Java no longer has power oversupply, ministry says

Java no longer experiences an electricity oversupply, an Energy and Mineral Resources Ministry official said, urging immediate development of new energy sources, especially renewables, to meet rising demand.

Divya Karyza (The Jakarta Post)

PREMIUM

Jakarta Fri, June 20, 2025

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ava no longer experiences an electricity oversupply, an Energy and Mineral Resources Ministry official has said, urging an immediate development of new energy sources, especially renewables, to meet rising demand.

Eniya Listiani Dewi, the ministry's director general of new and renewable energy, said Java's electricity supply status has been at a "yellow light" level for the past two years, indicating limited availability.

This indicates a reversal from years of producing more power than the island can consume, a trend that persisted following former president Joko "Jokowi" Widodo's drive to add 35,000 megawatts (MW) of electrical supply over the past decade.

"Don't think that Java's electricity is still experiencing oversupply.

Energy demand is rising, especially as the economy recovers postCOVID-19," Eniya said during a discussion in Jakarta on Wednesday, as reported by Antara.

To meet future needs, the ministry is prioritizing the development of new energy infrastructure in Java. One possible solution is to extend transmission lines from Sumatra, which still has surplus capacity as well as large potential of renewable sources.

Elsewhere, some parts of Sulawesi Island are facing an energy shortage. While North Sulawesi has a surplus of renewable energy, the industrial centers, such as smelters and mining operations, are located in central regions like Morowali. Lack of transmission infrastructure is preventing the transfer of power to where it is most needed.

"This is why Indonesia often lags in renewable energy. It's not the lack of resources, but the inability to distribute them effectively," Eniya added.

Indonesia has an abundance of renewable energy potential, she said, but the country must invest in better energy transmission networks and accelerate renewable energy development across regions to harness its potential.

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In the latest 2025-2034 electricity procurement business plan (RUPTL), state-run utility company PLN expects national electricity demand to grow from 306 terawatt-hours (TWh) in 2024 to 511 TWh by the end of 2034.

It factors in projected economic growth of 8 percent by the end of 2029 and officials hope it will translate into a surge in power demand roughly at the same pace.

However, experts have suggested it is unlikely the country could see the 8 percent economic growth envisioned by President <u>Prabowo Subianto</u>,

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Both the World Bank and the International Monetary Fund (IMF) have projected that Indonesia's economy will grow at around 5 percent over the next five years. Experts, meanwhile, project this year's growth to come in below the usual 5 percent rate.

Last October, Investment Minister Rosan Roeslani said Indonesia needs to boost the supply of renewable energy to meet its target of attracting Rp 1.9 quadrillion (US\$116.1 billion) in investments this year.

The minister warned that failing to meet growing demand for clean power from businesses could drive potential investors elsewhere.

However, it is harder to realize the ambitious targets. Renewable energy investment in Indonesia has stagnated in recent years, hindered by several persistent challenges, including the high cost of renewable electricity production, reliance on fossil fuels and PLN's slow procurement processes.

In 2023, Indonesia attracted only \$1.5 billion in renewable energy investment, falling significantly behind its Southeast Asian peers, according to the Institute for Energy Economics and Financial Analysis (IEEFA).