

Summary of Findings
Indonesia Corruption Watch



Who is Behind the Power Plant Project?

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The coal industry has had a lot of negative impacts. Upstream, children die as a result of neglected mining pits and damaged green lands turned into mining areas. In the downstream, coal-fired power plants, namely PLTU (Electric Steam Power Plant), threaten the health and lives of residents.

As the 4th largest coal producer in the world, Indonesia seems to be very reluctant to change its way. In 2018, Indonesia's coal production reached a mounting amount of 548 million tons, just below China (3,683 million tons), India (765 million tons) and the United States (685 million tons).

This destructive appetite to continue the archaic method of coal dredging is also evident from the coal production rate, which is 2.5 times higher than the world average. It is estimated that the coal reserves in Indonesia will run out in 67 years. This clearly shows Indonesia's lack of commitment to a climate emergency that is threatening the earth and future generations.

Coal as Generators

Each and every year, the biggest use of coal has always been for electricity.

In 2018, 79.19% of coal was used as fuel for power plants.

Utilization	Iron & Steel	Power Plants	Cement, Textile, Fertilizer	Pulp & Paper	Briquettes	Others	Total
2009	257	36.570	6.900	1.170	61	11.337	56.29
2010	335	34.410	6.308	1.742	35	24.351	67.180
2011	166	45.119	5.873	1.249	34	28.366	79.558
2012	289	52.816	6.640	2.671	36	19.691	82.143
2013	300	61.860	7.190	1.460	36	1.224	72.070
2014	298	63.054	7.187	1.458	16	4.167	76.180
2015	399	70.080	7.180	4.310	13	4.832	86.814
2016	390	75.400	10.540	4.190	30	n.a	90.550
2017	300	83.000	9.802	3.898	30	n.a	97.030
2018	1.750	91.140	91.140	3.150	10	n.a	115.080

Domestic Use of Coal (2009 – 2018) (thousands of ton)

Source : Handbook of Energy and Economic Statistics of Indonesia, KESDM, Januari 2019

PLTU itself is still the dominant type of generator used. Out of the installed electricity infrastructure capacity of 64,924.80 MW, 45.68% of them are PLTU-type plants. Within this amount, 58.15% of the PLTU is owned by PLN and 41.85% is owned by the private sector.

Generator Type	%
PLTU (Steam PP)	42,34%
PLTU MT (Mine Mouth)	3,14%
PLTU-M/G (Waste PP)	3,17%
PLTG (Gas PP)	8,24%
PLTGU (Combined Cycle PP)	17,28%
PLTD (Diesel PP)	7,13%
PLTA (Hidro PP)	8,27%
PLTM (Mini Hydro PP)	0,41%
PLTMH (Micro Hydro PP)	0,16%
PLTB (Wind Power PP)	0,22%
PLTBg (Bio Gas)	0,17%
PLT Hybrid (Hybrid PP)	0,01%
PLTMG (Gas Engine PP)	3,63%
PLTBm (Micro Hydro PP)	2,71%
PLTP (Geothermal PP)	3,00%
PLTS (Solar PP)	0,09%
PLTSa (Garbage Power Plant)	0,02%

Electricity Infrastructure

Electricity Statistics, 2018, ESDM Ministry

PLTU Corruption and PLN Problems

The massive use of coal for power plants makes it inseparable from unsavory practices. In the past few years, there have been at least two cases of corruption related to PLTU. The first is the case of the Riau-1 PLTU. The case involved executive, legislative, entrepreneurial actors and the President Director of PLN. Each of them has received a prison sentence, but for the latter has been sentenced to free. The second is the corruption case of the Cirebon PLTU. The case involved the Regent who was suspected of accepting bribes. Entrepreneurs try to pay bribes to smooth the project.

On another aspect, PT PLN as the party with the authority related to PLTU cannot be separated from corruption cases. Former Director of PT PLN, Nur Pamudji, was sentenced to 8 years in prison in a corruption case in a high speed diesel (HSD) fuel oil (BBM) type of procurement project. He is considered to have caused losses to state finances of up to Rp. 188.745 billion. In another case, former Director of PT PLN Batubara Khairil Wahyuni was also sentenced to 2 years in prison in a coal sale and purchase agreement that cost the state Rp. 477 billion.

Megaproject 35,000 MW and Rent-Seeking

In 2015, President Jokowi initiated a 35,000 MW power plant program. PT PLN was given the mandate to realize this program. It is projected that the financial support for this megaproject will reach a mounting amount of USD 72.3 billion. The amount of funds needed then prompted the government to invite private investors to participate in financing the construction of power plants.

Through the Independent Power Producers (IPP) mechanism, private investors can participate in the 35,000 MW program. Of the 35,000 MW, it is targeted that 25% of the power plants will be built by PLN, and 75% will be built by IPP through a power purchase agreement (PPA) scheme. PLTU will still be the main choice in this megaproject. The loophole for rent-seeking practice was thus wide open.

PLTU Supervision

The massive use of coal for PLTU as the dominant type of power plant in Indonesia makes it necessary to monitor. Moreover, President Jokowi has launched a 35,000 MW power plant program, the majority of which are PLTU types. Indonesia Corruption Watch (ICW) conducts an investigation to uncover the individuals behind the power plant projects. A total of 20 PLTUs spread throughout Indonesia have been traced.

No	PLTU	Capacity
1	PLTU Banyuasin	2 x 112,5 MW
2	PLTU Bengkulu	2 x 100 MW
3	PLTU Cilacap	2 x 300 MW
4	PLTU Cirebon-2	1.000 MW
5	PLTU Kalbar-1	2 x 100 MW
6	PLTU Kalteng-1	2 x 100 MW

7	PLTU Kaltim-2	2 x 100 MW
8	PLTU Kendari-3	2 x 50 MW
9	PLTU Mamuju	2 x 25 MW
10	PLTU Muara Jawa	2 x 27,5 MW
11	PLTU Nagan Raya 3 & 4	2 x 200 MW
12	PLTU Sulbagut 1	100 MW
13	PLTU Sulut 3	2 x 50 MW
14	PLTU Sumsel 1	2 x 300 MW
15	PLTU Sumut-2	2 x 300 MW
16	PLTU Suralaya 9 & 10	2 x 1000 MW
17	PLTU Tanjung Batu	2 x 100 MW
18	PLTU Tanjung Jati A	2 x 660 MW
19	PLTU Tanjung Jati B	2 x 1000 MW
20	PLTU Tanjung Kalsel	200 MW

The Richest Person and Their Problematic History

ICW found out that a number of individuals behind the PLTU project were also listed as affiliated with companies in tax haven countries. They are involved in legal cases and corruption. Some of them are also public officials.

The Richest Person in Indonesia

Sandiaga Uno

- Globe Asia's 85th Richest Person in 2018
- Total wealth of US \$ 300 million
- PLTU Tanjung South Kalimantan
- Shareholder of PT Adaro Energy Tbk

Garibaldi “Boy” Thohir

- The 17th richest person according to Forbes in 2019
- Total wealth of US \$ 1.6 billion
- PLTU Tanjung South Kalimantan
- President Director of PT Adaro Energy Tbk

Arini Subianto

- The 49th Richest Person according to Forbes 2019
- Total wealth of US \$ 600 million
- PLTU Tanjung South Kalimantan
- Commissioner of PT Adaro Energy Tbk

Teddy Permadi Rachmat

- Forbes' 18th Richest Person in 2019
- Total wealth of US \$ 1.3 billion
- PLTU Tanjung South Kalimantan
- Vice President Commissioner of PT Adaro Energy Tbk

Prajogo Pangestu

- The 3rd Richest Person according to Forbes in 2019
- Total kekayaan US\$ 7,6 miliar

- PLTU Jawa 9 & 10
- Majority Shareholder of PT Barito Pacific Tbk

Agus Lasmono Sudwikatmono

- Globe Asia's 69th richest person 2018
- Total assets of US \$ 550 million
- PLTU Cirebon-2
- President Commissioner of PT Indika Energy Tbk

Wiwoho Basuki Tjokronegoro

- The 25th Richest Person by Globe Asia 2018
- Total wealth of US \$ 1.5 billion
- PLTU Cirebon-2
- Commissioner of PT Teladan Resources

Martua Sitorus

- The 10th Richest Person according to Forbes 2019
- Total wealth of US \$ 1.9 billion
- North Sumatra PLTU
- Founder of Gama Group (affiliated through PT Wahana Indigo)

Edwin Suryajaya

- Forbes' 45th Richest Person in 2018
- Total assets of US \$ 660 million
- PLTU Tanjung South Kalimantan
- President Commissioner of PT Adaro Energy Tbk

Aburizal Bakrie

- The 11th Richest Person in 2011
- Total assets of US \$ 890 million

- PLTU Tanjung Jati A
- Bakrie Group (affiliated through family relationships)

Offshore Leaks

Luhut Binsar Pandjaitan

- Director of Mayfair International Ltd
- Offshore company in Seychelles
- PLTU North Sulawesi 1 & PLTU North Sulawesi 3
- Majority Shareholder of PT Toba Sejahtra

Djamal Nasser Attamimi

- Intermediary MPC Capital Ltd, Platinum Capital Ventures, and Delta Advisory Pte. Ltd
- PLTU Sulbagut 1 & PLTU North Sulawesi President Commissioner PT Commissioner PT Toba Bara Sejahtra Tbk

Sandiaga Uno

- Director and shareholder of Velodrome Worldwide, Finewest Capital Ventures Ltd
- PLTU Tanjung South Kalimantan
- Shareholders of PT Adaro Energy Tbk

Edwin Suryajaya

- Owners of Ocean Blue Global Holdings Ltd in British Virgin Islands
- PLTU Tanjung South Kalimantan
- President Commissioner of PT Adaro Energy Tbk

Meity Subianto

- Shareholders of Canyon Gate Investments Ltd are registered in the British Virgin Islands
- PLTU Tanjung South Kalimantan
- PT Adaro Energy Tbk (affiliated through family relationship)

Muki Hamami

- Director and shareholder of Perringle International Ltd
- PLTU Nagan Raya 3 & 4
- Commissioners and majority shareholders
- PT Godra Investama

Dewi Kam

- Shareholders of Birken Universal Corporation registered in the British Virgin Islands
- PLTU Cilacap
- The majority shareholder of PT Sumbergas Sakti Prima

Wiwoho Basuki Tjokronegoro

- Shareholders of Wilshire Investments International Ltd registered in the Bahamas
- PLTU Cirebon-2
- Commissioner of PT Teladan Resources

Daniel Suharya

- Owners of Fargate Investments Ltd, and Asahi Ventures Ltd in the British Virgin Islands
- Muara Jawa PLTU
- Director of PT Wahana Sentosa Cemerlang

Boy Gemino Kalauserang

- Director of Scenic Worldwide Limited in the British Virgin Islands
- Java PLTU 4
- Director of PT Bhumi Jati Power

Stephen Ignatius Suharya

- Escalate Capital Inc.'s shareholder, Fargate Investments Ltd in the British Virgin Islands
- Muara Jawa PLTU
- Director of PT Wahana Sentosa Cemerlang

Like Rani Imanto

- Owners of Victory Harvest Investment Ltd & Harold Heights Group Ltd in British Virgin Isl
- PLTU Tanjung South Kalimantan
- The shareholder of PT Triputra Investindo Arya which owns shares of PT Adaro Energy Tbk

Public Officials

Luhut Binsar Pandjaitan

- Coordinating Minister for Maritime Affairs and Investment of the Republic of Indonesia & Chief Advisor for the Golkar Party
- PLTU North Sulawesi 1 & PLTU North Sulawesi 3
- Majority Shareholders of PT Toba Sejahtra

Fachrul Razi

- Minister of Religion of the Republic of Indonesia
- PLTU North Sulawesi 1 & PLTU North Sulawesi 3
- Commissioner of PT Toba Sejahtra

Erick Thohir

- Minister of BUMN RI
- PLTU Tanjung South Kalimantan
- Affiliated through family relationships (Boy Thohir)

Law/Corruption Case

Dahlan Iskan

- Involved in 3 cases: corruption of 21 power stations in Java, Bali and NTB; corruption case in the sale of East Java BUMD assets; and corruption case in procuring 16 electric cars for the delegation of the Asia-Pacific Economic Cooperation Summit in Bali)
- PLTU Tanjung Batu
- Shareholder of PT Kaltim Elecktrik Power

AM Hendropriyono

- Talangsari massacre incident
- PLTU Banyuasin
- The majority shareholder of PT Banyuasin Power Energy before owned by China Oceanwide Power Investments IV Ltd.

Notes on Findings

The investigation found that at least 10 of the richest people in Indonesia are behind the power plant project. The 12 people behind the plant are also affiliated with companies in tax haven countries. In addition, there are 3 active public officials who are affiliated with the PLTU project.

The findings above confirm the fact that the coal industry will and has become a problem for various parties. Coal mining companies are controlled by wealthy people, some of whom are affiliated with politicians/public officials. In the downstream, we know that the power plant projects, which are inseparable from the coal industry, are also being used by a few people with extraordinary wealth.

Based on the investigation, it can also be concluded that the management of PT PLN is still far from the principles of transparency and accountability. PLN is not transparent in publishing information about PLTU. For example, data on coal usage and coal suppliers from each plant is difficult to access. ICW had submitted an information dispute process to the Central Information Commission. Besides that, PLN also did not publish the name of the PLTU which had been completed, along with its location. Moreover, the PLTU construction process that has been planned in the Electricity Supply Business Plan (RUPTL) document is difficult to identify. This will definitely hinder the overall PLTU supervision process.

PLN should publish complete and easily accessible information for all citizens. Apart from basic information such as name and location, PLN should be able to publish the names of power plant management companies and individuals who are beneficial owners of the said company. Other things that are no less important, such as the contract value, the funder for a power plant project, the development process of existing power plant projects, and various other relevant information, should be published even more widely.

The coal industry, including power plants that use coal as fuel, has burdened the state with more responsibility. States are required to allocate expenditures that actually can be prevented. Costs for citizen health and environmental damage are some examples. Alternatively, the budget can be used for things that are more useful for the public good.

The climate crisis, among others, is caused by the massive use of coal. The use of outdated technology such as PLTU, must be given special attention. In the midst of a climate emergency, the use of PLTU should always be monitored. If the PLTU has proven to be detrimental to the public good, then its use must be stopped.



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