

Eight-hour power blackout hits Indonesian capital

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The Indonesian capital was thrown into chaos early this month when a major power blackout spread across the entire city and surrounding areas. It began at around midday on August 4 and continued until 8 p.m., when power was gradually restored.

For some parts of Jakarta, however, the power supply only lasted two or three hours before it shut down again. Large sections of the city remained in darkness into the following morning.

The blackout affected tens of millions of people across Greater Jakarta and in the neighbouring provinces of West Java and Banten. Power outages are by no means rare occurrences in Jakarta but they are usually short-lived and confined to particular areas in the city.

Some offices, shopping centres, and apartments were able to use their own back-up generators as did hospitals and the Soekarno-Hatta International Airport, which continued throughout the day without hindrance.

The city's train service and the newly-opened mass rapid transit (MRT) system, on the other hand, came to a sudden halt, leaving passengers stranded at stations after being evacuated from the trains. Over 800,000 commuters use the regional train service per day on a weekend. Buses then replaced the crippled metro system, but could only accept cash as digital payments were not working.

Traffic lights stopped across most of the city, worsening the notorious congestion of Jakarta's roads. Traffic jams soon developed at many crowded intersections. ATMs were down, while sporadic disruptions to major mobile phone networks, including Telkomsel, XL, and Indosat, left people unable to connect to the internet.

PLN (Perusahaan Listrik Negara—State Electricity Company) issued an initial statement explaining that

the blackout started when seven gas turbines from various power plants were tripped and shut down. A few hours later, it revealed that faulty transmission circuits on the Unggaran-Pemalang line in Central Java were responsible for causing the voltage drops that hit the turbines.

PLN, which is a government-owned corporation and has a nationwide monopoly on electricity distribution, generates most of the country's electrical power. PLN electricity supplies are more reliable in Java where the grid is better developed than elsewhere in the country because most areas are serviced by localised systems, often powered by small diesel plants.

Power outages, however, are still common in Java. In 2005, a widespread five-hour blackout in Java and Bali affected around 100 million people.

While sudden extended blackouts were numerous under the former Yudhoyono government, Joko Widodo promised from the beginning of his presidency to improve the country's power infrastructure.

The rapid growth in demand for power from Greater Jakarta, which has over 30 million people and is the world's second-largest urban agglomeration after Tokyo, however, is having enormous consequences for the country's under-resourced electrical generating capacity and supply grids.

The *Jakarta Post* reported that while the government has provided PLN with increasingly larger subsidies over the past decade, this has been barely enough to meet the corporation's operational costs.

Instead, PLN has relied almost wholly on internal revenue flows. Customer payments have proved so crucial to the company's existence that, on several occasions, the corporation has been forced to drive up debt collection. These efforts were always confronted with hostility from customers, who expect a state-

owned enterprise to be better funded by the government. In one attempt to collect overdue bills from local authorities in 2011, PLN imposed street lamp blackouts on Surakarta in Central Java.

Government-regulated tariffs are often too low to cover operational costs. As a result, PLN has recently turned towards increased borrowings through the issuing of bonds.

The Indonesian Consumers Foundation (YLKI) suggested that the August 4 outage was partly due to PLN's slide towards privatisation. It said power blackouts discouraged foreign investment and called on the government to boost generating capacity.

“Power outages, especially in the Greater Jakarta area,” YLKI executive Tulus Abadi said, “are not only detrimental for residential consumers but also to the business sector.”

The government, in an attempt to deflect the mass anger of millions of Greater Jakarta residents, attacked PLN. An Instagram posting by Ignasius Jonan, Indonesia's minister for energy and mineral resources, declared: “Just sue PLN.”

Some parliamentarians claimed senior management changes at PLN had a negative effect on the company's performance and internal operations. Sripeni Inten Cahyani, PLN's current acting president director was appointed just two days before the blackout.

President Widodo visited PLN's head office a day after the blackout, lashing out at company directors with a series of insults. “My question is,” he said, “all of you ladies and gentlemen are smart, experienced people in electricity. So why wasn't it calculated that a problem could occur and not pre-empted?”

Some commentators have pointed a finger at the Ministry for State-Owned Enterprises (SOE), which is responsible for the monitoring and evaluation of all state-owned companies. The SOE minister is Rini Soemarno, a member of Widodo's Working Cabinet. The SOE ministry has yet to make an official statement on the incident.

PLN has said it will provide an estimated 839 billion rupiah (\$US58.9 million) in compensation to 21.3 million customers impacted by the blackout. PLN suffered a 90 billion rupiah (\$US6.3 million) loss from the blackout but, according to the weekly *Tempo* magazine, the corporation will use employee wage cuts rather than its government budget funds to pay the

compensation.



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