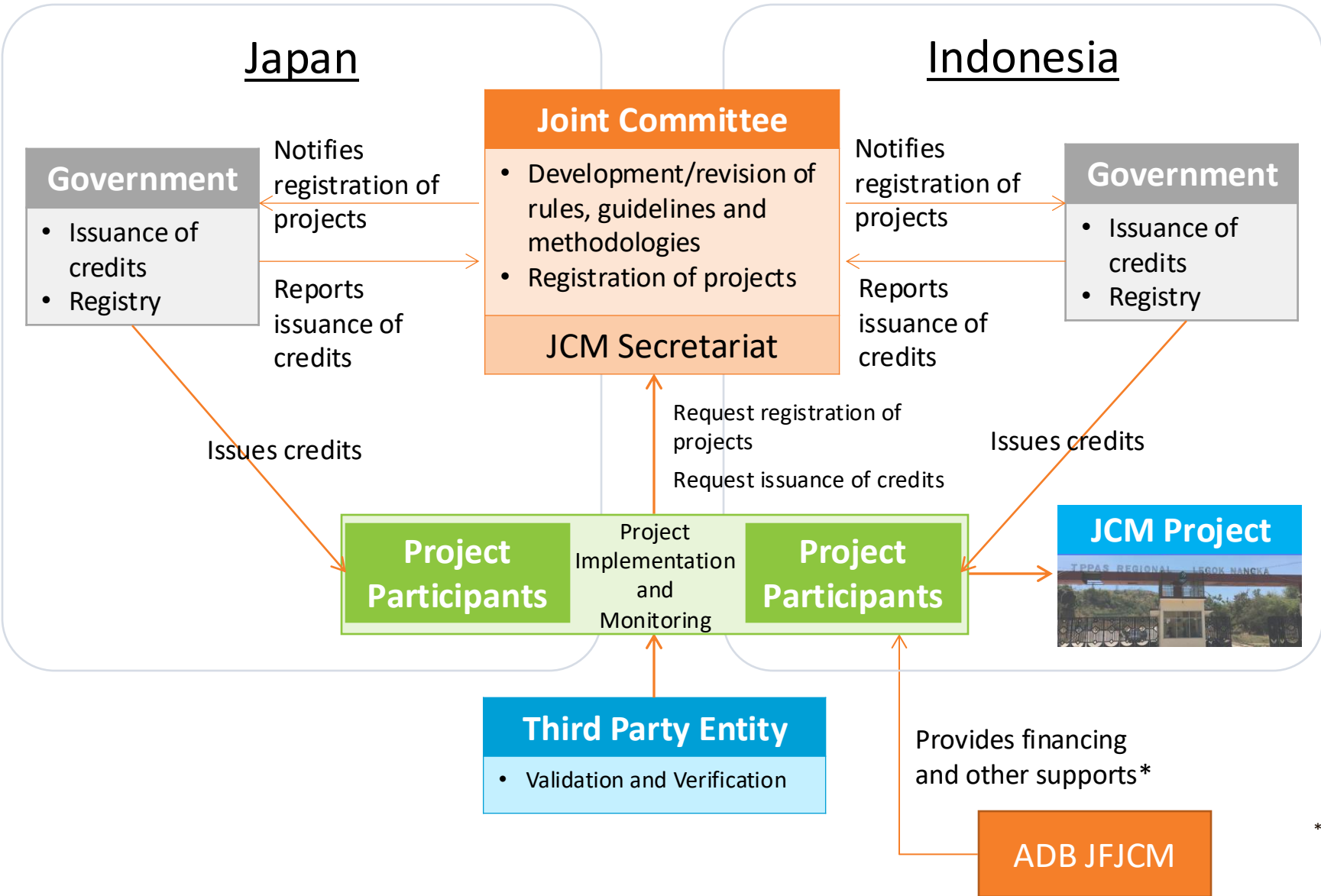
Akun Holder	Kegiatan	Issued	Available	Retired	Cancelled	Assigned	Bursa Carbon
Akun Holder	Nama Kegiatan	Nomor Register	Nomor SPE	UNIT SPE		Pembeli	Tanggal
PT PERTAMINA GEOTHERMAL ENERGY	Proyek Lahendong Unit 5 & Unit 6 PT Pertamina Geothermal Energy Tbk	REG-10-PR-VI-2023-14464	SPE-10-PR-VI-2023-14464-2016 (20278 - 20527)	250		PT Pertamina Patra Niaga	2024-01-22
PT PERTAMINA GEOTHERMAL ENERGY	Proyek Lahendong Unit 5 & Unit 6 PT Pertamina Geothermal Energy Tbk	REG-10-PR-VI-2023-14464	SPE-10-PR-VI-2023-14464-2016 (20918 - 20932)	15		PT Pertamina Patra Niaga	2024-02-13
PT PERTAMINA GEOTHERMAL ENERGY	Proyek Lahendong Unit 5 & Unit 6 PT Pertamina Geothermal Energy Tbk	REG-10-PR-VI-2023-14464	SPE-10-PR-VI-2023-14464-2016 (20528 - 20717)	190		PT Pertamina Patra Niaga	2024-01-23
PT PERTAMINA GEOTHERMAL ENERGY	Proyek Lahendong Unit 5 & Unit 6 PT Pertamina Geothermal Energy Tbk	REG-10-PR-VI-2023-14464	SPE-10-PR-VI-2023-14464-2016 (20718 - 20767)	50		PT. Garuda Indonesia (Persero) Tbk	2024-01-30
PT PJB UP Muara Karang	Pembangunan Pembangkit Listrik Baru Berbahan Bakar Gas Bumi PLTGU Blok 3 PJB Muara Karang	REG-11-PR-V-2023-10867	SPE-11-PR-V-2023-10867 (002950 - 002950)	1		CarbonShare	2024-04-24
PT PJB UP Muara Karang	Pembangunan Pembangkit Listrik Baru Berbahan Bakar Gas Bumi PLTGU Blok 3 PJB Muara Karang	REG-11-PR-V-2023-10867	SPE-11-PR-V-2023-10867 (000104 - 002802)	2,699		PT. Bank Danamon Indonesia, Tbk	2024-02-13
PT PJB UP Muara Karang	Pembangunan Pembangkit Listrik Baru Berbahan Bakar Gas Bumi PLTGU Blok 3 PJB Muara Karang	REG-11-PR-V-2023-10867	SPE-11-PR-V-2023-10867 (000001 - 000100)	100		PT. Jawa Power	2024-01-09

All parties who have retired and supported the achievement of Indonesia's emission reduction will be transparently published on the Ministry's SRN website (Ministry of Forestry)

<https://srn.menlhk.go.id/spe/>

B. COOPERATIVE APPROACH BETWEEN INDONESIA-JAPAN UNDER PROJECT JCM ARTICLE 6.2 PARIS AGREEMENT

INSTITUTIONAL ARRANGEMENT COOPERATIVE APPROACH BETWEEN INDONESIA-JAPAN (JCM)



- Note Cooperative Approach between Indonesia and Japan:
1. Ind and Japan had finished negotiate about cost and benefit sharing mechanism (about 50% ITMO to Japan) For ID013;
 2. For 55 Project to be continue discussion about allocation emission redusction
 3. Ind-Japan have been finished for Initial Report JCM;

*In case of grant, it is 10% of total project cost (Capped to 10 mil USD)

AUTHORIZATION

it's timing and sequencing of Registry and transfers

CMA 6 DECISION

1. Dec--/CMA6 chapter IA 3: three components of authorization, as applicable: authorization of the cooperative approach, authorization of internationally transferred mitigation outcomes and authorization of entities;
2. Chapter IA 4: arrangements for authorizing the use of mitigation outcomes referred to in decision 2/CMA.3, annex, paragraph 4(c), may involve a single consolidated authorization process that addresses, or sequential processes that entirely and collectively address, inter alia and as appropriate,

Key elements of governance and domestic infrastructure and challenges during cooperative approaches,

1. MRA between Ind-Japan for recognizing between JCM Credit and SPE (Certificate Emissions Reduction-CER) GRK, after agreeing on the MRV system from each Country;
2. Three authorization: (1) for cooperative approach between Moel and MoCEI; (2) for ITMO based on potential mitigation outcomes on PDD (expected); (3) for Entities based on issuance for JCM Credit.
3. Authorization process from Indonesia based on sequential processes that entirely and collectively address.
4. All document shall register on National Registry System (SRN):
 - a. Portal SRN (register): PDD, result of validation, Monitoring mitigation outcomes report; result of verification;
 - b. Carbon Registry: JCM credit and SPE GRK; Authorization Entities or MO partner Party for international transfer
4. NRS Indonesia will submit all document through CARP-autm Int Reg

Initial reporting

CMA 6 DECISION

Key elements of governance and domestic infrastructure and challenges during cooperative approaches,

1. Para 26: The submission of an initial report or updated initial report by each participating Party in respect of a cooperative approach is a requirement for submitting, in an agreed electronic format, annual information on the international transferred mitigation outcomes from that cooperative approach;
2. Para 27: The initial report or updated initial report shall be submitted by each participating Party prior to or in conjunction with that participating Party submitting the annual information in the agreed electronic format;
3. Para 18: Each participating Party to provide information in initial report, as mentions in annex I (Supplementary elements of information in initial report and any updated initial report)

1. IGES and Indonesia Negotiator Article 6 have been prepared the draft Initial Report as template to follow for each relevant sector party in Indonesia.
2. The initial report still on going progress to finalize as template.
3. Cooperation approach between MoEJ and MoCE I, each party will develop initial report.
4. MoCE will submit initial report in portal register SRN PPI
5. Indonesia will be submitted initial report and other documents to the portal CARP, and it has automatically connected to International Registry

Article 6 Technical Expert Review Process for Reporting

MoEC Indonesia report for each cooperation approach Article 6 (JCM Ind-Japan) in SRN PPI:

1. Initial Report including authorization for cooperative approach and for expected mitigation outcome (ITMO);
2. Authorization for entities based on issuance
3. Agreed Electronic Format;

MoE Japan report for each cooperation approach Article 6 (JCM Ind-Japan) in JCM Registry:

1. Initial Report including authorization for cooperative approach and for expected mitigation outcome (ITMO);
2. Authorization for entities based on issuance
3. Agreed Electronic Format;

Article 6.2
Technical;
Expert
Review
Team

A Party may provide a revised initial report prior to the end of the Article 6 technical expert review week

It will be marked as “No inconsistencies identified” or

Secretariate: Review Status for public inform in CARP:

- a. Review pending
- b. no inconsistencies identified;
- c. inconsistencies identified

It will be marked as “Inconsistencies identified”

Domestic process for corresponding adjustments

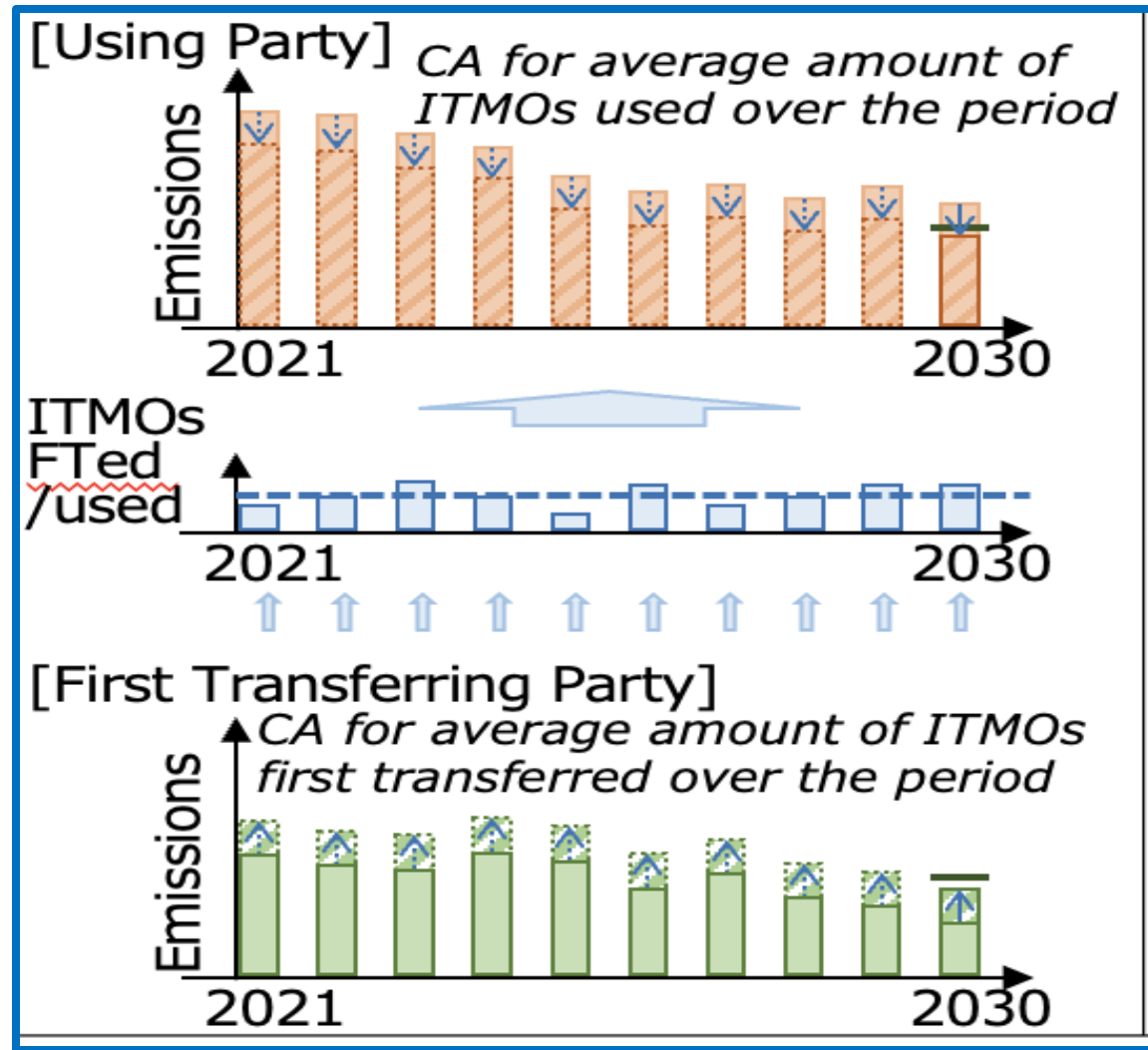
SRN PPI on the Menu of Carbon Registry e.g project IDo13 with sharing MO for each other is 50%:

1. Based on report Joint Committee, MoE Indonesia issuance X ton CO₂ e as Mitigation Outcome for project ID013; on AEF as a holding.
2. MoE provide authorization for 50% X ton CO₂ e to first international transfer for Entities (objective of first international transfer for NDC and MoE Japan as JCM credit); on AEF as first international transfer. Indonesia cancellation and Japan use and retire for NDC.
3. MoE issued 50% X ton CO₂ e as SPE GRK for Indonesia entities for objective OIMP. The entities of Indonesia may selling directly to buyer or selling on Indonesia Carbon Exchange. At the moment, international demand buying SPE GRK for OIMP objective. Indonesia will be cancellation from SRN PPI.

Indonesia:
Corresponding Adjustment use average method (The end of CA before submit BTR), as follows:

1. Methods: Calculating the average annual amount of ITMOs used over the NDC implementation period and counting indicatively for each year, and applying CA in the NDC year;
2. Timing: Applying indicative CA annually
3. Image, description below:

SRN Should be adapt of relevant CMA Decision, e.g use AEF, Authorization contents and Reporting



Source: Article 6 Rulebook (A6IP)