

2015 Energy Security Workshop Agenda

INDONESIA: A REGIONAL ENERGY LEADER IN TRANSITION

Ronald Reagan Building and International Trade Center, Oceanic Room
1300 Pennsylvania Avenue NW
Washington, D.C. 20004

July 23, 2015 | 9:00 a.m.–3:30 p.m.

Indonesia's democratic transition and strong economy have made the country a major political and economic power in Southeast Asia and the broader region. Energy resources and exports are a critical part of Indonesia's success story and have helped raise levels of prosperity across Asia. However, rapidly rising energy demand, ongoing energy subsidies, and declining production have begun to erode this process. Given Indonesia's role as a natural leader and a key strategic and economic partner to the United States, Japan, and others in Asia, its continued success is of vital concern for not only Indonesia but the wider Asia-Pacific.

Kindly note that the Energy Security Workshop is held under Chatham House Rule.

8:30–9:00 **Registration and Refreshments**

9:00–9:10 **Welcome and Introduction**

Clara GILLISPIE
The National Bureau of Asian Research

Alexandra STUART
US-ASEAN Business Council

9:10–9:45 **Remarks**

Speaker:
Arto SURYODIPURO
Embassy of the Republic of Indonesia in the United States of America

Moderator:
Clara GILLISPIE
The National Bureau of Asian Research

9:45–11:00

Panel One

Overview of Indonesia's Energy Policy Challenges and Opportunities

Indonesia has traditionally been a leading energy supplier in the Asia-Pacific, with a diverse wealth of resources including oil, natural gas, coal, and geothermal potential. However, a dramatic rise in domestic energy demand, combined with slowing oil and gas production, threatens to undermine the energy sector's capacity to support domestic economic growth and poses serious challenges to Indonesia's role as an important energy exporter to the region. Legal and policy uncertainties surrounding the development of the country's energy sector are also affecting Indonesia's ability to attract the investment needed to reinvigorate domestic production of oil and gas. Meanwhile, Indonesia is looking to strengthen its environmental policy in the energy sector as well as in the overall use of natural resources such as fossil fuels and biofuels. Questions remain, however, on identifying best practices. With these issues in mind, this panel will offer an overview of Indonesia's energy policy outlook, including analysis of major developments during the Jokowi administration and key policy and market challenges.

Moderator:

Mikkal E. HERBERG

The National Bureau of Asian Research

Author:

Alexandra STUART

US-ASEAN Business Council

Discussants:

Meredith MILLER

Albright Stonebridge Group

Murray HIEBERT

Center for Strategic and International Studies

11:00–11:20 Break

11:20–12:30 Panel Two

Indonesia's Oil Outlook: Production Constraints, Investment, and Growing Demand

In recent years, Indonesia's growing domestic oil demand and waning production have led to increased import levels of both crude oil and petroleum products. Meanwhile, oil subsidies have further aggravated efforts to address long-term challenges, encouraging demand growth and heightening the reliance on imports. This panel will examine key questions for promoting investment in new oil supplies in Indonesia, including the ongoing issue of subsidies, the increasing significance of imports, and priorities for stimulating sector investment. Can the Jokowi administration bring about a more effective regulatory environment?

Special Presentation:

Satya Widya YUDHA

Commission VII, House of Representatives, Indonesia

Moderator:

Tom CUTLER

Cutler International, LLC

Author:
Mikkal E. HERBERG
The National Bureau of Asian Research

Discussants:
Vikram NEHRU
Carnegie Endowment for International Peace

J. William ICHORD
International Business Consultant

12:30–1:45 Lunch

1:45–3:15 Panel Three
Natural Gas, Coal, and Renewables: Meeting Demand While Diversifying Supplies

Although energy trade has played a key role in Indonesia’s economy, the country continues to have one of the lower electrification rates in the Asia-Pacific. Over the next five years, the government has ambitious plans to expand access to nearly 99% of the population. As a result of this effort and continued economic growth, Indonesia’s electricity demand is expected to roughly triple between 2011 and 2035. To meet this rising demand, decision-makers are looking at how to best integrate more natural gas into the power sector. They are also searching for additional strategies to improve overall sector sustainability, with notable attention to how to strengthen the use of coal and best harness significant domestic geothermal and hydroelectric potential. This panel will examine the evolving coal, gas, renewable, and electricity nexus in Indonesia and consider how policy, industry, and research are seeking to balance affordability and sustainability. It will also examine major shifts underway in Indonesia’s gas outlook, including questions of how to sustain sector investment and future development.

Moderator:
Mikkal E. HERBERG
The National Bureau of Asian Research

Authors:
Nikos TSAFOS
analytica

Natalie BRAVO (*as presented by Nikos Tsafos*)
analytica

Discussants:
Scott SMOUSE
Department of Energy, United States

Clara GILLISPIE
The National Bureau of Asian Research

3:15–3:30 Conclusion: Implications for the Asia-Pacific

We would like to thank the following for their generous support of the 2015 Energy Security Program

