



Just Energy Transition in West Java

(Case Study of Cirebon I CFPP for Community and Manpower Aspects)



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Collaboration research LBH Bandung,
ICEL and SALAM INSTITUTE

Authors:

Andi Daffa Patiroi

Heri Pramono

M. Rafi Saiful Islam

Maulida Zahra Kamila

Enumerators:

Linatuzzakiyah

Siti Latifah (Ifah)

Siti Latifah (Iif)

Editors:

Lasma Natalia H. Panjaitan

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JUST

ENERGY TRANSITION

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PREFACE

Energy transition, these two words are always promoted by the state with the pretext of saving living space tucked away in every policy produced. The energy transition also does not escape the phrase equitable application of this transition must see the perspective of respect, fulfillment and protection of human rights.

Along with the urge to minimize the adverse effects of global climate change and increase equitable energy access for all, research on Equitable Energy Transition in West Java is one of the contributions of the stories of communities affected by CFPP which should be present in the narrative of the implementation of the energy transition going forward.

Through this research, a series of stories are presented by collecting stories from several points located around the Cirebon I CFPPs building, which of course conducts research with the active involvement of community entities living in the area including fishermen, clam seekers, local shop owners, CFPP workers and the wives of CFPP workers.

This research does not only cover the role of the state to retire CFPP as a step towards fulfilling renewable energy, but also emphasizes the need for a review of the aspects of social, economic and environmental justice in the process.

We are aware that the discussion on energy transition is not free from steps to ensure rights for the social aspects of workers, because if we only look at the environmental aspects, the phrase fair will undoubtedly not be present in every step of the state in carrying out the energy transition process.

Bandung, July 2024

Heri Pramono
Director of LBH Bandung

FOREWORD

In the Enhanced Nationally Determined Contribution (NDC), Indonesia commits to reduce GHG emissions from the energy sector by 358 million tonnes of CO₂ (unconditional) and 446 million tonnes of CO₂ (conditional) by 2030. Although this commitment is higher than the updated NDC (2021), it could be more ambitious given the magnifying impacts of climate change in recent years.

In addition to reducing GHG emissions, the energy sector must also capture and address impacts on communities and workers through an equitable energy transition agenda. This situation confirms the importance of documenting local knowledge as a means of amplifying voices and information that are often not heard in the formulation of various just energy transition agendas and programmes.

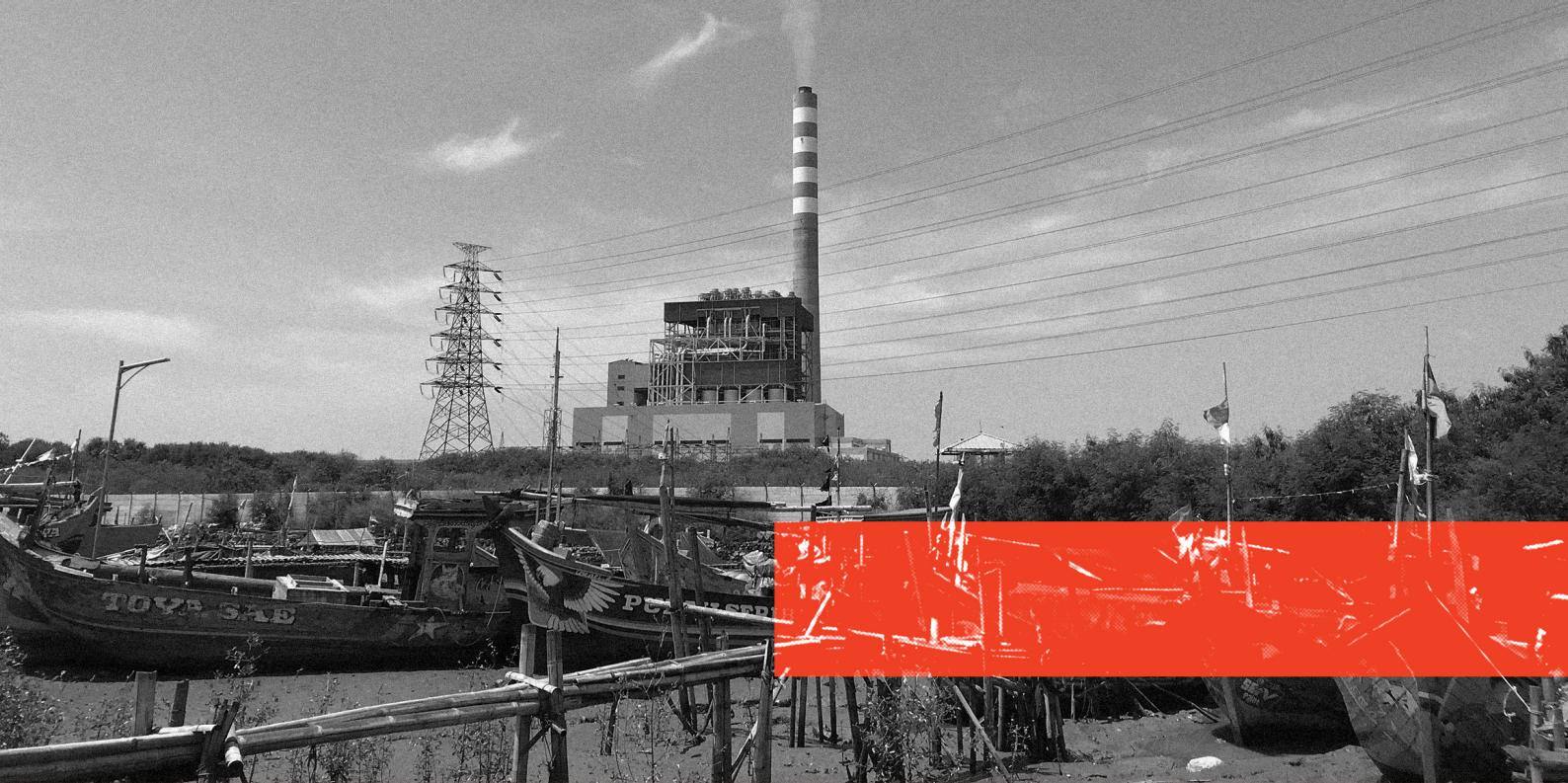
There is not much documentation of local knowledge from a human rights perspective that can serve as a reference for advocacy for a just energy transition in Indonesia. Therefore, this report is a step forward and a reminder that the just energy transition agenda in Indonesia shall provide justice for vulnerable groups.

What is interesting about this report is that it raises the social and labour aspects of the situation of the community and the workers prior and after the existence of PLTU Cirebon I, as well as a critical notes on the retirement plan for both groups. The research focus on PLTU Cirebon I also makes this report very contextual to the early retirement plan of PLTU Cirebon I.

The Indonesian Center for Environmental Law (ICEL) highly appreciates these collaborative efforts and hopes that the contents of this report can be further explored, developed and become a common advocacy agenda to monitor the Cirebon I PLTU early retirement plan that is truly based on justice for The Earth of Indonesia, affected communities and workers. Congratulations and thank you for publishing this report!

Jakarta, 25 July 2024

Raynaldo G. Sembiring
Executive Director of ICEL



A. Introduction

1. Background

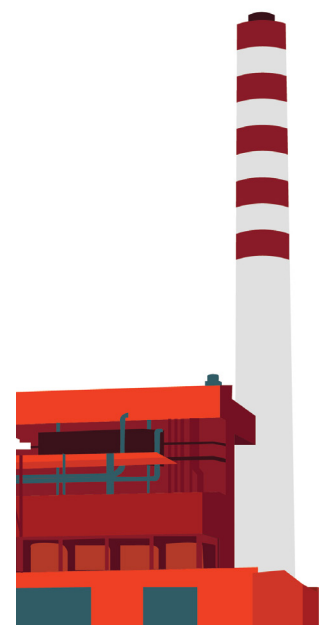
Coal-Fired Power Plants (CFPP) remain the dominant plants powering electricity generation in Indonesia. As of 2021, a total of 33,093 MW of PT PLN's installed electricity capacity came from CFPP. This correlates with the considerable number of CFPP operating in Indonesia. According to data of the Ministry of Energy and Mineral Resources, in total as of April 2022, Indonesia had approximately 253 CFPP units. As many as 126 units were owned by PT PLN, predominantly on the island of Java, with the largest capacity of 15,830 MW. Despite the substantial number, the construction of CFPP in Indonesia remains ubiquitous. Based on PLN's Electricity Supply Business Plan (RUPTL), it still has $\pm 13,000$ MW of CFPP planned for construction by 2030.

The prevalence of CFPP in electricity generation undeniably contributes to a more severe climate crisis. According to IGRK and MPV reports of the Ministry of Environment and Forestry, the coal industry is the largest contributor to greenhouse gas emissions, accounting for 56%¹, and included in it are power plant operations. In line with these, in BUR 3² report, Indonesia admits that most of the energy supplied still derives from fossil fuels, including from CFPP operations, which significantly contribute to the release of greenhouse gas (GHG) emissions.

In the context of Indonesia, energy transition efforts are listed as one of the

1 Laporan Investigasi Gas Rumah Kaca dan Monitoring, Pelaporan dan Verifikasi (MPV) 2021. Ministry of Environment and Forestry, Director General of Climate Change Control, Directorate of Greenhouse Gas Inventory and Monitoring, Reporting, and Verification. Volume 7, March 2022. p. 60.

2 Third Biennial Update Report of the Republic of Indonesia (under the UN Framework Convention on Climate Change)



country's climate commitment targets, towards which Indonesia's Nationally Determined Contribution (hereinafter referred to as the NDC) is committed to achieving 20,923 MW of renewable energy in its installed capacity. Energy transition efforts are also mandated in the Presidential Regulation Number 112 of 2022 on the Acceleration of Renewable Energy Development for Electricity Supply. Although it does not expressly regulate energy transition, Article 3 of the Presidential Regulation briefly touches on the preparation of a roadmap for accelerating the termination of CFPP operational periods, which is to be set forth in a sectoral planning document by the Minister of Energy and Mineral Resources. This Article 3 also mandates a moratorium on the granting of new CFPP permits, despite with some exceptions. Accordingly, it is a certainty that CFPP in Indonesia will sooner or later be phased out or retired early. One targeted for retirement is Cirebon I CFPP, which has been included in the early retirement schemes of Just Energy Transition Partnership (JETP) and Energy Transition Mechanism (ETM).

Inaugurated by Minister Jero Wacik in 2012, Cirebon I CFPP was the first power plant in Cirebon. It has a production capacity of 660 MW. It is said to be using advanced technology as it has the capability to burn low-calorie coal. With a production capacity of 660 MW, it consumes approximately 8,000 tons of coal daily. From such heavy coal consumption, Cirebon I CFPP generates around 4,445 tons of carbon emissions per day. Cumulatively, over 15 years, it produces approximately 30 million tons of carbon emissions.

Built in 2008 by PT Cirebon Electric Power (CEP), a consortium of multinational companies, Cirebon I CFPP cost 850 million USD to construct and is operated under a 30-year power purchase agreement.³ The shareholders composition of PT. CEP is as follows: Marubeni (32.5%), Korea Midland Power co (27.5%), Samtan Co Ltd (20%), and PT. Indika Energy (20%). Consortium PT CEP won the PLN tender in 2006, after competing with other major companies such as Essar Group from India, due to its offering of lower electricity prices and non-government-guaranteed loans. The appointed contractor for this construction project was Doosan Heavy Industry from South Korea. In terms of technology, the project was also a pioneer in the use of a supercritical boiler technology capable of processing low-calorie coal frequently found across Indonesia.

For its coal depot, Cirebon I CFPP is also equipped with a newly constructed 2-kilometer jetty⁴, 2 unloading cranes, and a conveyor capable of transporting up to 1,300 tons of coal per hour. On 27 July

³ Sajogyo Institute working paper team, *Ekonomi Politik Energi dan Industri Kelistrikan: Studi kasus PLTU Cirebon dan Cilacap*, Vol 2, No. 4, 2022, p. 73.

⁴ A pier constructed perpendicularly and protruding into the sea. Typically used as a mooring place for coal barges.

2012, Cirebon Unit 1 CFPP began commercial operations and was officially inaugurated by the government on 18 October 2012.

Figure 1. Map of Waruduwur Village



Source: PE 6 Waruduwur research team of SALAM Institute

Administratively, Cirebon I CFPP is located in Kanci Kulon Village, Astanajapura Subdistrict, specifically in Hamlet 1. However, based on the map above, it also occupies the same expanse as Waruduwur Village. Meanwhile, Kanci Kulon is the village neighboring Waruduwur Village, situated south of Pantura Road. Hamlet I of Kanci Kulon Village is a small part of the village. Historically, the land occupied by Cirebon I CFPP was a naturally emerging land (*tanah timbul*).

According to accounts of local residents, the location used to be covered in water. Over time, however, as the water receded northward, a land emerged. The newly emerging land was then managed by the residents of Kanci Kulon, who mostly worked as agricultural and casual labor, as aquafarms. On the other hand, the residents of Waruduwur, who were primarily capture fishermen, focused their time on capture fisheries. The naturally emerging land was utilized by local residents for salt, fish, and shrimp farming businesses. This difference in primary activities is what set the backdrop for the land ownership by residents of Kanci Kulon.

The naturally emerging land ownership began with residents cultivating the land. Anyone utilizing a piece of the land for business had the claim to acquire the piece of the land as an owner. After consistently working the land for a considerable period of time from the 1980's, the residents started registering their land ownership status with the village government. Prior to converting it to a certificate, the residents initially registered their piece of the land with the village government to obtain a permit to cultivate. This ownership registration later led to the residents' buying and selling their pieces of the land.⁵ Some residents then formalized their land ownership through land certification. This process occurred in the land area where the constructed Cirebon I CFPP is now located. The pieces of the land in Hamlet I of Kanci Kulon are mostly owned by the residents of Karang Pojok block in Kanci Kulon Village.

⁵ Catatan Lapang Pensiun Dini PLTU I Cirebon SALAM Institute, p. 1.

During its 12 years of operational period, Cirebon I CFPP has significantly impacted the livelihoods of the surrounding communities, which revolve around fisheries and agriculture. Since it began operations, fish have become scarce for fishermen. Therefore, can the early retirement of PLTU be the solution to this problem? Will there be other economic impacts arising as a consequence?

Another area affected is the social aspect. In the case of Cirebon I CFPP, at least, its presence has influenced the surrounding social environment. For example, it has changed community habits, increasing their vigilance and apprehension about any concerns caused by Cirebon I CFPP, especially issues concerning health. The planned early retirement of Cirebon I CFPP may also impact the communities' social life.

Under the JETP early retirement scheme, Cirebon I CFPP is planned to cease operations by 2035. However, the early retirement process will have direct and indirect effects. The most obvious one will be on local residents who depend on Cirebon I CFPP and other sectors relying on its operations for their livelihoods. One of the hardest hit sectors will be manpower. We can already sense that the energy transition, in the case of the early retirement of Cirebon I CFPP, will affect the future of the workers, both permanent and non-permanent, who rely on it. Has the government prepared a roadmap for transitioning these workers in the PLTU sector, who will be impacted by the early retirement? And, how will this problem be addressed?

Based on the discussions above, it can be concluded that the energy transition, particularly in the case of the early retirement of PLTU, will impact not only the energy used that is being transitioned but also other less-highlighted aspects such as the social impacts on local communities and the impacts on PLTU workers. Therefore, it is necessary to conduct this research to further explore and anticipate potential outcomes.



2. **Research Purpose** This research on just energy transition aims to examine:
 01. Impacts of the early retirement of Cirebon I CFPP on the social aspect of its surrounding communities
 02. Impacts of the early retirement on workers (both formal and informal) at Cirebon I CFPP and its surrounding areas
3. **Research Methodology**

The method used in this research was a qualitative research method, involving empirical research and literature review. Primary sources came from interviews with affected communities using a sampling method. Secondary sources consisted of research sources, relevant documents, and legal documents such as laws and other regulations pertinent to this research.

This research was conducted over two months, from March to April 2024. Data was collected from four villages located around Cirebon I CFPP, i.e., Waruduwur, Citemu, Kanci Wetan, and Kanci Kulon Villages. Respondents interviewed by enumerators included residents living in the area, fishermen, shellfish gatherers, local small stall owners, PLTU workers, and wives of PLTU workers.



B. Social Impacts of Early Retirement on Surrounding Communities of Cirebon I CFPP

1. Community social rights that must be guaranteed by the state

PLTU is an infrastructure project. According to the official dictionary of the Indonesian language, KBBI, the term infrastructure means everything that supports the operation of a process (business, development, project). Although often purported to be for public interest as claimed by the government, infrastructure projects frequently cause multiple problems for affected communities, including PLTU construction typically intended to promote equitable development, particularly through energy source provision, and to support the national economy.

Infrastructure development requires land for project sites and supporting facilities. For example, PLTU construction will result in a land-use change from residential or agricultural land to infrastructure buildings. This infrastructure development also contributes to poverty since it essentially prompts resource access competition or restrictions, job shifts, and cultural uprooting, particularly in the case of PLTU development that uses dirty energy, which deteriorates people's health and environmental quality, impacting the surrounding communities' life.

a. Right to Development

One of the rights being examined is the Right to Development. Since 1981, new categories have been added to human rights, i.e., the right to peace and security, the right to development, and the right to a healthy environment. Article 1, paragraph (1) of the Declaration on the right to development states that the Right to Development is an inalienable human right by virtue of which

every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural, and political development, in which all human rights and fundamental freedoms can be fully realized.⁶

Key elements of the Right to Development in the UN General Assembly Resolution 41/128 of 1986 on the Declaration on the Right to Development are divided into several principles, including: (1) The principle of equality in article 2, number (2), which requires all human beings to have a responsibility for development, individually and collectively, taking into account the need for full respect for their human rights and fundamental freedoms as well as their duties to the community, which alone can ensure the free and complete fulfillment of the human being. Therefore, they should promote and protect an appropriate political, social, and economic order for development.

The participatory principle is also clearly noted in article 2, number (3) of the Declaration on the Right to Development, which states that States have the right and the duty to formulate appropriate national development policies that aim at the constant improvement of the well-being of the entire population and of all individuals, on the basis of their active, free, and meaningful participation in development and in the fair distribution of the benefits resulting therefrom.

Finally, Article 6, number 2, states that all human rights and fundamental freedoms are indivisible and interdependent; equal attention and urgent consideration should be given to the implementation, promotion, and protection of civil, political, economic, social, and cultural rights. Furthermore, number 3 also states that states should take steps to eliminate obstacles to development resulting from failure to observe civil and political rights, as well as economic, social, and cultural rights.

The Right to Development essentially aims to promote social progress and a better standard of living in broader freedoms, and to problem-solve based on economic, social, cultural, or humanitarian character, and to promote and encourage respect for human rights and fundamental freedoms for all without any distinction as to race, gender, language, or religion. The Declaration on the Right to Development highlights the importance of respect for human rights and participatory processes in development processes.

In the context of Indonesia, certain provisions of the Declaration on the Right to Development are highly relevant in responding to development that impacts communities, including full and complete sovereignty over all natural wealth and resources. Another relevant provision is that “human should be the active participant and beneficiary of the right to development.” Infrastructure development often overlooks the human role and focuses on infrastructure development that not only is unnecessary for communities but also lowers

⁶ UN General Assembly Resolution 41/128 of 1986 on the Declaration on the Right to Development, <https://www.ohchr.org/en/instruments-mechanisms/instruments/declaration-right-development>

human quality of life, particularly due to environmental degradation and damage to nature.

The Indonesian constitution expressly states in Article 28A of the 1945 Constitution that “Everyone shall be entitled to live and to maintain their life and livelihood;” thus, any form of space deprivation and people displacement contradicts the constitution and human rights.

Furthermore, Article 33 paragraph (3) of the 1945 Constitution, which asserts itself as a social constitution, also relates to context of the right to development, and it is clearly stated in the third paragraph of the Preamble to the 1945 Constitution “promoting public welfare” and “social justice.” This is also technically relevant to the derivative regulation Article 26 Paragraph 1 and Article 70 Paragraph 1 of the Law Number 32 of 2009, mandating that any resident affected by development should be involved in decision-making based on the principle of the provision of transparent and complete information.

Development must also adhere to regulations under the constitution as outlined in article 11 paragraph (1) of the International Covenant on Economic, Social, and Cultural Rights of 1966, ratified by the Law Number 11 of 2005 on the Ratification of the International Covenant on Economic, Social, and Cultural Rights. It is stated that the states Parties to this Covenant recognize the right of everyone to an adequate standard of living for themselves and their family, including food, clothing, and housing, and to the continuous improvement of living conditions. The States Parties will need to take appropriate steps to ensure the realization of this right by recognizing the essential importance of international cooperation based on free consent.

The guarantee for the Right to Development should be reflected in development decisions and implementations in Indonesia. There needs to be more meaningful consideration of the impacts on respect for and fulfillment of human rights, as well as participatory processes. In many cases, such as in Cirebon I CFPP, the power plant was built suddenly. According to data from the field, the construction of Cirebon I CFPP began in 2008, starting with land filling and jetty construction.⁷ During this process, Waruduwur residents were taken aback as their *keramba* were interrupted by Jetty construction and coal barge traffic. Eventually, residents were asked to remove their *keramba* to avoid disrupting the construction process. This incidence shows that the construction of Cirebon I CFPP did not consider the right to development, as some of the local residents had no idea about the development. Ideally, all potential impacts should have been communicated and anticipated by the PLTU management before the construction took place.

⁷ Catatan Lapangan Pensiun Dini PLTU I Cirebon SALAM Institute, p. 4.

b. Right to a good and healthy Environment

Human rights and the environment are closely intertwined. Human rights cannot be fulfilled without a healthy and safe environment. Sustainable environmental governance cannot be achieved without the respect for and protection of human rights. There have been updates to human rights in relation to the environment, which genealogically consist of substantive rights (fundamental rights) and procedural rights, i.e., the rights that guarantee the tools used to achieve substantive rights such as the right to information, participation, and access to justice.⁸ More specifically, these substantive rights are accommodated by the phrase the right to a safe, clean, healthy, and sustainable environment.⁹

Environmental rights are a recent development in human rights, covering fundamental rights of humans to a healthy environment and the basic rights of future generations to a healthy environment. Furthermore, these environmental rights include the protection of natural resources, access to and use of natural resources, and how the access and use affect surrounding populations and the resources themselves.¹⁰

In the context of Indonesia, the 1945 Constitution of the Republic of Indonesia has formulated environmental rights as outlined in Article 28H paragraph (1), stating that everyone shall be entitled to a good and healthy environment. The phrase “the right to a good and healthy environment” as a substantive right provides a legal basis for individuals to realize their interest in a good and healthy environment.

Additionally, environmental rights are also guaranteed under the Law Number 32 of 2009 on Environmental Protection and Management. This law stipulates that the right to a good and healthy environment is part of human rights. Moreover, the principle of state responsibility, which has been established as the principle of environmental protection and management implementation, also affirms the state’s responsibility to guarantee a good and healthy environment for its people.

In the context of Cirebon I CFPP, data from the field reveals that several instances of environmental damage occurred during its construction process. One example was different kinds of wastes, including liquid and coal wastes. The presence of these wastes has driven fish catches further away from the shore.¹¹

⁸ What are environmental rights? <https://www.unep.org/explore-topics/environmental-rights-and-governance/w>

⁹ Special Rapporteur on the human right to a clean, healthy and sustainable environment, <https://www.ohchr.org/en/documents/thematic-reports/ahrc3759-report-special-rapporteur-issue-human-rights-obligations>.

¹⁰ Pachamama Alliance, Environmental Rights, <https://pachamama.org/environmental-rights>

¹¹ Catatan Lapang Pensiun Dini PLTU I Cirebon SALAM Institute, p. 11.

c. Right to Public Participation

The right to participation guarantees the right to take part in government and development, especially in deciding what the government will do in one's environment and in terms of changes to policies. Oftentimes, no opinion from the public is sought in policy formulation, such as in cases of changes to spatial planning. The substantive definition of participation is generally allowance of public involvement in the process of policy-making. Public participation in this decision-making can influence and control the conduct and performance of public institutions towards producing high-quality public policies.

Public policies are undoubtedly closely linked to the matters of people's lives and livelihoods, whether they concern welfare improvement, development, or other issues. Otherwise, policies are issued based solely on the desires of those in power, rather than born out of the aspirations of the people at the grassroot levels, which indicates the characters of a state of power rather than a democratic state of law. Meaningful participation of the public in every stage of policy-making would result in a stronger democratic state of law that upholds human rights.

As regards international conception, one form of recognition of public control in decision-/policy-making is the convention on access to information, public participation in decision-making, and access to justice in environmental matters, known as the Aarhus Convention.¹² The Aarhus Convention affords the public the right to participate in decision-making by voicing their opinions on plans or programs, offering a platform for expressing their views. However, in practice, when spatial use policies that are non-participatory and environmentally damaging are challenged and opposed by communities, they are often met with counterattacks from the government and corporations.

In the context of human rights regulations in Indonesia, the 1945 Constitution stipulates that everyone shall be entitled to improve themselves in fighting for their rights collectively to build their community, nation, and state.¹³ The Law Number 39 of 1999 on Human Rights contains similar stipulation and categorizes it as the right to self-development.

More specifically, Article 65 paragraph (3) of the Law Number 32 of 2009 on Environmental Protection and Management stipulates that everyone shall be entitled to make suggestions on and/or raise objections to business and/or activity plans expected to have an environmental impact. Additionally, Article 19 of the Law Number 30 of 2007 on Energy provides that the public (both individuals and groups) can take part in the preparation of national and regional energy general plans and in the energy development for public interest.

¹² Koesnadi Hardjasoemantri, *Aspek Hukum Peran serta Masyarakat dalam pengelolaan lingkungan hidup*, Yogyakarta, Gadjah Mada University Press. Pp. 2-4

¹³ Article 28 C, paragraph (2) of the 1945 Constitution



When discussing spatial and environmental justice, it would be highly beneficial to have public participation in every policy scope. The public's role is crucial as it is needed to provide inputs to the government on the potential impacts that may arise from its action plans, along with the consequences.¹⁴ Particularly in the context of energy development, the goal of public participation is to ensure that energy development for public interest does not sacrifice the rights of a small subset of people. As a result, the government is reminded of the public's desires, inputs, and criticisms, which need to be considered seriously. Public inputs and propositions regarding potential challenges made through their participation would benefit the quality of government decision-making and improve the quality of policies that are based on protecting a clean and healthy environment.

2. Conditions of Communities Pre-PLTU

People in Kanci Kulon, Waruduwur, and Citemu Villages—the villages neighboring Cirebon I CFPP—can be classified as coastal communities. According to Dr. A. Syatori, M.Si., an academic at IAIN Syekh Nurjati Cirebon, coastal communities are closely linked to impoverished and marginalized populations. This is because coastal communities are often targets of exploitation, both economically and politically. Coastal communities are further associated with slums, low income and education levels, vulnerability to social, political, and economic changes, and helplessness against interventions by capitalists and rulers.¹⁵

There are two typologies of communities, commonly referred to as land people and sea people. As Syatori stated, this sociopolitical division has existed for a long time, caused by differences in

¹⁴ Said Dian Utomo "Partisipasi dalam pembuatan kebijakan", in Indra J Piliang, Dendi Ramdani, and Agung Pribadi, *Otonomi Daerah : Evaluasi dan Proyeksi*, Jakarta: Penerbit Divisi Kajian Demokrasi Kajian Demokrasi Lokal Yayasan Harkat Bangsa, 2003. P. 267

¹⁵ Syatori's statement during LBH Bandung FGD on "Just Energy Transition in West Java."

profession and work location.¹⁶ Land people are those having profession as traders, farmers, and government office workers. Meanwhile, sea people are fishermen, who spend up to days at sea to catch fish and stay on land only for a short time. Syatori made a comparison that land people are either migrants or local residents who have retired from fishing, while sea people are native inhabitants. The two typologies can be compared in the following table:¹⁷

Sea People	Land People
Most socioeconomic activities take place at sea	Most socioeconomic activities take place on land
Indigenous residents	Migrants, or indigenous residents who have ‘retired from fishing’
Low education level, non-religious	Educated, religious
Indifferent and apathetic to politics	Dominant role in government

These differences impact how decisions are made, including political decisions. Land people spend their time on land, as they have nothing to do with sea activities. On the contrary, sea people spend most of their time at sea. This leads to sea people’s apathy towards affairs on land, including political and government affairs. Along with apathy, social jealousy also arises between sea and land people. For instance, in the matter of political decision-making, where decisions are made by land people but also affect the lives of sea people. Consequently, sea people often feel marginalized, whether in decision-making or other aspects.

Generally, the residents around Cirebon I CFPP had diverse professions. Although classified as coastal communities, their professions were not limited to fishermen. In Kanci Kulon Village, for example, most people were farmers and casual labor. Other than these professions, the local residents also used the naturally emerging land as the location of their aquafarms. Accordingly, people in Kanci Kulon spent most of their time on land.

In contrast, the majority of Waruduwur Village’s population worked as fishermen. Thus, almost all their activities and lives were concentrated on the coastal area. Every day, certain location points of this village were always bustling with fishing activities. People were making boats; fishermen were gathering and resting; and groups of women were peeling crabs. Besides catching crabs, Waruduwur residents were also known for green mussel farming.¹⁸ Additionally, residents of Waruduwur and Citemu Villages were also boat builders.

¹⁶ Syatori’s statement during LBH Bandung FGD on “Just Energy Transition in West Java.”

¹⁷ *ibid.*

¹⁸ Catatan Lapangan Pensiun Dini PLTU I Cirebon SALAM Institute, p. 4.

3. Conditions of Communities Post-CFPP Construction

a. Impacts on livelihoods

The presence of Cirebon I CFPP has had negative impacts on the surrounding communities since its construction phase. The construction of this CFPP began with land filling¹⁹ and jetty construction. Both initial processes already had an impact in loss of agricultural and aquafarm lands, which directly affected land availability. This impact was particularly felt by the green mussel farmers.

According to SALAM Institute's records, green mussels were a reliable source of livelihoods for coastal communities in Cirebon. One resident reported earning approximately Rp60,000,000 per year from green mussels alone. However, this profitable business must end when the Waruduwur residents were asked by the CFPP management to remove their green mussel *keramba*²⁰ to make way for the construction process. Consequently, residents experienced immediate impacts, from feeling disrupted to losing green mussel farming as their livelihoods. As compensation for removing their green mussel *keramba*, the residents were only given Rp3,000,000 per piece, which they felt entirely inadequate compared to their previous earnings.

Apart from green mussel farmers, salt farmers were also negatively affected. One salt farmer mentioned that he could earn Rp19,000,000 per season. However, with the CFPP there, his salt farm business was disrupted, especially by the coal dust flying around. It contaminated the salt, turning it black and making it unfit for consumption.²¹ Instead of receiving fair compensation, he was given only five hundred thousand Rupiah for the losses he suffered. Moreover, the land used by salt farmers was

¹⁹ Land filling is a step required prior to constructing a building on a low-elevation land to achieve the planned elevation.

²⁰ *Keramba* is a basket or box made of bamboo slats used for fish farming.

²¹ Catatan Lapang Pensiun Dini PLTU I Cirebon SALAM Institute, p. 14.

also converted into part of the CFPP, and as a result, another source of livelihoods for coastal communities in Cirebon was impacted.

As regards land ownership, the residents were forced to fall victim to unfavorable land acquisition processes. News of the land acquisition for the CFPP construction began to be disseminated in 2006. A resident said he was informed that his land would be purchased and used for a government project. The news was followed by the arrival of brokers who began to buy the affected residents' lands. The residents were led to believe that they would receive nothing if they did not sell their lands to the brokers. Additionally, they faced verbal and physical coercion, such as the unauthorized cutting off of water access to their lands. Left with no other options, residents who owned lands were forced to relinquish their lands.

Fishermen also experienced their share of the negative impacts from the CFPP. Their catches, both fish and crabs, moved further offshore. This forced them to sail further into the sea, causing higher costs and longer travel time. The movement of these catches was at least partly caused by liquid and coal waste spills into the bottom of the sea, damaging the ecosystems within.

During the operational phase, the CFPP wastes caused the disappearance of several types of catches, such as *ukon*,²² *bukur* (blood cockles), *mbet*, green mussels, *ingser*, *laksa*, *mbot*, *giyobong*, *gayaman*, and snails. The quality of the catches also changed, e.g., the fresh green mussel meat, which should have been yellow-orange, turning pink.²³ In addition, the CFPP construction extending into the sea on the eastern side forced fishermen to add more diesel fuel supplies to sail to the eastern side of the sea, as they had to navigate around the bridge extending into the sea built by the CFPP.

b. Impacts on Social Life and Structure

As previously discussed, local communities surrounding Cirebon I CFPP are concentrated in two villages, i.e., Kanci Kulon and Waruduwur Villages. In terms of typology, there are two population groups, i.e., land people and sea people. These two categories are defined by where they spend most of their time, particularly to earn a living. Between both groups, horizontal frictions often arise, especially in political decision-making, which is predominantly done by land people.

The presence of the CFPP has exacerbated the horizontal conflicts between land and sea people. The CFPP gave a fresh context of

²² *Ukon*, or known as *siput biji nangka*, is a type of bivalve mollusk commonly found in coastal mud.

²³ Syatori's statement during LBH Bandung FGD on "Just Energy Transition in West Java."

conflict to the predominance of land people in government roles. In the distribution of CFPP-related information, for example, sea people, who spend most of their time at sea, often missed out on all sorts of information. This information could in fact impact their future lives. In decisions made by the local government regarding the CFPP, sea people often felt sidelined. These growing horizontal conflicts have led to wider segregation within the lives of the coastal communities, weakening the solidarity between land and sea people.

Additionally, the impacts caused include pollution in the sea and coastal areas. The dumping of metal construction wastes into the sea without proper treatment has damaged the marine ecosystem, particularly around the jetty. The pollution has not only disrupted the livelihoods of coastal people but has also led to ecological damage and impacts on people's health. In the first year of production, the noise from the machines in Cirebon I CFPP caused vibrations that sent local residents into a panic. Furthermore, in 2014, a boiler pipe explosion created fear among residents. The explosion also caused cracks on the walls of their homes.²⁴

4. Conditions of Communities Amidst Planned Early Retirement of CFPP

News about the early retirement of Cirebon I CFPP has not been equally received by all the surrounding residents. Some are aware of and understand the plan, while others do not understand or even know about it. A farmer from Kanci Kulon Village said he was completely unaware of what early retirement of the CFPP meant and the recent developments surrounding it. The findings of the SALAM Institute research team reveal that the resident understood nothing about the planned early retirement of Cirebon I CFPP and the potential impacts of it. He only understood it after being given further explanation.

On the contrary, a fisherman from Waruduwur Village already knew about the planned early retirement of the CFPP. He learned about it from a dissemination meeting in February 2024. Someone from the local village government invited him verbally. He and some other villagers attended the meeting at a meeting hall. He admitted that, during the meeting, he did not understand the discussion. This was because the talk was given by a foreign speaker. Although they were provided with an Indonesian language interpreter, the residents did not grasp what was being discussed. Throughout the process, the residents were asked to express their opinions. However, all of them chose to remain silent because they did not understand what was being talked about.²⁵

24 Catatan Lapangan Pensiun Dini PLTU I Cirebon SALAM Institute, p. 12.

25 Catatan Lapangan Pensiun Dini PLTU I Cirebon SALAM Institute, p. 22.

On closer examination, the situation did not conform with the very definition of meaningful participation. According to the Constitutional Court Decision Number 91/PUU-XVIII/2020, meaningful participation must meet three minimum prerequisites: first, the right to be heard; second, the right to be considered; and third, the right to be explained. This basis is closely associated with people's right to equal opportunities to actively participate in environmental protection and management, as specified in Article 70 of the Law Number 32 of 2009 on Environmental Protection and Management. The right is broken down into social oversight; provision of advice, opinions, suggestions, objections, complaints; and/or delivery of information and/or reports.

Before even touching on meaningful participation, it should have been ensured that local residents understood what they were about to be exposed to. Their lack of understanding about the early retirement dissemination indicates that the CFPP management did not check whether the information they delivered was received effectively or not. This falls drastically short of the prerequisites for meaningful participation. The local residents' choice not to say anything did not imply agreement with everything presented to them. In this case, the CFPP management should have ensured that local residents truly understood the information provided in order to maximize meaningful participation.

Within the framework of human rights, the state, as the duty bearer, has the obligation to ensure the fulfillment of, respect for, and protection of its citizens' human rights. The people's lack of knowledge and understanding of the retirement of CFPP is the responsibility of the state. For this reason, information about the retirement of CFPP should be equitably distributed. Not relying on the CFPP management alone, the state also has the duty to ensure that the affected communities comprehensively understand what they are about to face. ADB, who will become the dedicated financier for the early retirement shall ensure that the early retirement process is being carried out in a fair and equitable manner, through early, meaningful, and inclusive access to information and participation.

Particularly given that the early retirement of Cirebon I CFPP is part of the Just Energy Transition Partnership (JETP)²⁶, it must align with the framework of a just transition outlined in the "Comprehensive Investment and Policy Plan 2023" document. One of its pillars contains a just transition standard that emphasizes that no one should be left behind,

26 The JETP Secretariat has been mandated with the national energy transition as determined by virtue of the Coordinating Minister for Maritime and Investment Affairs' Decision No. 144 of 2023 on the National Energy Transition Taskforce. See: <https://id.jetp-id.org/tentang-kami/bagaimana-posisi-sekretariat-jetp-dalam-tata-kelola-satgas-transisi-energi-nasional>



including local and indigenous communities.²⁷ Furthermore, the just transition framework in the JETP document also requires the fulfillment of human rights, including the rights to information and participation as previously discussed. However, the document does not describe further the concrete steps to make sure that local communities are not left behind. This issue is reflected in the process of retiring Cirebon I CFPP, where not all people are aware of or understand the plan.

Moreover, even though the process of assessing and retiring CFPP under the ETM scheme is claimed to be participatory and centered around stakeholders' involvement to guarantee a just transition, field findings show that not all members of the communities received information, understood it, and were involved in the discussion process. Assessment documents are also only available online on the ETM's information site, where the Indonesian language version of the documents is not provided.²⁸

Additionally, the Strategic Environmental and Social Assessment (SESA) conducted by Asian Development Bank (ADB) in 2023, as the funder of the early retirement of Cirebon I CFPP, fails to analyze how the existing environmental and social impacts of the CFPP operations contribute to inequalities and the energy transition process. This is considering the just energy transition is not a new chapter that starts with a clean slate. The assessment also fails to indicate the needs for remedies after decommissioning and development of renewable energy.

²⁷ Comprehensive Investment and Policy Plan 2023, p. 132.

²⁸ ADB, "Energy Transition Mechanism", accessed on <https://www.adb.org/what-we-do/energy-transition-mechanism-etm>



In line with the foregoing, the state has not yet adopted the energy transition policy into a specific law or regulation. Although the president has issued the Presidential Regulation Number 112 of 2022 on the Acceleration of Renewable Energy Development for Electricity Supply, it is a less impactful presence considering the type of the legislation. The regulation is a piece of technical legislation that does not comprehensively cover the subject of energy transition. It also lacks provisions on the justness aspect in energy transition, local communities' rights, and potential legal consequences. To date, there are also no regulations concerning recovery from the environmental and social impacts post-CFPP closures, which is a crucial prerequisite for communities to be able to benefit from the energy transition.

Moreover, referring to the principle of legality in state administrative law (*wetmatigheid van bestuur*), all government actions must be based on the authority granted by a law or regulation.²⁹ The absence of a law or regulation governing the energy transition policy that is guided by the principle of justice affects the legality of government actions. The state, in this case the government, would not be able to implement a just energy transition policy if it is not regulated in a law or regulation.

Based on the foregoing, the state has to legalize the implementation of the energy transition into a law or regulation, preferably as a law. Besides serving as a basis for the legality of government actions, the law should also include provisions that guarantee the rights of local and affected communities. Hierarchically, laws stand at a stronger

²⁹ Saut P. Panjaitan, *Makna dan Peranan Freies Ermessen dalam Hukum Administrasi Negara*, UNI-SIA, Vol. XI No. IV, (1991), p. 57.

level and their law-making process is more participatory compared to presidential regulations. By adopting the rights of local and affected communities within the energy transition framework in a law, the implementation of a just energy transition can gain clear measures, including its implementation oversight and legal consequences. If a law feels unrealistic, the state should ensure that the protection of affected communities is included in any form of policy.

Additionally, the “Inputs from Environmental and Social Compliance Audit” document by IBIS Asia³⁰ contains an Environmental and Social Impact Assessment (ESIA) of Cirebon I CFPP that was issued in 2010. The assessment is certainly no longer relevant if it is to be applied to retire the CFPP. Therefore, a more current environmental and social impact assessment is needed to be relevant to the present conditions.

However, despite the series of issues presented above, the plan to early retire Cirebon I CFPP received positive responses from the surrounding communities. A fisherman from Waruduwur Village, for instance, expressed his hope that with the cessation of the CFPP operations, the coastline would become clean again. This hope reminded him of the past when he could look for *ukon* in the areas affected by the CFPP.³¹ A crab peeler also responded positively to the early retirement of Cirebon I CFPP. Although she felt that the presence of the CFPP cannot be enjoyed by low-income communities with low level of education, the retirement of the CFPP is expected to eliminate the wastes it generates, so that her husband’s fishing haul can increase again as before.³²

30 We obtained this document when we met with a local resident in Waruduwur Village in April 2024.

31 *ibid.*

32 *ibid.*, p. 45.



C. Impacts of early retirement on workers at Cirebon I CFPP

1. Normative Rights of Workers

Every Indonesian citizen has the right to prosper in life, as outlined in article 28H paragraph 1 of the 1945 Constitution of the Republic of Indonesia (Hereinafter referred to as the Constitution), which reads, *"Everyone shall be entitled to live in physical and spiritual prosperity, reside in, and obtain a good and healthy environment, as well as shall be entitled to receive medical services."* Article 28 letter D of the Constitution also states that *"everyone shall be entitled to work and receive fair and proper payment and treatment in an employment relationship."*

Therefore, the State bears full responsibility for the welfare of its people. In addition to realizing the welfare of every citizen, the State must guarantee security and order to create a sense of safety in every citizen. This includes protecting the rights of workers who are affected by termination of employment (hereinafter referred to as PHK). Hence, law is needed to protect these rights. To protect workers' rights, the government, as the policy maker in industrial relations, must provide guaranteed legal protection for workers, as stipulated in the Law Number 13 of 2003 on Manpower, which serves as the primary regulation in the manpower sector.

Legal protection can be provided in the form of, among others, material welfare (workers' welfare), as this is very important for workers to be able to support themselves and their families. Legal protection of workers' normative rights becomes very important and interesting to discuss following the enactment of the Job Creation Law (omnibus law), which relates to workers' normative rights. In this case, manpower law is the law that regulates the relationships between workers and employers or companies.

Workers' normative rights are their fundamental rights in the employment relationship, protected and guaranteed by the applicable laws and regulations. The workers' rights specified in employment agreements must comply with the applicable laws and regulations, i.e., Law Number 13 of 2003 on Manpower (Law 13/2003); Law Number 6 of 2023 on the Stipulation of the Government Regulation in Lieu of the Law Number 2 of 2022 on Job Creation into a Law (hereinafter referred to as the Job Creation Law/Law 2/2022); Government Regulation Number 35 of 2021 on Fixed-Term Employment Agreements, Outsourcing, Working Time and Rest Time, and Termination of Employment (Government Regulation 35/2021); Law Number 1 of 1970 on Occupational Safety (Law 1/1970); Law Number 36 of 2009 on Health (Law 36/2009); Government Regulation Number 44 of 2015 on the Implementation of Work Accident Insurance and Death Insurance Programs; Government Regulation Number 82 of 2019 on the Amendment to the Government Regulation Number 44 of 2015 on the Implementation of Work Accident Insurance and Death Insurance Programs (Government Regulation 82/2019); and Minister of Manpower's Regulation Number 5 of 2018 on Occupational Safety and Health in Work Environment (Minister of Manpower's Regulation 5/2018).

There are several normative rights that workers can obtain as provided in the Manpower-sector Laws and Regulations mentioned above, such as financial rights: the right to receive minimum wage, right to severance pay in the event of PHK, religious holiday allowances (THR), old-age benefits, housing/vehicle facilities; political rights: the right to form a labor union, the right to become or not to become a member of a labor union, right to strike, right not to be discriminated, and other rights; social rights such as the right to leaves, official holidays, maternity leave for female workers; medical rights such as the right to health, right to safety, right to rest, right to breastfeed for female workers, and right to job maintenance insurance. Additionally, workers' normative rights other than financial rights (political, social, medical rights) can be seen in workers' rights to practice their religion, perform state duties, participate in the Jamsostek or BPJS program, carry out union duties, and participate in company education/training, and more. Considering that energy transition also impacts employment statuses and opportunities after the transition, the fulfillment of rights of workers who are affected by the transition and the fulfillment of workers' rights to decent employment become a prerequisite for realizing a just energy transition.

2. Conditions of Workers at CFPP

a. Recruitment of Workers during construction of Cirebon I CFPP

In the early stages of the construction of Cirebon I CFPP, a large quantity of workers was needed. For the construction of the CFPP, PT CEP organized a tender involving specific Companies. PT CEP used subcontractor Companies to work on the construction. Many workers were brought in from outside the area as well as locally. According to accounts of local residents, 100 local workers were employed during the construction phase. These local workers came from several villages, i.e., Bandengan, Citemu, Mundu, Waruduwur, and Kanci. However, the majority of them were Kanci Kulon villagers. In general, residents who applied for work in this construction process went through several stages.

At the beginning, information about the need for workers was circulated by village officials and then by people from PT. KOIN (the subcontractor company) who were assigned to supply workers to Cirebon I CFPP, or commonly called by residents "brokers". At that time, the process was very simple, requiring only a small fee or even no fee at all to be recruited through PT KOIN.³³

Worker Recruitment System and Types of Jobs at Cirebon I CFPP

In 2012, during the initial production phase, Cirebon I CFPP required less workers than during the construction phase. In this phase, only about 250 workers were needed. Most production workers were brought in from outside the area. The majority came from the ex-workers of Paiton

³³ Catatan Lapangan Pensiun Dini PLTU I Cirebon SALAM Institute, p. 26.

CFPP. Local residents were only employed in lower positions and as manual workers, such as coal helpers, cleaning service personnel, and security guards.

It was not until 2014 that there was a gradual transfer of workers. At this point, local workers at Cirebon I CFPP had the opportunity to be promoted to permanent positions, although they were only employed as manual workers, such as coal operators. Then, in 2018, more local workers started to be recruited and working at Cirebon I CFPP. However, local workers still had to go through the recruitment process involving the subcontractor, based on various sources of information accessible to the residents, such as relatives who worked there ahead of them, village officials, youth organizations, or other intermediaries.³⁴

There are two ways to become a worker at Cirebon I CFPP. First, through a subcontractor company and second, through a permanent worker recruitment process, which is often riddled with internal connections. Both ways have their own risks, job types, and employment statuses. Permanent workers, or known in the manpower law as workers with an Indefinite-Term Employment Agreement (hereinafter referred to as PKWTT), have rights like other workers in general, are not easily terminated, are guaranteed social security, and are directly protected by the parent company, giving them a more secured position. On the other hand, outsourced workers, or contract workers, or known in the manpower law as workers with a Fixed-Term Employment Agreement (PKWT), have their own vulnerabilities, as workers of this type are recruited by another company that supplies workers (a third party), making their legal relationship indirect with the main company, and consequently, outsourced workers' rights differ from those of permanent workers, including not receiving social security, uncertain career paths, and limited capacity-building opportunities. These workers' contracts are renewed annually, which means their contracts are reset every year and this leads to inconsistencies in the fulfilment of their rights.

Workers at Cirebon I CFPP contracted through a subcontractor company have the status as outsourced workers. Most of these workers are local residents. The subcontractor company is typically a PT, CV, or Foundation. According to an Office of Manpower's regulation, this subcontractor company must change every 2 years. However, in reality, the company circumvents this regulation by simply changing its company name. In fact, in 2024, the company was named PT CAS but managed by the same management as in previous years. It is also discovered that many of the outsourced workers have been working for more than 5 years, and some even up to 12 years, but their status remains as outsourced workers.

³⁴ Catatan Lapangan Pensiun Dini PLTU I Cirebon SALAM Institute, p. 27.

Recruitment for permanent positions is still conducted to fill vacancies due to job transfers or resignations, but opportunities are scarce. The process starts with a manager from a division proposing a job opening to the management officer at the HRD. Even in cases where the job opening will be filled through “internal connections,” the HRD still announces the vacancy on social media and Jobstreet. The opportunity for becoming a permanent worker is also open to contract workers who want to be promoted. A selection process involving an academic potential test is implemented for fresh graduate applicants, while a current machine operations knowledge test is given to contract workers who apply. This is followed by a general interview and an interview by the relevant division. This pathway is often used by a few insiders to recommend applicants to the management officer to be accepted by the company.³⁵

Even though opportunities for permanent positions are open to contract workers, they are very little relative to the number of workers that can be accommodated. Not to mention, these opportunities are often exploited by a few individuals for their personal interest. This makes it difficult for local residents to access these opportunities to become permanent workers, especially considering the series of tests required. Moreover, applicants who come from outsourced workers do not have the same access to information and capacity-building opportunities. The presence of these tests alone shows a clear disparity in the worker recruitment process at the CFPP.

The Work Divisions greatly determine the conditions of workers at the CFPP, especially in the event of a worker transition. Currently, the workers at the CFPP are divided into 11 divisions, with about 500 workers in total. These divisions are Management Office, Chemical, Boiler, Electrical, Mechanical, Coal, Safety, Security, Cleaning Service, AC, and Driver. Each division comprises both outsourced and permanent workers. The numbers of permanent and outsourced workers are fairly balanced in every division. With this significant total, workers at Cirebon I CFPP are not allowed to unionize because the CFPP is a national vital object.³⁶ This will result in a weaker workers’ bargaining position in the transition process and leave them unrepresented especially in the process of CFPP early retirement and transition.

With the excuse of being a National Vital Object, Cirebon I CFPP has violated its workers’ fundamental right to unionize. The regulation on National Vital Objects does not prohibit workers from unionizing; it only contains clauses that forbid demonstrations at these objects. The clauses have been obscured and misinterpreted to mean that the CFPP workers are forbidden from unionizing. This violation can be categorized as union busting.

³⁵ Ibid, p. 28.

³⁶ Ibid, p. 28.

As a matter of fact, the document published by the JETP secretariat lays down a standard to encourage compliance with the national labor and manpower laws, and in line with that, labor's right to unionize is a human right guaranteed in the Law No. 21 of 2000 on Workers/Labor Unions and the Law No. 39 of 1999 on Human Rights. This situation leaves both permanent and outsourced workers at the CFPP with no bargaining position to ensure their rights when the CFPP is being retired.

3. Conditions of workers amidst planned early retirement of CFPP

The SALAM Institute Research Team was informed that the workers at Cirebon I CFPP learned about the early retirement from a dissemination meeting organized by PT CEP and ADB at the end of 2023.³⁷ According to those workers, the meeting was only attended by a few representatives. The information from the dissemination then spread to other workers by word of mouth. One worker admitted that the government and the CFPP had not officially announced it. From the rumor, he learned that Cirebon I CFPP would be retired in 2035.³⁸

This early retirement issue affects all workers, with varying degrees of impacts depending on their job positions. Permanent workers in lower positions, especially operators, feel anxious because they have greater chance of being affected. Although rumors about the early retirement have spread, pension benefits for workers and transition of functions and land use of Cirebon I CFPP are still unclear.

Workers at Cirebon I CFPP responded in various ways, from confusion to nonchalance, thinking that the early retirement is still far in the future. Nonetheless, they hope to receive clarity on their next employment if Cirebon I CFPP is closed, such as being transferred to Cirebon 2 CFPP or trained for new technologies, although the government and the company have yet to comment nor commit on these. Each worker has different plans in response to this uncertainty, from returning to their hometown to starting their own business. For instance, one worker we interviewed plans to become a business owner after Cirebon I CFPP is closed.³⁹

³⁷ Ibid, p. 36.

³⁸ Ibid, p. 36.

³⁹ Ibid, p. 37.

4. Analysis of Manpower Rights Protection for Workers at Cirebon I CFPP under Early Retirement Scheme

In the context of energy transition policy, Indonesia has formed the National Energy Transition Taskforce and the JETP Secretariat.⁴⁰ The document titled “Comprehensive Investment and Policy Plan 2023” outlines various standards forming the basis for the just transition framework under the JETP scheme. Manpower aspect is a critical element of justness in the energy transition. Ajat Sudrajat, an OSH expert from the Local Initiative for OSH Network (LION)⁴¹, emphasizes the importance of ensuring that fundamental rights of workers are fulfilled. He stated that these fundamental labor rights are part of human rights and fulfilling it is the responsibility of the state.

This is also underscored in the Paris Agreement, which states that just transition should consider the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities. In line with this, the International Labour Organization (ILO) defines Just Transition as “greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.”⁴² Accordingly, a just transition cannot be considered just if it does not guarantee protection for the affected workers. Therefore, dedicating more attention to workers at the CFPP, especially by providing them with capacity building to prepare for job transitions due to the early retirement of Cirebon I CFPP, should be a priority.

Viktor Pirmana, an academic and researcher at the Center of Economics and Development Studies (CEDs) of Universitas Padjadjaran, listed at least four aspects needed for a just energy transition, i.e., fair energy transition, negative impact mitigation, equality and inclusivity, and systemic transformation.⁴³ He said that, with the planned energy transition, come several new economic opportunities. These opportunities include job creation, energy cost reduction, economic diversification, public welfare promotion, and regional economic growth stimulation. As regards job creation, he mentioned what has happened in Batu Menyan

40 The JETP Secretariat has been mandated with the national energy transition as determined by virtue of the Coordinating Minister for Maritime and Investment Affairs’ Decision No. 144 of 2023 on the National Energy Transition Taskforce. See: <https://id.jetp-id.org/tentang-kami/bagaimana-posisi-sekretariat-jetp-dalam-tata-kelola-satgas-transisi-energi-nasional>

41 Ajat Sudrajat’s statement during LBH Bandung FGD on “Just Energy Transition in West Java”

42 The JETP Secretariat has been mandated with the national energy transition as determined by virtue of the Coordinating Minister for Maritime and Investment Affairs’ Decision No. 144 of 2023 on the National Energy Transition Taskforce. See: <https://id.jetp-id.org/tentang-kami/bagaimana-posisi-sekretariat-jetp-dalam-tata-kelola-satgas-transisi-energi-nasional>

43 Viktor Pirmana’s statement during LBH Bandung FGD on “Just Energy Transition in West Java”

Village, Pesawaran District, Lampung Province as an example. There, energy transition has successfully created more jobs, which helps with local employment opportunities and supports economic growth at the village level.

However, citing a study by CELIOS and Yayasan Indonesia CeraH in 2024⁴⁴, Viktor described that the early retirement scheme of CFPP could also increase unemployment, heighten poverty, and reduce incomes in the informal sector. Taking samples from three CFPPs, i.e., Cirebon 1 CFPP, Palabuhanratu CFPP, and Suralaya CFPP, two possible scenarios were said likely to happen in the early retirement.

First, early retirement only (without being followed by the construction of renewable energy power plants). It was stated that the impact on gross domestic product (GDP) would be a decrease in revenue of Rp3.96 trillion. This would indicate a negative impact on GDP, which could mean a reduction in national economic output. In terms of employment, there would be a reduction of 14,022 workers. This decrease in employment would be directly proportional to the increase in poor populations, which could rise by 3,373 individuals. Similarly, business profits would also decrease by Rp4.14 trillion. Therefore, efforts are needed to prevent negative impacts on workers, which would also affect the economy.

Second, early retirement of CFPP and development of renewable energy. With the development of renewable energy, the early retirement of CFPP would generate positive impacts. GDP would increase by Rp82.6 trillion. The increase could be driven by investments and developments in renewable energy. In terms of employment, it would potentially absorb 639,269 workers. Additionally, the construction of renewable energy power plants could reduce poor populations by 153,755 individuals. These positive impacts would also include increased business profits, with a rise of Rp44 trillion.⁴⁵

Based on those points, the early retirement of CFPP in the context of energy transition will have impacts on workers' welfare, and for this reason, good planning and implementation are necessary. Reflecting on the fulfillment of Cirebon I CFPP workers' rights, findings from the field on Cirebon I CFPP reveal several instances of workers' rights violations, such as never-ending contract renewals, minimal guarantees for outsourced workers, and union busting. These conditions have to some extent been facilitated by manpower-sector policies that have yet to guarantee workers' rights.

44 The study is titled "antisipasi dampak ekonomi pensiun dini PLTU Batubara studi kasus PLTU Cirebon I, PLTU Pelabuhan ratu dan PLTU Suralaya", CELIOS and Yayasan Indonesia CeraH, January 2024

45 Viktor Pirmana's statement during LBH Bandung FGD on "Just Energy Transition in West Java"

5. Policies needed to Guarantee Workers' Rights in Energy Transition Process

The ebbs and flows of a company depend on the economic and political conditions in the Country where the company operates. In this case, CFPP are being pushed to close or retire early before their time, posing a threat to workers employed at these CFPP. Following the transition to clean energy, there will be a phenomenon of stranded skills, or old skills becoming irrelevant, forcing workers to transition out of the sector. This is an inevitable consequence of the government's commitment to reducing carbon emissions and increasing clean energy. Now, what can be done to protect the rights of workers who are going to be affected directly by the government-directed early retirement of the CFPP Company?

Currently, the employment impact of CFPP closures heavily depends on the government's mitigation efforts, regulatory readiness, and commitment to accelerating the construction of renewable energy power plants. There are 2 possibilities for CFPP workers affected by the early retirement. **First**, they are reemployed elsewhere by the CFPP Company, and **second**, they lose their jobs after being terminated due to the inability to be reemployed elsewhere. The first



possibility is very likely for permanent workers/PKWTT with at least some work experience or who are at directorial, managerial, operator, and other levels directly employed by CFPP Cirebon 1. Meanwhile, the second possibility, which is a threat of employment termination, is more likely to happen to outsourced workers, such as helpers, security guards, cleaning service personnel, drivers, etc., employed through labor provider/supplier companies. In practice, PKWT/contracts are mainly used in outsourcing to make it easier for companies to do PHK when the companies no longer need the workers.

In reality, both permanent and outsourced workers at CFPP have skills limited to the jobs they have been doing. This means they lack the access to develop skills required for transitioning to renewable energy. While this may seem very technical, these workers still need to be adequately and thoroughly prepared. This is because the transition of work tools, work divisions, and tasks will require new skills training to avoid difficulties in new job assignments.

Given that the retirement of Cirebon I CFPP is not imminent and is planned for 2035, there is still time for the company, in this case PT CEP, and the Government to make preparations in terms of regulations and other mitigation efforts. Other actions that may be needed from stakeholders include:

01. Documenting, mapping, and synchronizing data related to the number of affected workers, including PKWT/outsourced workers, and linking it to the demand and supply of green skills and job opportunities in Indonesia in a worker transition plan for Cirebon I CFPP;
02. Expanding the types of green jobs that qualify and meet the national competency standards;
03. Implementing massive, structured, and integrated green skills training and certification programs in collaboration with industries and education, vocational education, and skills training institutions;
04. Building an active and accessible labor market for green jobs;
05. Establishing back-to-work programs or initiatives for workers affected by the energy transition, which include subsidized training for introducing and developing skills in renewable energy and low-emission technologies, transition-affected worker service centers for counseling and information access, and connectivity to the labor market.

These are done to prevent any negative impacts on the workers affected by the transition and to provide capacity building for the workers to obtain benefits from the transition process. This is closely related to the right to equal job opportunities to allow workers to fulfill the requirements for placement in other business units, such as Renewable Energy power plants to be built in the future.

Although the early retirement has negative impacts on the workers, the development of renewable energy is also projected to create new job opportunities for the workers who will be leaving the CFPP. Even so, this needs to be done based on careful planning, gradual preparations, and more definite protection/guarantees by the government. This is not to solely fulfill the normative rights under the Government Regulation 35/2021. Neither this is to solely obtain unemployment security under the Government Regulation Number 37 of 2021 on the Implementation of Unemployment Security Programs, Skills Development through job training (hereinafter referred to as the Government Regulation 37/2021). However, the government must play an active role in preparing skills development through job training and interim compensation while skills transfer or upgrade is ongoing.

In addition to the need for skills transfer, it also requires firmer guarantee on work accident security, especially in the event that a victim worker becomes a person with new disability. Jobs in the energy sector, including CFPP, are high-risk jobs. This needs to be mutually understood because an absence of laws and regulations that side with the workers would make the situation worse.

The Job Creation Law legalizes the presence of a third party as a supplier of workers for a company, thus causing an issue of discriminatory work-supporting facilities between permanent and outsourced workers within the same company. For example, in Cirebon I CFPP, permanent workers receive work-supporting facilities such as lunch, shuttle cars, and health supplements. Meanwhile, outsourced workers do not receive the same facilities because their legal relationship is with the third party that supplies workers for the company.

In addition to the discriminatory facilities, there is also discriminatory provision of personal protective equipment for outsourced workers. According to accounts of several outsourced workers, they do not receive any personal protective equipment even though their jobs are riskier because they are directly involved in coal pickup from coal barges or coal combustion in boilers. There is a risk that the inhaled fly ash containing silicone dioxide (SiO_2), aluminum oxide (Al_2O_3), and iron oxide (Fe_2O_3), which have impacts to human's health, may remain in the respiratory system and lead to irritation and inflammation in human lungs. This risk is typically neutralized by personal protective equipment as well as vitamins and whole milk to remove the toxins from the body. However, access to such items is not given to outsourced workers.

Protection of workers and prevention of work accidents are in fact the responsibility of the company. It is clearly specified in article 3, paragraph (1), letter f of the Law 1/1970 on OSH that companies must provide personal protective equipment for workers. In addition, article 3, paragraph (1), letter h of the Law 1/1970 also emphasizes that preventing and controlling the occurrence of diseases attributed to physical and psychological works, poisoning, infection, and transmission are the responsibility of companies.

Workers with high-risk jobs must be equipped with facilities (in accordance with the Minister of Manpower's Regulation 5/2018 and the Government Regulation 5/2012) and certified skills for these workers. The facilities should be provided not only for permanent workers but also for temporary workers who are exposed to the risks. Therefore, this needs to be reviewed and then supported by a policy on occupational safety to strengthen the protection of workers' safety and health, especially in the energy sector. The steps that need to be taken are:

01. Ratification of the International Convention on Occupational Safety and Health (OSH), Revising the Law No. 1 of 1970 are necessary to strengthen the management of OSH to be adjusted to current standards and good practices of occupational safety.
02. Judicial review of regulations on social security for workers who suffer from work accidents and becoming a disabled person who may not be able to continue working after recovery. Currently, work accident security has yet to include welfare of workers who suffer from disabilities due to work accidents, including to increase the access to new jobs. The Ministry of Manpower must coordinate with the Ministry of Social Affairs to regulate protection for workers who became disabled due to work accidents and to establish a mechanism of remedies for workers who suffer from work accidents.

Lastly, it is possible for job opportunities in the renewable energy sector to absorb all workers transitioned from the CFPP sector. However, the government needs to make efforts to provide protection in the event of early retirement that leads to PHK in the coal-fired power plant sector, in which case, the duty of the government is to secure appropriate fundamental rights of the workers, such as severance pay and other compensations. A worker who is terminated is entitled to severance pay and/or long-service pay, and any compensations that he should receive. However, under the provisions on compensation for PHK in the Law No. 6/2023 on the Enactment of the Government Regulation in Lieu of the Job Creation Law, for termination of employment due to retirement, efficiency measures, and bankruptcy, the amount of severance pay does not correspond to the term of service, but is only 2x of the severance pay provided in the Law No. 6/2023.⁴⁶ Given the deletion of word "less" in the provisions on severance pay in the Manpower Law, it is likely that the severance pay received by a worker is less than the amount before the enforcement of the Law and the Government Regulation in Lieu of the Job Creation Law. Additionally, this severance pay is only applicable to permanent workers under the Government Regulation 35/2021. Apart from that, the amount of compensation given by unemployment security

⁴⁶ Law No. 6 of 2023, Art. 156

is not proportional to the needs of workers because it only compensates 45% of maximum Rp5,000,000 for the first 3 months after termination of employment and 25% of maximum Rp5,000,000 for 3 months thereafter. In the energy transition, skills upgrade for the affected workers may take a long time, and therefore, this policy is not strong enough to provide security for the affected workers.⁴⁷ The access to its benefits is also difficult to obtain because to access the benefits of this security, workers must have contribution period of 12 months out of 24 months and paid the unemployment security for 6 consecutive months before PHK or expiration of contract.⁴⁸ The state should thoroughly ensure that at least this unemployment security can be accessed by all affected workers, both permanent and even contract workers. The principle of just transition must be implemented from all aspects. This is because, in reality, in the process of worker transition, there will certainly be a victim if this is not properly supervised.

In the preliminary study document titled Just Transition: Pilot Project Energy Transition Mechanism⁴⁹ of Cirebon I CFPP by the Asian Development Bank (hereinafter referred to as the ADB), there is an explanation about mitigation measures of CEP for workers, stating that “CEP will offer severance pay package in accordance with the applicable regulations at the time of the retirement of the power plant”. What kind of severance pay package is referred to by the ADB? It is because under the Government Regulation 35/2021 as amended by the Law 6/2023, the severance pay for a worker must be paid in accordance with his term of service, and this is applicable to PKWTT/permanent workers.

Then, what about PKWT or contract or outsourced workers? For outsourced workers, they are in a more vulnerable position because their employment relationship is with the Subcontractor company. Although the ADB’s document mentioned above specifies the same right guarantee for both PKWT/outsourced and PKWTT/permanent workers, it is the Subcontractor company that establishes cooperation with Cirebon I CFPP. Such a position shows inequality among workers, as if the outsourced workers are not entitled to employment security. The rights of a worker with any status must be secured in the event of termination of employment.

Severance pay and compensation for permanent and temporary workers are compulsory. The amount of this severance pay must be appropriate for workers, given that the Job Creation Law deducts a lot from this compensation. Weaker workers’ rights under the Job Creation Law can

47 Minister of Manpower’s Regulation No. 15 of 2021, Art. 4.

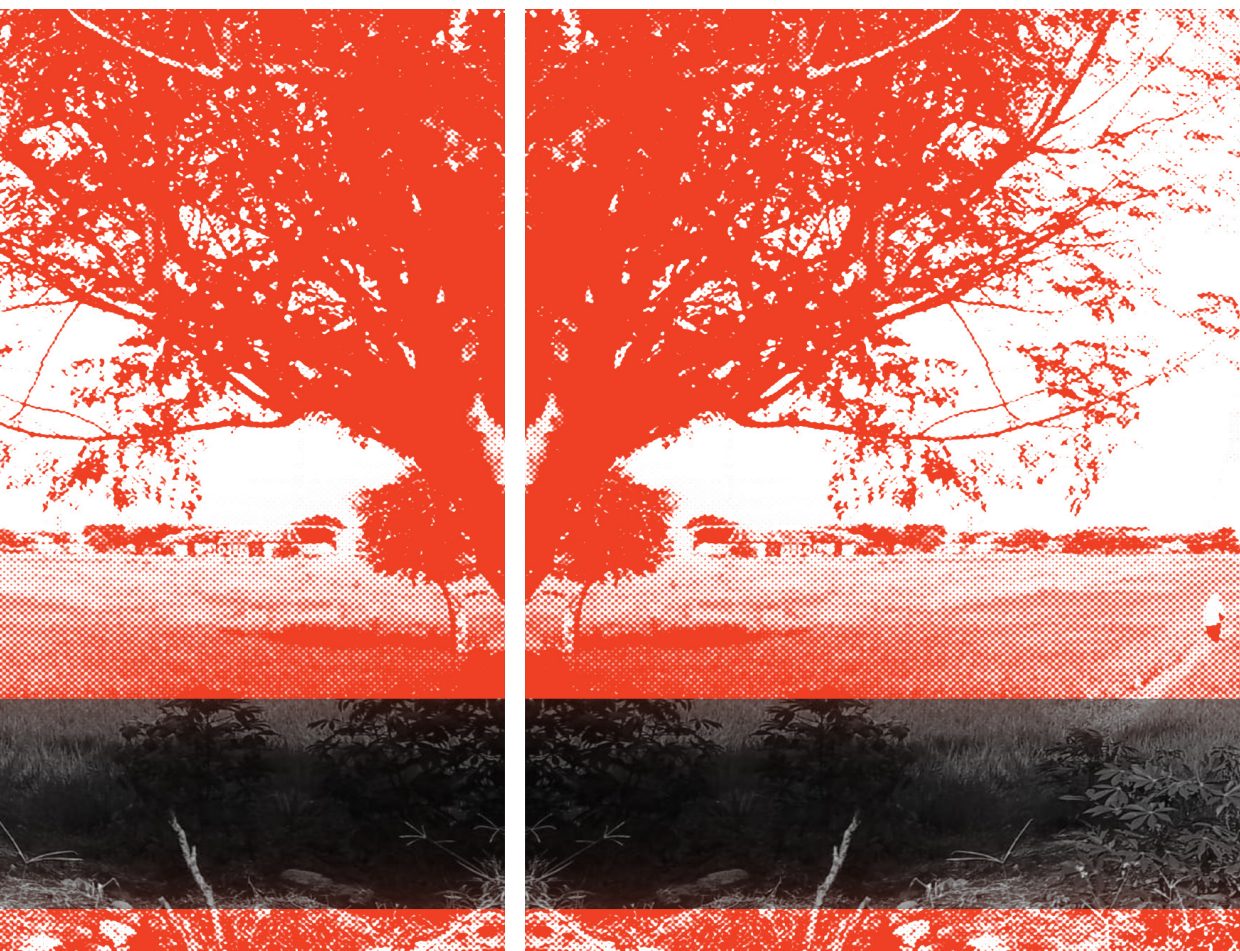
48 Ibid, Art. 8.

49 We obtained this document when we met with a local resident in Waruduwur Village in April 2024



also become a point of emphasis in the section related to manpower regulatory framework because it means that the fundamental rights of workers are not fulfilled even at the regulatory level. Unreliable guarantee on the fulfillment of workers' rights at the regulatory level means high risk of impacts faced by the workers at the time of the retirement of Cirebon I CFPP. Weaker fulfillment of workers' rights also includes a weaker tripartite institution under the Job Creation Law, which becomes a means of negotiation among workers, employers, and the government. The transition requires the function and position of a tripartite institution to represent the interest of workers in the transition plan. Referring to the definition of just transition above, the energy transition can be considered just if the workers' rights are secured; the workers are involved in the transition process; and they have decent employment after the transition.

The early retirement of Cirebon I CFPP as a form of transition to clean energy certainly needs to ensure that the methods used are also clean. For example, in the context of manpower, this momentum should be used to transition the status of the outsourced workers at the CFPP



to permanent workers so they have clear status, and therefore, the normative rights of the workers can be fulfilled optimally. In addition, it also needs to guarantee that job opportunities provided by the renewable/green energy sector can be accessed by everyone.

Therefore, reformation of regulations and policies in the energy and manpower sector becomes crucial in realizing a just energy transition. Risks and burdens of the transition arising from the retirement of Cirebon I CFPP should not be borne solely by the public and the affected workers but must be mitigated and even prevented so that the public and the workers can also benefit from the energy transition and improve the quality of their life. The realization of a just energy transition should certainly be based on the guaranteed fulfillment of human rights, one of which is through transparent and participatory processes. The National Energy Transition Taskforce as a platform that coordinates various relevant ministries in the energy transition should lead the reformation of policies so that it is able to facilitate a just energy transition in Indonesia.

D. Recommendations

Supported by field records and through discussion meetings with experts, the research on just energy transition in West Java has culminated on recommendations from two aspects, Social Aspect and Manpower Aspect, as follows:

1. Social Aspect

01. The state, the CFPP operator, and ADB must ensure that the affected local communities can comprehensively understand what they are about to face in relation to the early retirement.
02. Guaranteeing open access to information to encourage the involvement of local communities through meaningful participation in the early retirement of the CFPP.
03. Making a specific law or regulation that sets out the rights of affected local communities, including oversight and legal consequences in the context of the early retirement of the CFPP.
04. Conducting another environmental and social impact assessment to remain relevant to the present conditions.

2. Manpower Aspect

01. The state must expressly guarantee that the normative rights of CFPP workers are fulfilled in accordance with the applicable standards and regulations during transition. One way is by amending the Job Creation Law, as under this law, many workers' rights are taken away.
02. Strengthening the supervision of compliance with manpower regulations.
03. Ensuring the involvement of workers and workers unions in the energy transition scheme through a tripartite institution to promote the Cirebon I CFPP transition plan and policy that are representative and protective of the workers' interest.
04. Making concrete strategies for reskilling and back-to-work programs for affected workers.
05. Guaranteeing the freedom of association for CFPP workers as a realization of the fulfillment of the workers' rights.
06. Making the just transition scheme a momentum to equalize workers' statuses, especially PKWT/outsourced workers, to create a just energy transition that is truly just for all of the affected aspects.



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JUST ENERGY TRANSITION

