

Dear Patricia,

I've been checking my emails and can't find a record of having sent you our key points on the four investment plans discussed by the CTF tfc in March - so for the record and putting on the password protected site here they are. I hope they will be useful to the teams developing the specific projects. Apologies if I have indeed already sent these.

Best wishes

Greg



UK comments on investment plans Ukr Indo Col Kaz.doc

UK comments on CTF investment plans prepared for Manila 15/16 March 2010

Indonesia

- We share the emphasis placed by a number of others on the importance of transparency and the pricing and regulatory regimes. There are a number of policy developments yet to be finalised, some of which may be critical. These include energy pricing – for example, will there be favourable feed-in tariffs for geothermal and other RE-generated electricity?
- The description of the EE and RE components in the investment plan could be strengthened. In particular we would like clarification of the transformational potential of the EE and RE components – what, for example, are the planned targets?
- The use of RE for basic needs and reference to the MDGs is also welcome. However, in general the developmental aspects and benefits should be clearer and should be quantified. For example, although there is mention of stimulated local industry, particularly for EE and RE technologies, as the markets expand it is not clear to what extent Indonesia already has some industrial base in these areas and in what ways broader industrial policy is enabling.
- We welcome the inclusion of the geothermal component and recognise that the development of Indonesia's geothermal energy resources could lead to transformational change within its energy sector and in geothermal globally. It is, however, not clear exactly how this scale up will be achieved.
- We would like greater clarity on the use of biomass to produce energy. We must be particularly careful not to set up perverse incentives so we need assurance that any biomass projects would not be creating the conditions for further deforestation and loss of biodiversity. We therefore note the importance of each of the MDBs applying its safeguard policies, including environmental safeguards.