Giving Green

IESR
Institute for Essential Service Reform

# Grantee Spotlight: Institute for Essential Services Reform

The Giving Green Fund is awarding a restricted grant to the Institute for Essential Services Reform (IESR) for its power sector transformation program in Indonesia to advance grid flexibility, solar deployment in industrial parks, and coal asset repurposing. IESR is an independent Indonesian think tank focused on energy and climate policy, with an emphasis on evidence-based advocacy for the energy transition.

IESR's work falls within our philanthropic strategy of decarbonizing Indonesia's power sector and, more specifically, our sub-strategies of advancing policy and regulatory reforms that accelerate clean energy deployment, supporting evidence generation to derisk clean energy and transmission projects, providing technical assistance and capacity-building support to high-growth industrial provinces with energy transition planning and implementation, and advocating for policy reforms to reduce subsidies and incentives for coal and facilitate retirements and repurposing of coal assets. Please see Giving Green's strategy report for more information, including potential risks and co-benefits, recommended sub-strategies, theory of change, funding need, and key uncertainties.

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## What Is IESR?

IESR, established in 2007 and based in Jakarta, conducts research and policy advocacy to accelerate Indonesia's energy transition, working across the power, transport, industry, and buildings sectors. Its work combines technical and economic analysis with policy advocacy and stakeholder engagement. IESR works with government institutions, businesses, civil society organizations, and international partners to develop and advance policies that support Indonesia's energy transition. It is particularly active on renewable energy deployment, coal transition, clean energy investment, and Indonesia's broader decarbonization pathway.

Its power sector transformation program focuses on renewable energy deployment, electricity-system planning, grid modernization and flexibility, energy storage, transmission, and electricity-market and procurement reforms. It actively engages with

the Ministry of Energy and Mineral Resources, the state-owned utility Perusahaan Listrik Negara (PLN), industry associations, and the expert community. IESR also publishes the annual Indonesia Energy Transition Outlook, which tracks the country's progress against its energy transition targets.

## What Are We Funding, and How Could It Help Address Climate Change?

Indonesia's 100 GW ambition to rapidly expand solar power will require changes across both the supply and demand sides of the electricity system. IESR will work with PLN, industrial park owners, government, and power sector experts to address complementary barriers to this transition. We are funding IESR to support expansion of renewables through three workstreams:

- **Mainstreaming grid flexibility and distributed renewables:** generating evidence on how distributed renewables and grid flexibility could contribute to grid resilience, convening an expert group to engage with government and PLN, introducing grid-forming inverter technology to Indonesian stakeholders, advocating for an ancillary services regulatory framework, and demonstrating grid flexibility through modeling of the Bali and Nusa Penida systems.

- **Solar deployment in industrial parks:** working through the Indonesian Industrial Estates Association—the national organization that represents industrial estate developers and operators in Indonesia—to provide technical assistance to park owners on planning and deploying solar for their own use, and building capacity on solar potential assessment for new parks.

- **Repurposing coal assets for grid flexibility:** building an assessment framework to help PLN evaluate individual coal plants for repurposing or early retirement, extending pre-feasibility analysis to coal-to-battery conversion, and training PLN's operations and system planning units on the implications for grid operation.

The above workstreams address different constraints on Indonesia's solar expansion while reinforcing one another. Accelerating solar deployment in industrial parks creates demand for distributed renewable energy and increases the need for greater grid flexibility. Progress on grid flexibility will help PLN manage higher shares of variable renewable energy, while coal asset repurposing can create viable pathways for transitioning away from coal. Together, these efforts can enable greater integration of clean energy into the grid while reducing reliance on coal-based generation.

## Why Do We Think IESR Will Use This Funding Well?

IESR's proposed work builds on several ongoing activities and relationships. IESR has previously provided technical assistance to PLN on assessing options for repurposing coal-fired power plant assets. The proposed grant would expand this work by developing a broader assessment framework, conducting additional pre-feasibility analysis, and building PLN's capacity to apply the framework. IESR has also engaged power-system experts through webinars and discussions on grid resilience under increasing renewable variability, demand flexibility, and climate risks. These engagements provide an initial basis for the proposed expert group and advocacy work. In addition, IESR plans to work closely with Indonesia's industrial park association, which would provide a channel to engage industrial park owners on renewable energy planning and deployment.

IESR has existing technical expertise and a strong track record of working on power systems and renewable energy-related issues, including power system modeling, grid stability, energy storage, renewable energy policy, and solar deployment.

Philanthropic funding for grid flexibility and power market reform in Indonesia remains relatively limited, consistent with the early stage of variable renewable energy deployment in the country. We think IESR's existing stakeholder relationships and technical capabilities provide a strong foundation for carrying out the proposed work and translating its analysis into policy and regulatory engagement.

*We publish grant spotlights to offer transparency to Giving Green Fund donors and resources for those interested in the impact strategies each grant supports. Giving Green believes our Top Climate Nonprofits have the greatest impact potential for large, unrestricted gifts. For several reasons, we also disburse and recommend grants to other organizations surfaced through our research process for work that we believe is at least as impactful as grants to our top recommendations.*

*This is a non-partisan analysis (study or research) and is provided for educational purposes.*

*IESR is a registered nonprofit in Indonesia.*