

First Commercial BioCNG Plant in Indonesia Inaugurated

Date: 22nd of January 2024

A breakthrough in increasing the use of new renewable energy in Indonesia has been made again. The first commercial BioCNG/Biomethane factory in Indonesia, located at Blankahan POM, Blankahan Village, Kuala District, Langkat Regency, North Sumatra Province, was inaugurated Monday (22/1), after going through a construction process for approximately a year and three months.

This factory was built by PT KIS Biofuel Indonesia as part of the plan to build 25 (twenty-five) Bio-CNG factories with a capacity of 15,500 M3 BioCNG/day each, with a total of 387,500 M3 Bio-CNG per day, which is estimated to result in a reduction of 3,7 million tons of Co2 per year and generates 3.7 million carbon credits per year.

"We really appreciate the success of the first BioCNG Plant Construction project that has been implemented by the KIS Group in Langkat. We hope that this BioCNG plant will run well and make a significant contribution in supporting the energy transition in Indonesia, especially in the context of utilizing biogas into energy," said the Director of Bioenergy, Directorate General of New, Renewable Energy and Energy Conservation (EBTKE), Ministry of Energy and Mineral Resources (ESDM), Edi Wibowo representing the Director General of EBTKE, Ministry of Energy and Mineral Resources in his speech.



Edi said, in supporting the energy transition program, the Indonesian Government through various documents and policies has developed targets, strategies and programs for the use of new renewable energy in a gradual, measurable and fast manner. Among them is by setting a target for EBT utilization of 23% by 2025 as stated in the National Energy Policy. The Indonesian government through the Ministry of Energy and Mineral Resources has also prepared a Grand National Energy Strategy (GSEN) as an effort to reduce dependence on fossil energy consumption, including a breakthrough that is currently in the study stage, namely the use of large-scale or industrial biogas as a substitute for LPG, namely Bio-CNG or CBG (Compressed Biomethane Gas).



To develop BioCNG, the Ministry of Energy and Mineral Resources made various efforts such as issuing SNI 9164 Biomethane for Fuel in 2023 together with BSN, as well as going live and launching KBLI 35203 Business Licensing for the procurement of biogas which supports licensing of biogas as a fuel with the Ministry of BKPM. Apart from that, the Ministry of Energy and Mineral Resources is collaborating with several partners to develop the BioCNG Project through plant construction projects, pre-feasibility studies, economic studies, trade policy, industrial studies, and BioCNG raw materials.

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Edi hopes that shortly, BioCNG can be used to replace non-subsidized LPG for the industrial and commercial sectors (12 and 50 kg), so that it can become one of the solution options in the Government's efforts to reduce LPG imports.

In line with this, the Acting Regent of Langkat, Syah Afandin expressed his appreciation because this factory could open up wider job opportunities in his area. He also hopes that the operation of the BioCNG factory located at **PT United Kingdom Indonesia Plantations**, Langkat, can become a role model for other companies in Indonesia to carry out similar innovations.



"I give the highest respect. I hope that others can also follow the example of this factory. I express my gratitude because there is so much employment which really helps the economy for the people of Langkat Regency. In the future, I hope this collaboration can be further improved, then it can create benefits for the environment in Langkat Regency," said Afandin.

Meanwhile, the CEO of PT KIS Biofuel Indonesia, Ragunath, expressed his hope that Indonesia will become the largest BioCNG producer in Asia. "I would like to thank Unilever, AEP and KIS Group for their extraordinary support.

AEP CEO said that AEP is committed to reducing Greenhouse Gases (GHG) generated from each process, namely by carrying out clean projects that do not cause new pollution to the environment, one of which is the Clean Development Mechanism (CDM) project, and according to Presidential Regulation 98 of 2021 and Permentan 38 of 2022, AEP takes part in reducing the effects of Greenhouse Gases into the atmosphere by carrying out sustainable clean projects and also AEP has a Sustainability Policy, one of which is NDPE (No Deforestation, No Peatland and No Exploitation).