

Recipient

Yuki Onoda and Lesley Palmer
Managing Director, Head of Community Relations | CRA
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Mizuho

Subject:

Concerns regarding your finance for Indonesian fossil fuel expander PLN.

19 March 2025

Dear Yuki Onoda and Lesley Palmer,

We are writing to you as a coalition of Indonesian and international CSOs because Mizuho is one of sixteen banks identified as having previously supported Indonesia's state electricity company, Perusahaan Listrik Negara (PLN), through bond underwriting or loan financing.¹ According to our research, Mizuho is a current lender and underwriter of PLN's bonds, with an exposure of more than USD 40 million.²

Close to 90% of Indonesia's primary energy sources are fossil fuels. As Indonesia's main electricity provider, PLN is one of the country's largest emitters, and it has substantial plans for expanding coal, oil and gas power capacity. This expansion not only goes against Indonesia's climate commitments but also poses several immediate risks including human rights abuses and the destruction of local livelihoods, public health, and Indonesia's precious nature.

As a result, we are seeking clarification from Mizuho on whether it will be involved in the underwriting of bonds for up to USD 1.5 billion that PLN is likely to issue shortly, and in the refinancing of a EUR 500 million bond issued by PLN in 2018, which is due to mature in October 2025.³

The severe risks and impacts that raise particular concern for us include:

- **Severely threatening public health in Indonesia**

The consequence of PLN's coal expansion is a lived reality for thousands of Indonesians suffering from chronic respiratory diseases due to pollution from PLN's coal plants. In the vicinity of PLN's Ombilin power station, a 200 MW coal and biomass co-fired power station operational since 1996 in West

¹ BankTrack's research on PLN's financiers can be found at [this link](#).

² Ibid.

³ Bloomberg, '[Indonesia's PLN Is Said to Plan First Dollar Bond Since 2020](#)' (22 January 2025); Anthropocene Fixed Income Institute, [Bond Radar](#).

Sumatra, two health examinations at the local elementary school, carried out in December 2016 and January 2017, found over 50 pupils suffering from pulmonary function disorders, including mild obstructions, bronchitis, and tuberculosis.⁴ The gas and particulate matter emitted by the Ombilin plant are likely to be the cause of pulmonary diseases among Ombilin's children.⁵ In 2018, the Indonesian Ministry for Environment and Forests (KLHK) sanctioned the Ombilin plant for repeated violations that harm public health and the environment. The communities living in the vicinity of the Suralaya and Java 9-10 coal power plant complexes on the Banten Coast have also been dealing with severe air pollution. The transboundary pollution released by these coal power plants is, researchers estimate, costing IDR 5.1 trillion (about USD 312 million) a year in medical expenses and causing over 2,500 premature deaths in addition to other respiratory and cardiovascular health issues.⁶ Despite mounting evidence of these health impacts, PLN plans to keep expanding coal in Indonesia until 2030. By continuing to finance PLN, your institution would be directly implicated in the worsening of these health crises and the violation of these communities' right to health.

- **Destruction of forests and critical ecosystems**

PLN's biomass co-firing strategy—presented as a "green" alternative—is a false solution that threatens Indonesia's forests and communities.⁷ Our analysis reveals that PLN's biomass demand could require 2.33 million hectares of land, equivalent to 35 times the size of Jakarta.⁸ Meeting this amount of biomass feedstock is only possible using large-scale timber plantations such as monoculture energy plantations, which pose a severe danger to the precious Indonesian biodiversity.⁹

- **Slowing coal phase-out**

PLN's operations represent one of the country's largest sources of greenhouse gas emissions. As of December 2023, PLN had 135 operational coal-fired power plants, with a total capacity of 20.44 GW, equivalent to nearly half of the total installed electricity capacity in Indonesia.¹⁰ According to its 2021–2030 General Plan for Electricity Supply, PLN is planning to expand its coal power capacity by 13.8 GW, and its gas and oil power capacity by 5.8 GW.¹¹ The dominance of coal in PLN's energy sources is concerning, particularly if we consider the International Energy Agency's warning that coal expansion should have ceased by 2021 to achieve net zero emissions globally by 2050. At a time when countries should plan swift retirement of their operational coal power plants, PLN is planning to build new plants until 2030. With an average lifespan of 40-50 years, these new coal-fired power plants are set to exacerbate Indonesia's dependence on coal and delay its transition to clean energy sources.¹² Further finance for this company would be at odds with Mizuho's commitment to exclude project finance for new coal-fired power plants or the expansion of already existing ones.¹³

⁴ Trend Asia, '[Media Briefing: Mengapa Izin PLTU Ombilin Layak Untuk Dicabut?](#)' (11 November 2024).

⁵ Ibid.

⁶ CREA, '[Transboundary Air Pollution in the Jakarta, Banten, and West Java Provinces](#)' (August 2020).

⁷ BankTrack, '[Banks and a Just Energy Transition](#)'.

⁸ Trend Asia, '[Riset "Membajak Transisi Energi" Seri 1: Adu Klaim Menurunkan Emisi](#)' (29 August 2022) p 2.

⁹ Environmental Paper Network, '[Burning Up the Biosphere](#)' (November 2024).

¹⁰ PLN, '[2023 Annual Report](#)' (December 2023).

¹¹ PLN, '[2021–2030 General Plan for Electricity Supply \(RUPTL\)](#)'.

¹² Edianto A et al, '[Forecasting coal power plant retirement ages and lock-in with random forest regression](#)' (July 2023).

¹³ Mizuho, '[Overview of Environmental and Social Management Policy for Financing and Investment Activity](#)'.



- **Pushing Indonesia off course from its Paris Agreement goals**

In 2022, Indonesia's emissions reached 1,220 million tons of CO₂ equivalent (MtCO₂e), with the energy sector contributing 715.95 MtCO₂e.¹⁴ Renewable energy in Indonesia still represents only about 20% of the country's energy capacity.¹⁵ Although PLN plans to add 20.9 GW of renewable energy capacity between 2021 and 2030, it also plans to add 13.8 GW of coal power, which is 34% of its total planned energy capacity. These coal expansion plans will undeniably contribute to an increase in Indonesia's greenhouse gas emissions. Even PLN's plans to mix biomass with coal in 107 power plants is not a "green solution". Evidence shows that coal-biomass co-firing still releases massive amounts of greenhouse gases and causes significant public health impacts, as in the case of the Ombilin power station.¹⁶ To be compatible with the Paris Agreement 1.5° goal, Indonesia would need to generate between 55 and 80% of its energy from renewable resources before 2030.¹⁷ PLN can be one of the main drivers of this energy revolution. Instead, it is actively planning against it.

In conclusion, BankTrack, Trend Asia, Ekō, together with five major Indonesian CSOs, urge Mizuho to:

1. Respond to this letter with a commitment not to underwrite new bonds issued by PLN, including the €500 million bond refinancing in October 2025;
2. Publicly adopt a coal phase-out policy that excludes financing for any new coal projects;
3. Adopt policies phasing out all finance for coal and other fossil fuels in line with a just transition within a 1.5°C scenario;
4. Adopt policies aligning [Bank name]'s energy finance with a 6:1 ratio of renewable versus fossil investments by 2030.

We are happy to provide further information about the risks and impacts set out in this letter, as well as facilitate discussions with affected community members in Indonesia – those whose health and environment will be at risk if your bank continues to do business with PLN.

We urge Mizuho to act decisively and uphold its responsibility to mitigate climate risks. We request a response to this letter by **March 31st**.

We intend to publicly disclose all responses and record them on BankTrack's [Response Tracker database](#). If you wish to provide a confidential response, please clearly mark the response as such. We would be happy to discuss this further at a mutually convenient time.

Yours sincerely,

¹⁴ KLHK, [Kemajuan Aksi Perubahan Iklim Indonesia: Leading by Example](#) (12 January 2024).

¹⁵ Low Carbon Development Indonesia, '[Energi](#)'.

¹⁶ Trend Asia, '[Riset "Membajak Transisi Energi" Seri 1: Adu Klaim Menurunkan Emisi](#)' (29 August 2022), p 3.

¹⁷ Climate Action Tracker, [Indonesia](#) (10 December 2024).



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