

May 27th, 2016

DGE and JICA Held Workshop of Collective Utilization of Electricity Power Network (Power Wheeling)

DGE – The DGE, MEMR, cooperated with Japan International Cooperation Agency (JICA) on Friday, May 27th, 2016 had held workshop “JICA Data Collection Survey on New Power Supply Scheme by Using Power Wheeling in Indonesia” in JS Luwansa Hotel, Kuningan, Jakarta. This workshop was attended by around 50 participants that came from Government Institutions, PT. PLN (Persero), Electricity Private Company, Indonesia Electricity Society, and representative from academics. In this Workshop, JICA team who cooperates with TEPCO presented the survey result that has been done by the JICA Team for the potential of power wheeling application in Indonesia electricity system.

Power wheeling is a collective utilization scheme of transmission network of electricity power distribution. There are 2 power wheeling scheme, first scheme is own use, for the example, there is a industry that has power plant and want to supply the electricity for the factory in different place, due to there is no transmission and distribution network, so the industry use the PLN’s transmission and distribution network. The second scheme is not the own use, for the example, IPP want to sell the electricity to the industry customer. Due to there is no transmission and distribution network, so the IPP use the PLN’s transmission and distribution network. And with condition, the company or the IPP which utilize the PLN’s network have to pay certain cost.

In the opening speech, the Director General of DGE, Jarman conveyed that he is really grateful to JICA who did the survey in order to power wheeling application study in Indonesia. Based on the current legal framework under the Law No. 30 of 2009 on Electricity to enable every entity to do held the electricity power generate business, transmission, distribution, and electricity selling business. The MEMR also has launched the Ministerial Regulation of MEMR No.1 of 2015 on the Power Wheeling Collective Utilization. This Ministerial Regulation stated that the transmission business obligate to open the power

wheeling utilization and the distribution business able to open the power wheeling distribution utilization.

Jarman conveyed that the implementation of power wheeling have to be done in the framework of Law No. 30 of 2009 on Electricity, which the electricity market is limited to 1 certain business region, the business region holder only able to do sell the electricity to the customers in their own business region, so the power wheeling in the present time is only possible to be done between the business region area holders. The recommendation of wider power wheeling implementation like in other countries that has implemented the market liberalization need further study due to impact on the changes in the current Laws.

Tetsuya Harada as the JICA Senior Representative of JICA Indonesia Office in his opening speech conveyed that Japan is ready to share experiences in the implementation of power wheeling in their country. Through the power wheeling, the number and quality of electricity supply area getting better. Japan itself has been doing the electricity market liberalization since April 1st, 2016, so all electricity customers are free to purchase the electricity to the electricity supplier. To achieve the electricity market liberalization, Japan itself needs preparation until 20 years. The survey related to the power wheeling has been done by JICA team cooperated with TEPCO since November 2015. And be expected that the final report of the study able to be submitted to the DGE on June 2016. In that report covers such as power wheeling tariff calculation scheme, power wheeling application provision concept, proposal of standard operation procedure, draft roadmap of the application, and the form of cooperation that needed in order to apply the power wheeling in Indonesia.

JICA team conveyed that based on the survey result and study that has been done before the postage stamp method is the power wheeling tariff calculation method that suitable apply in the earlier implementation of power wheeling in Indonesia. This postage stamp simply is the power wheeling tariff calculation by calculate the total cost that paid in the implementation of transmission and/or distribution divided by the total electricity power that supply to the transmission/distribution. This postage stamp is being applied in German, Australia, Morocco, and absolutely in Japan. This postage stamp offers some benefits than other methods, such as ease calculation, more transparency, and more able to be predicted/recovery guarantee towards the cost.

What if want to apply the power wheeling in Indonesia there are 3 obligations that have to be done by the PLN as the transmission owner, such as obligation to maintain the confidentiality of participant data power wheeling, non discriminative service on the power wheeling participants, separation finance accounting of transmission side in order to do power wheeling tariff calculation transparently. There is also need independent organization, Network Service Center (NSC), in PLN, NSC that would have duty to do study on the impact of power wheeling connecting into PLN transmission network, and to handle the power wheeling contract with the party who want to be the power wheeling participant.