Increasing National Electrification, Ministry of SOE Initiated Free Electricity Connection Program

JAKARTA, August 7th, 2018 - In order to realize the SOE Is There for the Country program and the acceleration of the electrification ratio improvement program, 35 state-owned companies were synergizing to finance the electricity connection for Underprivileged Households in southern West Java and Banten.

This synergy was marked by the signing of a cooperation of 'SOE Synergy for Free Electricity Connection for Underprivileged Households Program' between PT PLN (Persero) and 34 other state-owned enterprises on Tuesday (08/07/2018). The signing was carried out at the Ministry of SOE Lounge Synergy, witnessed directly by the Minister of SOE Rini Soemarno and the Minister of Energy and Mineral Resources Ignasius Jonan.

"There are still residents who access electricity but it is taken from a neighbor's house (Levering). With the help of electricity connections through this SOE Synergy, citizens will fully enjoy official electricity from PLN. This is certainly very helpful for the community in supporting the economic activities of their households," Rini said.

A total of 35 SOEs are namely PLN, Telkom, BRI, Pertamina, Bank Mandiri, BNI, Angkasa Pura II, Pelindo III, BTN, Pupuk Indonesia, Wijaya Karya, PT PP, PGN, Waskita Karya, Pegadaian, PTPN III, Antam, Jasa Marga, Jasa Raharja, Taspen, Airnav, Askrindo, Jasindo, ASDP Indonesia, Bulog, Jamkrindo, Biofarma, Semen Indonesia, Hutama Karya, Kereta Api Indonesia, Dahana, Perhutani, Pindad, Pos Indonesia and Jiwasraya.

In realizing the program, SOEs agreed to synergize as an effort to ensure the implementation of electricity connection for the Underprivileged People with the connection fees funded by the SOE Is There for the Country program funds. These funds were sponsorship and not from Corporate Social Responsibility (CSR) funds.

This program was carried out based on the Letter of the Ministry of SOE No. S-114 / S.MBU / 07/2018, dated July 13th, 2018, concerning the Electrification of Southern West Java and Banten Program.

Where SOEs were asked to contribute to electrifying their respective regions based on the stipulation from the Ministry of SOE. The program was targeted to be able to penetrate up to 103 thousand households on October 28th, 2018, with an estimated cost of up to IDR 56.9 billion.

The number of underprivileged people chosen to get electricity was determined based on the National Team for the Acceleration of Poverty Reduction (TNP2K) data.

Minister of ESDM Ignasius Jonan then appreciated the electricity connection program.

According to him, this synergy was a good and extraordinary benefit. "Indeed, this is necessary for our brothers and sisters to be helped. If it's monthly, I'm sure I can, but if it's a heavy one. I thank the SOEs that have participated in this program. This is an extraordinary participation," said Jonan.

PLN noted, currently the electrification ratio of West Java Province was recorded at 96.79% with the number of households not yet electrified still reaching 334,260 households. Underprivileged households who received donation from the free electricity connection program will get a PLN electricity connection of 450 Volt Ampere (VA) at subsidized rates and a prepaid service system.

The reason of most residents did not connect electricity was officially due to the relatively high cost of installing and connecting electricity that ranges from IDR 900 thousand to IDR 1.1 million. Through the electricity connection program this time, PLN gave a 50 percent discount on electricity connection fees, and the remaining costs will be paid by the synergies of SOEs involved.