Press release

31 GW of captive coal puts Indonesia's economy, emissions targets at high risk

Operational and planned captive triples 2023's capacity, exceeds Australia's entire coal fleet, and rivals total German coal capacity.

JAKARTA, 27 January 2026 - Indonesia's operational and planned captive coal capacity now triples the nation's 2023 base capacity, exceeds that of Australia's current total coal fleet, and nearly ties with the entire coal capacity of Germany.

According to the latest analysis by the Centre for Research on Energy and Clean Air (CREA) and Global Energy Monitor (GEM), Indonesia's operational and planned captive coal – or industrial coal power not connected to the national grid – now reaches 31 GW.

The 31 GW capacity comprises 19.3 GW in operation, 3.6 GW of captive coal power plants in construction, and an additional 8.16 GW capacity expansion in planning. Meanwhile, the JETP thematic report for captive study that was released in November last year presents an inconsistent baseline by tabulating 4.45 GW of planned capacity but citing only 3.1 GW in its text, while omitting all announced projects.

These captive projects are also shielded by regulatory loopholes in Indonesia's Presidential Regulation No. 112 of 2022 (PERPRES 112/2022), which grants exemptions to national strategic projects. This points to a critical lack of oversight as there is currently no public evidence or monitoring framework to verify the mandated 35% emissions reduction required for captive units.

The omission of significant captive coal capacity from official JETP assessments, combined with regulatory loopholes, risks locking Indonesia into a high-emission trajectory and creating stranded assets that could undermine national economic competitiveness for decades.

Between GEM's releases for July 2024 and July 2025, captive coal accounted for about 80% of all new coal additions in Indonesia, pushing the sector's total to 19.3 GW. This growth is geographically concentrated in the nickel hubs of Central Sulawesi and North Maluku, which have seen capacity expand 2.25-fold since 2023.

CREA's analysis on the implications of Indonesia's decisions on coal transition pathways shows that the current coal trajectory would cost human lives and heavy economic burden, as the exclusion of captive units from national retirement targets is projected to cause 27,000 additional air pollution-related deaths and a USD 20 billion cumulative economic burden before the final decommissioning of the fleet.

Moreover, a CREA study focused on nickel processing hubs shows that while the industry peaks in its fifth year, the ecological collapse by the eighth year begins to drastically erode total economic output. Air pollution alone in these regions is set to cause 5,000 annual deaths and a USD 3.42 billion yearly economic burden by 2030, while environmental degradation is expected to result in USD 235 million in losses for local farmers and fishermen over the next 15 years. And as global markets pivot toward green-certified minerals, failure to decarbonise Indonesia's industrial base could jeopardize its position in global supply chains and lead to exclusion under international carbon-based standards and trade measures.

'Indonesia's energy landscape is undergoing a radical split in which a stagnant national grid is being eclipsed by an explosive, nickel-driven captive coal surge. Explicitly integrating captive coal units into national 2040 phase-out targets along with establishing a public monitoring framework are essential to enforcing the 35% emissions reduction mandate. If the government wants to achieve its Golden Indonesia 2045 aim, it must acknowledge and embrace the profound economic and environmental benefits of an ambitious early retirement schedule for its on-grid and captive coal fleets,' said Katherine Hasan, Analyst at CREA.

'Data transparency is a fundamental first step towards a just and accountable energy transition. It is impossible to plan for the replacement of coal plants with renewable energy alternatives without first understanding the existing and planned coal capacity landscape. This is especially true for Indonesia's captive coal fleet, which has experienced strong, unabated growth in the last several years. Knowing where these plants are, their size, and their industrial purpose is critical to fully incorporating captive coal into long-term transition planning and effectively phasing out Indonesia's coal power, not just that on the state grid,' said Lucy Hummer, Senior Researcher at GEM.

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Note to editors

The publication related to this press release are available here.

About CREA

The Centre for Research on Energy and Clean Air (CREA) is an independent research organisation focused on revealing the trends, causes, and health impacts, as well as the solutions, to air pollution. CREA was founded in December 2019 in Helsinki and has staff in several Asian and European countries. The organisation's work is funded through philanthropic grants and revenue from commissioned research.
www.energyandcleanair.org

About GEM

Global Energy Monitor (GEM) develops and shares information on energy projects in support of the worldwide movement for clean energy. By studying the evolving international energy landscape, and creating databases, reports, and interactive tools that enhance understanding, GEM seeks to build an open guide to the world's energy system. For more information, visit www.globalenergymonitor.org.