

News Release

JERA, JGC Holdings, and the Indonesian State Electricity Company (PLN) Announce the Launch of a Joint Study Related to Carbon Capture and Storage (CCS) Projects at Thermal Power Plants

TOKYO — 19 October 2023 — JERA Co., Inc. (“**JERA**”), JGC Holdings Corporation (“**JGC**”), and the Indonesian state electricity company (“**PLN**”) have today signed a memorandum of understanding (“**MOU**”) committing to the launch of a joint study aimed at the introduction and commercialization of carbon capture and storage (CCS*) projects at thermal power plants owned by PLN subsidiaries in the Republic of Indonesia (“**Indonesia**”).

The government of Indonesia has established the goal of achieving carbon neutrality by 2060, so decarbonization of the electricity sector, which accounts for about 40% of the country’s CO₂ emissions, is an important issue.

The MOU stipulates that the three companies will consider the introduction of CCS at the Indramayu Coal-Fired Power Plant and the Tambak Lorok Gas-Fired Power Plant, both owned by PLN subsidiaries, studying their potential as CCS projects by evaluating technical issues and business feasibility, investigating legal regulations, and identifying issues.

JERA has overall responsibility for the joint study and will conduct market research related to CCS projects, evaluate feasibility, and research the legal system, while JGC will consider CCS storage technologies and estimate costs. PLN will provide data related to the power plants where the introduction of CCS is being considered and coordinate with related local organizations.

Furthermore, the study was selected for, and will be subsidized through, the Ministry of Economy, Trade, and Industry’s “Feasibility Study Project for Overseas Development of High-Quality Energy Infrastructure (Projects to Study the Promotion of Overseas Infrastructure Development by Japanese Corporations)” for fiscal 2023 (2 August 2023 METI press release).

JERA has been working to support Indonesia’s energy transition, carrying out studies and providing other support aimed at drawing up a decarbonization roadmap for the country’s power sector (25 November 2021 press release). As a global company providing cutting-edge solutions to the world’s energy issues, JERA contributes to healthy growth and development in Indonesia, Asia which includes e.g. Viet Nam, Philippine, Bangladesh and Thailand, and the world by offering a platform for supplying clean energy through a combination of renewable energy and low-carbon thermal power.

The JGC Group is working toward the commercialization of CCS in Indonesia, Malaysia, Thailand, and other countries in Southeast Asia. Based on the group’s wealth of experience in constructing CCS facilities, in its medium-term business plan *Building a Sustainable Planetary Infrastructure 2025* JGC has committed to expand its business in the energy transition field, including CCS, and will contribute to achieving a decarbonized society and promoting a circular economy by offering a wide range of solutions.

PLN, a state-owned electricity company, plays a crucial and predominant role in ensuring a stable power supply for all of Indonesia. As the Indonesian government stated to achieve net zero emission by 2060, PLN has also announced enhancement of net zero emission and low carbon emission fuel business.

* Also known as “carbon dioxide capture and storage.”