

Renewable Energy Development Faces Regulatory Barrier

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Indonesia has the potential to develop new energy and renewable energy, but these have yet to be developed optimally. In the Vision 2025 national energy policy is to be committed in the types of renewable energy from 7% to 23%. Currently, the fulfillment of energy needs in the form of fossil fuels have reached as high as 93%. A number of observers assessed that the delayed renewable energy development is because of the lack of good planning and design, regulation barriers, the low economic value of new and renewable energy and the limited human resource that master the technology.

This emerged in the seminar on the development of renewable energy in the University Club UGM on Wednesday (25/11). Initiated by Faculty of Engineering -Universitas Gadjah Mada, Energy National Board (DEN), Alumni Association of Engineering Technology UGM (Katgama) and USAID Peer Science-Clean Project, presenting speakers from DEN Syamsir Abduh, researcher from The Indonesian-Swedish Initiative for Sustainable Energy Solutions (INSISTS), and from the Alumni association, Farida Zed and Onei Hercuanto. Syamsir Abduh said the barriers in the development of renewable energy in Indonesia was the lack of support in terms of institution, regulation, and funding. Even incentives and mechanisms for investors are also limited. "There has to be incentives and convenient permits, said Syamsir.

He added the limited human resource in the technology made such energy undeveloped. The sale

price of this energy is not competitive either as compared to that of fossil energy.

"Most still rely on the technology from developed countries. Production cost is also relatively higher so it cannot compete with the price of fossil fuels that have long been subsidised by the state," he said.

He further proposed incentives from the government on fiscal, subsidy, and investment policy. There has also be land arrangement, easy permit, suitable transmission and distribution, sustainability of microhydro development, biomass and hybrid system, as well as public, private sector and unversity involvement; are all needed to accelerate the target.

Farida Ze, INSIST researcher, one of the ways taken by UGM to do this was to establish the INSISTS. This agency has the function as a centre for renewable energy development and construction as well as policy making under cooperation with Sweden. The focus is the development of waste, biomass, solar power, microhydro, that are expected to contribute to the increased prosperity of the people and access to electricity in Indonesia. "INSISTS also makes conservations in energy sector and transportation as well as the implementation of green building concept," she explained.

Dean of Faculty of Engineering, Prof. Ir. Panut Mulyono, M.Eng.,D.Eng, said that presently world researchers were looking into ways to make hydrogen fuel as alternative because it is environmentally friendly and can be made into fuel and electricity. UGM Faculty of Engineering is also researching on this matter as a future energy source.

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