FY2016 Feasibility Study of Joint Crediting Mechanism Project by City to City Collaboration

Project for Development of JCM Projects under City to City Collaboration between Batam City and City of Yokohama (Energy Saving Sector: Harris Hotel)

Report

March 2017

Nippon Koei Co., Ltd.
City of Yokohama (Y-PORT center)
iFORCOM Tokyo Co., Ltd.
FY2016
Feasibility Study of Joint Crediting Mechanism Project
by City to City Collaboration

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(Energy Saving Sector: Harris Hotel)

Report

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Attachment 6. Project Map
Attachment 7. Survey Report
# ABBREVIATION

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIFZA</td>
<td>Batam Indonesia Free Zone Authority</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse Gas</td>
</tr>
<tr>
<td>IGES</td>
<td>Institute for Global Environmental Strategies</td>
</tr>
<tr>
<td>INDC</td>
<td>Intended Nationally Determined Contributions</td>
</tr>
<tr>
<td>JCM</td>
<td>Joint Crediting Mechanism</td>
</tr>
</tbody>
</table>
CHAPTER1  OVERVIEW OF THE PROJECT

1.1 PURPOSE OF THE PROJECT

Japan Government submitted INDCs (Intended Nationally Determined Contributions) to UNFCCC (United Nations Framework Convention on Climate Change) last year, and the target reduction of GHG (Green House Gas) emission, as a feasible target by energy mix, is 26.0% (approximately 1,042,000,000 t-CO₂), compared to the emission in FY 2013 (25.4% in FY 2005). The target year to achieve is FY 2030. Japan Government intends to count reduction of GHG emission with Joint Crediting Mechanism (JCM) as Japan’s reduction/sink. Japan Government introduce technologies, products, system, service and infrastructure that reduce GHG emission to developing countries, and will evaluate the reduction quantitatively for the counts. Japan must produce substantial JCM projects to achieve the reduction target using JCM.

Indonesian Government has promised to reduce 29% of GHG emission compared to Business as usual (BAU) according to their INDC, and in case JCM is introduced using international assistance, their target is 41% in the INDC. Therefore, Indonesia has strong expectation to implementation of JCM, which Indonesia and Japan signed for, taking account of the achievement of the target in the INDC.

Population in Batam city is about 1,200,000, and located in Riau Archipelago Province, distance to south coast of Singapore is about 20 km. The city is developing with Batam Island development agreement (1980) and economic cooperation agreement for development of the province (1990) through collaborative development with Singapore and Johor Province in Malaysia. However, as a result, several problems such as solid waste disposal and sewage treatment has been appearing. Sufficient energy use is also an issue, while many factories has constructed mainly in industrial complexes, Batam city has designated as free trade zone. Batam city and Yokohama city have implemented technical cooperation since FY 2015, and as a 1st City-to-City Collaboration Project, FY 2015 JCM Project Formulation Study for Realizing Low Carbon Cities in Asia, Ministry of Environment, was implemented. The purpose of this project is to formulate JCM projects using information obtained during the survey, for reduction of GHG emission in Batam area.
1.2 PROJECT IMPLEMENTATION

Based on the preparatory study conducted in FY2015, the energy saving project to install air conditioning system with advanced technology at Hang Nadim International Airport has been formulated to apply to JCM Model Project in FY2016. The same advanced technology is aimed to be horizontally developed in the hotels in Batam City, HARRIS Hotel (Batam Center, Resort Waterfront Batam) and its affiliated hotels in total 20 facilities in large cities such as Jakarta.

The preliminary study for the above project has already been started. In this fiscal year, detailed survey was conducted including calculation of possible energy saving and estimation of project cost and recovery year. Based on the result, detailed discussion was held with partners toward application of JCM Model Project.

Survey items and survey methods to formulate JCM Model Project are as follows.

<table>
<thead>
<tr>
<th>#</th>
<th>Survey Item</th>
<th>Survey Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consideration of JCM Project Formulation</td>
<td></td>
</tr>
<tr>
<td>1-1</td>
<td>Detail design and calculations of economic effects with introduction of Energy Solution</td>
<td>・Discussion with Harris Hotel ・Execution of solution cost estimation ・Effectiveness survey of alternative fuel made from regenerated fuel oil in case it is used for newly introduced boiler ・Survey of regenerated fuel oil market and multifaceted utilization method ・Confirmation of disassemble cost of existing facilities and method</td>
</tr>
<tr>
<td>1-2</td>
<td>Establishment of monitoring plan</td>
<td>・Explanation of monitoring method to Harris Hotel ・Discussion with Harris Hotel and related people ・Establishment of monitoring plan and cost estimation</td>
</tr>
<tr>
<td>1-3</td>
<td>Confirmation of order and contract by Mega Green accompany the project implementation</td>
<td>・Discussion of project formation with Harris Hotel ・Confirmation of funding method by Harris Hotel ・Confirmation of contract format by Harris Hotel, and so on</td>
</tr>
<tr>
<td>1-4</td>
<td>Arrangement of detail condition in the consortium towards application to JCM Model Project</td>
<td>・Explanation of JCM Model Project ・Discussion of MOU for international consortium, and so on</td>
</tr>
<tr>
<td>1-5</td>
<td>Estimation and planning for horizontal development of</td>
<td>・Collection of information about energy-saving potential in Indonesia</td>
</tr>
</tbody>
</table>
### 1-6 Confirmation of procedure to obtain environmental certificate
- Identification of possible horizontal development and estimation of effect in Indonesia
- Coordination of a survey using other scheme

### 1-7 Confirmation regarding operating body and plan
- Confirmation of certificate for project implementation and preparation to obtain
- Survey for disposal or utilization of processed sludge
- Selection of project participant who is in charge of O&M after commencement of the project, and discussion
- Preparation of operation plan
- Consideration of utilization of natural gas infrastructure
- Consideration of synergy with material recycling

### 2. Participation and presentation in related meetings

| 2-1 | Participation in high-level meeting (if necessary) (one person) | If requested by Ministry of Environment Japan, project participants will participate and make a presentation in high-level meeting that would be held in Bangkok |
| 2-2 | Participation in COP22 (if necessary) (one person) | If requested by Ministry of Environment Japan, project participants will participate and make a presentation in COP 22 to be held in Marrakech |

Source: Nippon Koei

### 1.3 BACKGROUND AND PRESENT CONDITION OF CITY-TO-CITY COLLABORATION

**LoI with the City of Batam in May, 2015**

Source: City of Yokohama

Batam City was one of priority areas at “17th economic cooperation and infrastructure strategy meeting on March 20, 2015 (the theme was Indonesia)”, and cooperation schemes
were discussed as pioneering cases, JCM Model Project by Ministry of Environment Japan and Private Sector Investment Finance by JICA. Batam City is now under the spotlight among Japanese companies that are interested in overseas operation.

In January 2011, Yokohama City launched Y-PORT Project, international technical cooperation project utilizing material and technology in Yokohama, which is core project for the policy, supporting overseas infrastructure business of enterprises in Yokohama, under “Midterm 4-year plan 2014-2017”, proceeding with overseas infrastructure business through public and private collaboration. In May 27, 2015, Yokohama City established “Y-PORT Center” to advance public private collaboration as a platform to accelerate joint projects between enterprises in Yokohama and international organizations.

In the above situation, Mayor of Batam City visited to Japan on May 27, 2015, and signed on MOU regarding technical cooperation with Yokohama City. Yokohama City and Batam City have following activities through “FY 2015 JCM Project Formulation Study for Realizing Low Carbon Cities in Asia” that is the 1st project of Y-PORT Center.

<table>
<thead>
<tr>
<th>Date</th>
<th>Project identification</th>
<th>FS</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-24/April/2015</td>
<td>Inception meeting</td>
<td>--</td>
<td>Batam</td>
</tr>
<tr>
<td>25-27/May/2015</td>
<td>Visit to Yokohama (Sign on MOU)</td>
<td>--</td>
<td>Yokohama</td>
</tr>
<tr>
<td>17-21/August/2015</td>
<td>Business matching</td>
<td>Inception meeting</td>
<td>Batam</td>
</tr>
<tr>
<td>19-23/October/2015</td>
<td>JCM Workshop, Asia smart-city meeting, site inspection, etc.</td>
<td>--</td>
<td>Yokohama</td>
</tr>
<tr>
<td>30/November-1/December/2015</td>
<td>Small scale workshop with companies that BIFZA selected</td>
<td>Follow up of the survey and opinion exchange</td>
<td>Batam</td>
</tr>
<tr>
<td>20/January/2016</td>
<td>Final debrief session (including enterprises) Task force team consists of 4 entities (founding declaration)</td>
<td>--</td>
<td>Batam</td>
</tr>
</tbody>
</table>

Source: Nippon Koei

Director General of Environment Bureau of Batam City and Managing Director of Planning Coordination Bureau of BIFZA recommended establishing a special window at JCM workshop organized by the Ministry of Environment Japan in Yokohama City in October 2015. Then, establishment of a task force (described in the following table) that comprises
four entities (Batam City, BIFZA, Yokohama City and IGES) was approved. This project has planned to make further horizontal development as the 1st project that centers on the task force.

Table 1-3: Approved City-to-City Collaboration Task Force

<table>
<thead>
<tr>
<th>Entity</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Batam City</td>
<td>Environmental Impact Management Board</td>
</tr>
<tr>
<td></td>
<td>Development Planning Board</td>
</tr>
<tr>
<td></td>
<td>MSW Management Project</td>
</tr>
<tr>
<td>BIFZA</td>
<td>Deputy Chairman of Other Business Facilities</td>
</tr>
<tr>
<td></td>
<td>Directorate of Promotion and Public Relations</td>
</tr>
<tr>
<td></td>
<td>Bureau of Program Planning and Research &amp; Development</td>
</tr>
<tr>
<td>Yokohama City</td>
<td>Development Cooperation Division, International Affairs Bureau</td>
</tr>
<tr>
<td>IGES</td>
<td>Climate and Energy Area</td>
</tr>
</tbody>
</table>

Source: Nippon Koei
CHAPTER 2 SCHEDULE AND PROJECT IMPLEMENTATION FRAMEWORK

2.1 WORK SCHEDULE

Major activities of this project in this fiscal year is as follows

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2016</td>
<td>Kick off meeting at Ministry of Environment Japan</td>
</tr>
<tr>
<td>July 2016</td>
<td>Kick off meeting at Batam</td>
</tr>
<tr>
<td>Aug, 2016</td>
<td>Establishment of task force for City-to-City collaboration</td>
</tr>
<tr>
<td>Aug 2016</td>
<td>Progress debrief meeting at Ministry of Environment Japan</td>
</tr>
<tr>
<td>October 2016</td>
<td>Study tour in Japan, Seminar for City-to-City Collaboration Project in Kitakyusyu City</td>
</tr>
<tr>
<td>November 2016</td>
<td>Participation in COP22 (presentation by a staff of Yokohama City) in Marrakech, Morocco Batam investment seminar in Yokohama City</td>
</tr>
<tr>
<td>December 2016</td>
<td>Progress debrief meeting at Ministry of Environment Japan</td>
</tr>
<tr>
<td>December 2016</td>
<td>Discussion of project map</td>
</tr>
<tr>
<td>January 2017</td>
<td>Final seminar in Batam, City-to-City Collaboration Project seminar in Tokyo</td>
</tr>
<tr>
<td>February 2017</td>
<td>Completion of project map (1st draft)</td>
</tr>
<tr>
<td>March 2017</td>
<td>Final debrief meeting at Ministry of Environment Japan</td>
</tr>
<tr>
<td>March 2017</td>
<td>Proposal for City-to-City Collaboration Project in FY 2017</td>
</tr>
<tr>
<td>April-May 2017</td>
<td>Proposal for JCM Model Project in FY 2017</td>
</tr>
</tbody>
</table>

Field trip, participation of meetings, and study tour in Japan has been carried out as follows.

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>Period</th>
<th>Work Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1st Field Trip</td>
<td>1-4/June 2016</td>
<td>- Discussion with Batam City and BIFZA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Harris Resort Waterfront Batam</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Harris Hotel Batam Center</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Harris Hotel &amp; Conventions Kelapa Gading</td>
</tr>
<tr>
<td>2</td>
<td>2nd Field Trip</td>
<td>12-16/July 2016</td>
<td>- Discussion with BIFZA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Kick of Seminar in Batam Island (14 July)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Courtesy call to Chief of BIFZA and Mayor of Batam City</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Harris Hotel &amp; Conventions Kelapa Gading</td>
</tr>
</tbody>
</table>
Table 2-3: Schedule of Study Tour in Japan

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>Period</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1st Study Tour</td>
<td>17-21/ October/ 2016</td>
<td>• Discussion with Yokohama City</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Site observation of facilities of Finetech Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Site observation of technology introduction facilities of iFORCOM Tokyo Co., Ltd</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Participation in City-to-City collaboration seminar</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Site observation of low carbon technology and project in Kitakyusyu City</td>
</tr>
<tr>
<td>2</td>
<td>2nd Study Tour</td>
<td>22-24/ January/ 2017</td>
<td>• Site observation of technology introduction facilities of iFORCOM Tokyo Co., Ltd</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Discussion with Yokohama City</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Site observation of enterprises in Yokohama City</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Participation in City-to-City collaboration seminar</td>
</tr>
</tbody>
</table>

Source: Nippon Koei

Table 2-4: Participation in International Session

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>Period</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Participation in COP</td>
<td>8/ November/ 2016</td>
<td>• Participation in COP (Marrakech)</td>
</tr>
</tbody>
</table>

Source: Nippon Koei
2.2 PROJECT IMPLEMENTATION FRAMEWORK

Project implementation framework is as follows.

Source: Nippon Koei

Figure 2-1: Project Implementation Framework
CHAPTER 3 FEASIBILITY STUDY OF JCM PROJECT

3.1 OUTLINE OF FACILITIES FOR INTRODUCTION OF ENERGY SOLUTION, AND CALCULATION OF ECONOMIC EFFECT

I. Saving energy plan
   a) Hearing survey was conducted for following items and possibility of facility improvement was examined.
      Number of Chillers (operating number)
      Operating time of Chillers
      Capacity of Chillers
      Number of Circulating Pump (operating number)
      Operating time of Circulating Pump
      Capacity of Circulating Pump
   b) Inverter control of circulating pump (cooling pump)
      Inverter control is usually set year around, but to control in terms of operation improvement, it is recommended that control values are adapted with the fluctuation of temperature in rainy season, dry season, weekdays and weekend.
   c) Remote control system of inverter
      Values mentioned above can be controlled from Japan, and in case the inverter would not be controlled on site, it will be able to control from Japan.

II. Consulting for improvement of operation
   Air conditioning method that doesn’t impair the effect with low energy consumption, environmental improvement to reduce energy consumption, improvement of operation procedure, among those, an optimized method will be recommended to realize energy saving that doesn’t make negative impact to productivity and structure.
   a) Site survey
      Hearing survey was conducted for following items and possibility of facility improvement was examined.
      Number of Chillers (operating number)
      Operating time of Chillers
      Capacity of Chillers
Number of Circulating Pump (operating number)
Operating time of Circulating Pump
Capacity of Circulating Pump
Indoor temperature
Indoor illuminance

b) Tuning and shortening of rise/off time

Following operations are likely to be improved taking account of indoor temperature.
- Regulation of cold water temperature of chillers
- Shortening operation time of chillers
- Regulation of the number of compressor in chillers
- Shortening of operation time of circulation pump
- Regulation of the number of circulation pump
- Making a rule to set indoor temperature
- Maintenance of indoor temperature by the control of intake and exhaust

III. Proposal for saving energy facility

a) Possibility of facility improvement was examined with hearing survey of following items.
   - Air conditioning system
   - Number and capacity of outdoor unit
   - Introduction of inverter

b) Cyclic control of compressor of outdoor unit

A system to turn off the compressor of outdoor unit except at rising.

It is usually able to control twice in 30 minutes, for 3-5 minutes each time.

Rise/down schedule is recommended according to the fluctuation of temperature, to control from the viewpoint of operation improvement.

Indoor condition survey and operation test are quite important as room temperature rise might happen with halt of outdoor unit.

c) Remote operation system of Cyclic control

Above set values are able to be controlled from Japan, and in case it could not be controlled on site, it will be able to control from Japan.
IV. Consulting for operative improvement
Air conditioning control method that doesn’t impair the effect with low energy consumption, environmental improvement to reduce energy consumption, improvement of operation procedure, among those, an optimized method will be recommended to realize energy saving that doesn’t make negative impact to productivity and structure.

V. Consulting design for operative improvement
a) Site survey
   Hearing survey of following items was conducted to examine operation improvement.
   Number of outdoor units (actually operating unit)
   Operating time of outdoor units
   Capacity of outdoor units
   Indoor temperature
   Indoor illuminance

b) Tuning and shortening of rise/down time.
   Following operations are likely to be improved taking account of indoor temperature.
   Shortening operation time of outdoor units
   Control the number of outdoor units
   Making a rule to set indoor temperature
   Maintenance of indoor temperature by the control of intake and exhaust (reduction of
load of outdoor unit compressor)

VI. Economic Effects
a) Harris Hotel & Conventions Bekasi

**Figure 3-2: Reduction potential and power trend**

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>142,983 kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>154,409 kWh/year</td>
<td>The safety factor of the reduction coefficient it was 20%</td>
</tr>
<tr>
<td>103,120 kWh/year</td>
<td>Energy charge “ID R800”</td>
</tr>
<tr>
<td>0 kWh/year</td>
<td>Operation is calculated as those that are used as well for two years.</td>
</tr>
<tr>
<td>0 kWh/year</td>
<td></td>
</tr>
<tr>
<td>0 kWh/year</td>
<td></td>
</tr>
<tr>
<td>Total 412,494 kWh</td>
<td></td>
</tr>
</tbody>
</table>

Source: iFORCOM Tokyo

b) Harris Hotel & Convention Ciumbuleuit
FY2016 Feasibility Study of Joint Crediting Mechanism Project by City to City Collaboration
Project for Development of JCM Projects under City to City Collaboration between Batam City and City of Yokohama
(Energy Saving Sector: Harris Hotel)

Report

Reduction potential and power trend

![Graph showing reduction and power trend over months]

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  71,483kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>2  82,204kWh/year</td>
<td>The safety factor of the reduction coefficient it was 20%</td>
</tr>
<tr>
<td>3  148,009kWh/year</td>
<td>Energy change “DR 800”</td>
</tr>
<tr>
<td>4  591kWh/year</td>
<td>Operation is calculated as those that are used as well for two years.</td>
</tr>
<tr>
<td>5  328kWh/year</td>
<td></td>
</tr>
<tr>
<td>6  9,076kWh/year</td>
<td></td>
</tr>
</tbody>
</table>

Total 312,936kWh

Reduction amount/year = IDR 25,015,495

Source: iFORCOM Tokyo

Figure 3-3: Reduction potential and power trend

c) Harris Hotel & Conventions Festival Citylink

Reduction potential and power trend

![Graph showing reduction and power trend over months]

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  173,349kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>2  201,641kWh/year</td>
<td>The safety factor of the reduction coefficient it was 20%</td>
</tr>
<tr>
<td>3  145,854kWh/year</td>
<td>Energy change “DR 800”</td>
</tr>
<tr>
<td>4  513kWh/year</td>
<td>Operation is calculated as those that are used as well for two years.</td>
</tr>
<tr>
<td>5  290kWh/year</td>
<td></td>
</tr>
<tr>
<td>6  3,928kWh/year</td>
<td></td>
</tr>
</tbody>
</table>

Total 527,354kWh

Reduction amount/year = IDR 422,081,544

Source: iFORCOM Tokyo

Figure 3-4: Reduction potential and power trend
d) Harris Hotel & Conventions Gubeng

**Reduction potential and power trend**

![Reduction graph for Harris Hotel & Conventions Gubeng](image)

**[Reduction amount]**

1. 105,719kWh/year
2. 85,394kWh/year
3. 0kWh/year
4. 9,830kWh/year
5. 5,983kWh/year
6. 6,030kWh/year

Total 212,849kWh

**[Estimation conditions]**

- Calculated using the reduction coefficient of Japan
- The safety factor of the reduction coefficient it was 20%
- Energy charge: IDR 8000
- Operation is calculated as those that are used as well for two years.

**Reduction amount/year = IDR 170,18,219**

Source: iFORCOM Tokyo

**Figure 3-5: Reduction potential and power trend**

e) Harris Hotel & Conventions Kelapa Gading

**Reduction potential and power trend**

![Reduction graph for Harris Hotel & Conventions Kelapa Gading](image)

**[Reduction amount]**

1. 118,063kWh/year
2. 118,023kWh/year
3. 0kWh/year
4. 13,901kWh/year
5. 8,921kWh/year
6. 803kWh/year

Total 284,033kWh

**[Estimation conditions]**

- Calculated using the reduction coefficient of Japan
- The safety factor of the reduction coefficient it was 20%
- Energy charge: IDR 8000
- Operation is calculated as those that are used as well for two years.

**Reduction amount/year = IDR 211,871,476**

Source: iFORCOM Tokyo

**Figure 3-6: Reduction potential and power trend**
f) Harris Hotel Batam Center

Reduction potential and power trend

![Graph showing reduction potential and power trend for Harris Hotel Batam Center.]

**Table 3-7: Reduction potential and power trend**

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>146,526 kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>84,198 kWh/year</td>
<td>The safety factor of the reduction coefficient was 20%</td>
</tr>
<tr>
<td>64,728 kWh/year</td>
<td>Energy charge “IDR200”</td>
</tr>
</tbody>
</table>

Total: 316,446 kWh

Reduction amount/year = IDR 254,755,166

Source: iFORCOM Tokyo

Figure 3-7: Reduction potential and power trend

g) Harris Hotel & Residences Riverview Kuta

Reduction potential and power trend

![Graph showing reduction potential and power trend for Harris Hotel & Residences Riverview Kuta.]

**Table 3-8: Reduction potential and power trend**

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>241,303 kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>135,735 kWh/year</td>
<td>The safety factor of the reduction coefficient was 20%</td>
</tr>
<tr>
<td>85,988 kWh/year</td>
<td>Energy charge “IDR200”</td>
</tr>
</tbody>
</table>

Total: 463,036 kWh

Reduction amount/year = IDR 331,677,462

Source: iFORCOM Tokyo

Figure 3-8: Reduction potential and power trend
h) Harris Hotel & Residences Sunset Road

Reduction potential and power trend

![Graph showing reduction potential and power trend]

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>203,619 kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>115,353 kWh/year</td>
<td>The safety factor of the reduction coefficient it was 20%</td>
</tr>
<tr>
<td>49,710 kWh/year</td>
<td>Energy change “ID-R200”</td>
</tr>
<tr>
<td></td>
<td>Operation is calculated as those that are used as well for two years</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>359,732 kWh</strong></td>
</tr>
</tbody>
</table>

Reduction amount/year = IDR 267,717,415

Source: iFORCOM Tokyo

Figure 3-9: Reduction potential and power trend

i) Harris Resort Waterfront Batam

Reduction potential and power trend

![Graph showing reduction potential and power trend]

<table>
<thead>
<tr>
<th>Reduction amount</th>
<th>Estimation conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>149,000 kWh/year</td>
<td>Calculated using the reduction coefficient of Japan</td>
</tr>
<tr>
<td>84,439 kWh/year</td>
<td>The safety factor of the reduction coefficient it was 20%</td>
</tr>
<tr>
<td>8,725 kWh/year</td>
<td>Energy change “ID-R200”</td>
</tr>
<tr>
<td></td>
<td>Operation is calculated as those that are used as well for two years</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>242,174 kWh</strong></td>
</tr>
</tbody>
</table>

Reduction amount/year = IDR 193,736,160

Source: iFORCOM Tokyo

Figure 3-10: Reduction potential and power trend
3.2 MONITORING PLAN

1. Central air conditioning type
   Measurement function
   a) Real time measurement
   Measurement and display of electricity data every 10 minutes are executed.
   Importance of real time measurement is appeared to improve operation.
   Because it is possible to confirm the result promptly from air conditioning control method
   that doesn’t impair the effect with low energy consumption, environmental improvement to
   reduce energy consumption, and improvement of operation procedure.

   b) Remote monitoring
   Monitoring situation can be controlled from Japan, and it is possible to confirm from Japan
   whether operation improvement is implemented.

   c) Analysis function
   Several analyses will be implemented from electric power data at every 10 minutes
   Representative displays are as follows.

![Daily graph]

Source: iFORCOM Tokyo

Figure 3-11: Daily graph
Figure 3-12: Weekly graph

Figure 3-13: Monthly graph

Figure 3-14: Annual graph
2. Separate type (EHP)

Measurement function

a) Real time measurement

Measurement and display of electricity data every 10 minutes are executed. Importance of real time measurement is appeared to improve operation. Because it is possible to confirm the result promptly from air conditioning control method that doesn’t impair the effect with low energy consumption, environmental improvement to reduce energy consumption, and improvement of operation procedure.

b) Remote monitoring

Monitoring situation can be controlled from Japan, and it is possible to confirm from Japan whether operation improvement is implemented.

c) Analysis function

Several analyses will be implemented from electric power data at every 10 minutes. Representative displays are as follows.
FY2016 Feasibility Study of Joint Crediting Mechanism Project by City to City Collaboration
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Figure 3-17: Weekly graph

Figure 3-18: Monthly graph

Figure 3-19: Annual graph
3.3 CONFIRMATION OF PROCEDURE FOR CONTACT WITH LOCAL CONTRACTOR

TAUZIA

TAUZIA has several experiences about real estate management and consulting service with hotel management service.

TAUZIA corporate team in Jakarta provide supports for daily business operation of managing properties by TAUSIA. It has 70 experts who have high skills and qualifications.

TAUZIA hotel manager aggressively provide supports in human affairs, finance, product development, graphic design, sales & marketing, technical support, E-logistic and IT.

<table>
<thead>
<tr>
<th>No</th>
<th>Name of person in charge</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Christophe Glass</td>
<td>Chief Projects &amp; Legal Officer</td>
</tr>
<tr>
<td>2</td>
<td>Yuhedino</td>
<td>Corporate Chief Engineering</td>
</tr>
<tr>
<td>3</td>
<td>Andi Firman</td>
<td>Corporate Architect</td>
</tr>
<tr>
<td>4</td>
<td>Firawati</td>
<td>Corporate Architect</td>
</tr>
<tr>
<td>5</td>
<td>Milly R. Purbasari</td>
<td>Corporate Architect</td>
</tr>
<tr>
<td>6</td>
<td>Daniel Suganda</td>
<td>Corporate Architect</td>
</tr>
</tbody>
</table>

Source: iFORCOM Tokyo

Harris Hotel

Harris hotel is one of the flagship brand of TAUZIA Hotel Management. There are 19 hotels in Indonesia, and two hotels in Batam Island. TAUZIA Hotel Group has 5 brand and 70 hotels, the famous hotel chain with solid financial base in Indonesia.

Nippon Koei introduced Japanese energy saving technology and JCM at Batam center of...
Harris hotel in December 2015, and the information was shared with the owner of the TAUZIA Hotel Group. As the owner is much interested in the information, the team intends to have various talks through this survey. The possibility of horizontal development to Harris hotels in other areas in Indonesia is high, and therefore, it is possible to formulate projects efficiently not only in Batam Island.

![Table 3-2: List of Harris Hotel](image)

Source: iFORCOM Tokyo

### 3.4 CORDINATION FOR DETAILED CONDITIONS OF CONSORTIUM FOR JCM MODEL PROJECT

International consortium to apply to JCM Model Project will be formulated with each Harris Hotel with approval of TAUZIA Hotel Management. Hence, the number of consortium is the number of ferry terminal that may participate in the project. Assumed consortia are as follows.
3.5 ASSESSMENT AND PLAN FOR INTRODUCING ENERGY SAVING SOLUTIONS IN INDONESIA

Needs of energy saving and potential of solution introduction were surveyed. There are potential CO2 reductions about target hotels as the regulation of air conditioner is directly corresponding to energy use. On the other hand, it is difficult to make JCM project as each scale is small. If it is possible to apply some candidates together, the project would be attractive and able to formulate JCM project.

Compared to the CO2 reduction with facility improvement, the reduction amount of operation improvement and control of each site is small, but the method is applicable to any types of business. Therefore, with integrated approach that intergrades enterprise group, industrial complex, and local government, project size would expand, and emission reduction would largely decrease. Such energy management makes large scale energy saving, and suit to green island framework of Batam City. Therefore, formulation of JCM project could be accelerated.

It is, from now on, necessary to deem the scale and timeline, to aim to formulate attractive JCM projects, not with each enterprise but with industry and association, and to expand project scale with horizontal development for the efficient implementation of emission reduction.

3.6 CONFIRMATION OF CONTRACT WITH EQUIPMENT MANUFACTURES AND SYSTEM DEVELOPER

Through the study, providers of the equipment and systems (3 companies in Japan) agreed to provide their technologies for the JCM project in Indonesia.
CHAPTER 4 HARMONIZATION OF JCM MODEL PROJECT AND THE MASTER PLAN OF BIFZA/BATAM CITY

4.1 FORMULATION OF TASK FORCE

“JCM Project Formulation Study through City-to-City Collaboration between Batam City and Yokohama City” funded by the Ministry of Japan has been conducted since FY 2015, and to firmly advance the project formulation, a task force was established this year. The purpose is to produce a sustainable urban development in Batam City, and the members are Yokohama City, Batam City, and stakeholders of City-to-City collaboration.

Major role of the task force are as follows.

(i) Regarding activities under JCM, all solutions of issues and support are implemented.

(ii) Not only JCM, priority projects are identified based on the expertise of urban development and advanced environmental technology of enterprises of Yokohama City. Using those, City-to-City collaboration is proceeded with in a wide range of areas, e.g. project map making to visualize smart green island concept in Batam City.

Responsible organization of the task force is as follows.

(a) Batam side

(i) Batam City:
   Environmental Control Board

(ii) BIFZA:
   Deputy Chairman of Other Business Facilities

(b) Yokohama side

(i) Yokohama City (Y-PORT center):
   - International Cooperation Department, International Bureau

(ii) IGES (Y-PORT center):
   - Climate change and energy division

During implementation period of the JCM study, related people agreed that Nippon Koei would be secretariat of the task force. The secretariat of the task force supports that members...
of the task force would make good communication and they could advance the study without any delay.

4.2 STUDY OF MASTER PLANS OF BIFZA AND BATAM CITY

In this project, the project maps were developed to arrange the orientations of city-to-city collaboration between Batam and Yokohama. The flow is shown below. At first, the master plans of BIFZA and Batam City were collected and studied.

![Flow of Project Map Development](source: Nippon Koei)

**Figure 4-1: Flow of Project Map Development**

Summary of the master plans studied are shown as below.

<table>
<thead>
<tr>
<th>Master Plans</th>
<th>Outlines of Master Plan</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPJMD</td>
<td>Midterm (5 year) development plan of Batam City, whose target period is 2016-2020. It was revised after the new Mayor was appointed in 2016. Following 6 missions are addressed in the plan. 1. Good Governance 2. Human Resource Development 3. City with Comfort 4. Strengthening and diversifying industry 5. Community development 6. Rural area development</td>
<td>Plan mostly covers the activities funded by the city’s budget</td>
</tr>
<tr>
<td>Green City Program</td>
<td>Batam City is preparing Green City Program with the support of ADB. Target year is 2050. 3 pillars of the program consist of 1. Safe and comfortable city 2. Green city which is resilient to climate change and disasters 3. Smart city which has competitiveness and</td>
<td>To be finalized soon</td>
</tr>
</tbody>
</table>
FY2016 Feasibility Study of Joint Crediting Mechanism Project by City to City Collaboration
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<table>
<thead>
<tr>
<th>Green City Action Plan</th>
<th>Detail action plan based on Green City Program Priority program: 19, Selected projects: 9</th>
<th>Everything are not yet budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIFZA Development Strategy</td>
<td>To promote industry and business, following 5 strategies are raised. 1. Improvement of investment and business environment, 2. Improvement of integrated promotion system, 3. Development and improvement of infrastructure, 4. Regulation and institution, and 5. Improvement and development of human resources.</td>
<td></td>
</tr>
</tbody>
</table>


Source: summary of each plan by Nippon Koei

4.3 PROJECT MAP

In this project, the objectives of project maps are arranged as below.

1. A Tool to build mutual understanding on the direction of city-to-city collaboration between Batam and Yokohama
   - Needs of Batam towards green city
   - Green technologies and partners of Yokohama
2. A tool enabling to invite outside support more smoothly, such as from Government of Japan (MoE, METI, JICA, etc.), Government of Indonesia (APBN, etc.), development banks and private investors

The expected activities and technologies in need in Batam are summarized as below and information was disseminated through the public information system of City of Yokohama (ex. Y-Port Newsletter and related seminar) and seminars conducted by the project.
Since RPJMD (midterm development plan of Batam City) summarizes mostly the plans which can be implemented by city budget (APBD) and administration of Batam island is unique in the sense that not only City Government but BIFZA holds the authority to promote infrastructure development, the project arranges the concept of green island under city-to-city collaboration from following 6 core aspects through the discussion with Batam side.

### Table 4-3: 6 Core Aspects of Green Development

<table>
<thead>
<tr>
<th>Core Aspects</th>
<th>Reason of setting the aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green Planning</strong></td>
<td>Followings are in need by the government officials:</td>
</tr>
<tr>
<td></td>
<td>- Mainstreaming of climate change mitigation and adaptation is required for master plans such as spatial plan, energy saving plan and water resource management plan</td>
</tr>
<tr>
<td></td>
<td>- Setting GHG reduction target</td>
</tr>
<tr>
<td><strong>Green Water</strong></td>
<td>Water is considered to be in shortage within 10 years and the bottleneck of carrying capacity of Batam Island is studied to be the water issue (without countermeasures, population of 1.7 million is</td>
</tr>
</tbody>
</table>
the maximum allowable population who can live in Batam island sustainably. In the near future, best mix of rainwater, recycled water and desalination water is needed to be achieved.

**Green Waste**
The population is in the increasing trend and industrial waste is also significant from industrial parks, thus the appropriate management of the final disposal site, introduction of waste to energy plant, and development of industrial waste treatment plant are required.

**Green Industry**
There are many industrial parks since Batam is Free Trade Zone, thus the improvement is needed for energy saving in industry, energy management with peak cut technology, sustainable production (such as water and waste) etc.

**Green Building**
More than 25 high buildings (20-40 stories) are planned to be constructed within several years in Batam and introduction of green building concept is needed soon.

**Green Transportation**
Though public and smart transport is limited in Batam, introduction of LED streetlight, BRT and LRT are planned and low carbon development in the transportation sector is expected.

Source: Nippon Koei

Following is the arranged information in accordance with the 6 core aspects. Details are in Attachment 6.

**Table 4-4: Project Map**

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Essential Technologies</th>
<th>Environment in Yokohama City</th>
<th>Environment in Batam City</th>
<th>Environment in Yokohama city</th>
<th>Environment in Batam City</th>
<th>Environment in Yokohama city</th>
<th>Environment in Batam City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road - Development, Maintenance, Enhancement and Supervision</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Development, Quality Control</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Enhancement of Environmental Degradation</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Improvement of urban drainage system</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Improvement of utility and service system</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Improvement of utility and service system</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Improvement of utility and service system</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Improvement of utility and service system</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
<tr>
<td>Road - Improvement of utility and service system</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
<td>Water recycling</td>
<td>Waste water management plan</td>
</tr>
</tbody>
</table>

Source: Nippon Koei
For some sectors, visualized project maps are prepared. Examples are shown below.

Source: Nippon Koei

Figure 4-2: Project Map: Green Water

Source: Nippon Koei

Figure 4-3: Project Map: Green Industry
4.4 INVITATION TO JAPAN (CITY OF YOKOHAMA, JCM SEMINAR(KITA-KYUSYU), BIFZA INVESTMENT SEMINAR, JCM SEMINAR (TOKYO))

[Invitation to Yokohama City, JCM seminar (Kitakyusyu City)]

The Study invited staff from BIFZA and Batam City respectively, when JCM seminar organized by the Ministry of Environment Japan was held in Kitakyusyu City on 20th and 21st October 2016, the period of their trip was from 17th - 21st October 2016. They observed energy saving technology in a factory of iForcom Tokyo and Smart Green Park of Finetech that these companies participate in the Study in this Fiscal Year. They discussed on the progress, issues, and countermeasures of the project at the sites from 17th – 19th October. In JCM seminar, they presented regarding the project and observed facilities of low carbon technologies in Kitakyusyu.

<Invitation and observation of facilities in Yokohama>
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Smart Green Park of Finetech

Smart Green Park of Finetech

Shiroyama Industry that use energy saving system of iFORCOM Tokyo

Shiroyama Industry that use energy saving system of iFORCOM Tokyo

Source: Nippon Koei

<JCM seminar in Kitakyuusyu City>

Presentation by Mr. Azril, Batam City

Presentation by Mr. Okuno, Yokohama City

Source: Nippon Koei
<Facilities of low carbon technology in Kitakyusyu City>

Environmental Museum

Next-generation energy park (wind power energy)

Next-generation energy park (EV bus)

Kougasaki factory

Source: Nippon Koei

[BIFZA investment seminar (City of Yokohama)]

On 25th of November 2016, the seminar of Investment in Batam Free Zone was held by BIFZA in City of Yokohama.

Programme

<table>
<thead>
<tr>
<th>Time</th>
<th>Program</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>14:00-14:10</td>
<td>Opening remarks</td>
<td>Mr. Ben Perkasa DRAJAT (Deputy Chief of Mission, Indonesian Embassy in Tokyo)</td>
</tr>
<tr>
<td>14:10-14:50</td>
<td>The latest situation of investment in Indonesia</td>
<td>Mr. Saribua Siahaan (Representative, Tokyo Office, Indonesia Investment Coordinating Board (BKPM))</td>
</tr>
<tr>
<td>14:50-15:30</td>
<td>Batam Free Zone</td>
<td>Mr. Gusmardi (Batam Free Zone Authority, Deputy)</td>
</tr>
</tbody>
</table>
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Report

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Site</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>15:30-15:50</td>
<td>Introduction of THE YOKOHAMA RUBBER CO., LTD’ factory in Batam</td>
<td>Chairman Mr. Tetsuya Tamashiro (THE YOKOHAMA RUBBER CO., LTD)</td>
</tr>
<tr>
<td>15:50-16:10</td>
<td>Introduction of Batamindo Industrial Park</td>
<td>Ms. Amelia Chia (Senior Executive, Riau Investment Marketing, Gallant Venture Ltd.)</td>
</tr>
<tr>
<td>16:10-16:30</td>
<td>Closing remarks</td>
<td>Mr. Hajime Kinoshita, Chairman (Senior Advisor to Batam Free Zone Authority, Jawa Timur Province)</td>
</tr>
</tbody>
</table>

Source: Nippon Koei

[JCM seminar (Tokyo)]

The Study invited staff from BIFZA and Batam City respectively, when JCM seminar organized by the Ministry of Environment Japan was held in Tokyo on 23rd January 2016, and each participant reported activities and outputs of the project.

Vice-Managing Director, Mr. Robert visited Japan from BIFZA, and observation of environmental technology related to the projects and meeting with the Ministry of Environment Japan were implemented on 22nd and 24th January. The schedule is as follows.

Programme

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Site</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>22/ January/2017</td>
<td>Hotel New Akao</td>
<td>Explanation on inverter that is used in the hotel (iFORCOM Tokyo plans to install the same type of inverter into Hang Nadim Airport in Batam city.)</td>
</tr>
<tr>
<td>24/ January/2017</td>
<td>MOEJ</td>
<td>Discussion JCM model project in FY2016 in Hang Nadim Airport</td>
</tr>
<tr>
<td>13:30~16:30</td>
<td>JFE Kankyo</td>
<td>Inspection of waste disposal treatment plant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Introduction of JFE kankyo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Recycle plant for wasted fluorescent tube</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Recycle plant for plastic material</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. The latest incineration facilities of the industrial waste</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Discussion of potential for developing business in Batam</td>
</tr>
</tbody>
</table>

Source: Nippon Koei
<Observation at JFE Environment>

Explanation of JFE Environment

Recycling factory of Fluorescent light

Plastic recycling factory

Group Photo

Source: Nippon Koei

4.5 SEMINAR (KICK-OFF SEMINAR, FINAL SEMINAR)

[Kick-off seminar]
Kick-off seminar was held in July 2016

Agenda:
- Date: July 14, 2016
- Time: 13:00 to 16:00, to be determined
- Venue: Harris Hotel in Batam

<table>
<thead>
<tr>
<th>Time</th>
<th>Program</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>13:00-13:05</td>
<td>Introduction of participants</td>
<td>MC</td>
</tr>
<tr>
<td>13:05-13:15</td>
<td>Opening remarks</td>
<td>Batam city</td>
</tr>
<tr>
<td>Time</td>
<td>Activity</td>
<td>Presenter</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>13:25-13:45</td>
<td>Opening remarks</td>
<td>City of Yokohama</td>
</tr>
<tr>
<td>13:45-14:00</td>
<td>Current situation of JCM in Indonesia (tentative)</td>
<td>Indonesia JCM secretariat</td>
</tr>
<tr>
<td>14:00-14:15</td>
<td>Key note – Master plan</td>
<td>Batam city</td>
</tr>
<tr>
<td>14:15-14:30</td>
<td>Key note – Waste to energy</td>
<td>Batam city</td>
</tr>
<tr>
<td>14:30-14:45</td>
<td>Key note – TBD</td>
<td>BIFZA</td>
</tr>
<tr>
<td>14:45-15:00</td>
<td>Tea break</td>
<td>---</td>
</tr>
<tr>
<td>15:00-15:15</td>
<td>JCM project formulation study</td>
<td>iFORCOM etc.</td>
</tr>
<tr>
<td>15:15-15:30</td>
<td>JCM project formulation study</td>
<td>Finetech etc.</td>
</tr>
<tr>
<td>15:30-15:40</td>
<td>Way forward in 2016</td>
<td>Nippon Koei</td>
</tr>
<tr>
<td>15:40-15:45</td>
<td>Announcement of new member of “Task force for the city-to-city collaboration between Batam and Yokohama”</td>
<td>---</td>
</tr>
<tr>
<td>15:45-15:55</td>
<td>Closing remarks</td>
<td>Batam city</td>
</tr>
<tr>
<td>15:55</td>
<td>Close</td>
<td>---</td>
</tr>
</tbody>
</table>

Source: Nippon Koei

<Kick-off seminar>

Venue

Opening remarks by Mr. Dendi
[Final seminar]

On 18th of January 2017, the final seminar was conducted and on 19th site tour in the Batam city was held inviting Japanese companies.
Overall Agenda (18th and 19th January):

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Program</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Jan (Wed)</td>
<td>AM</td>
<td><strong>Site tour</strong>: Visit potential project sites in Batam by Japanese companies with technologies (Sewage, water recycling, desalination, LED streetlight with wifi, waste management (municipal solid waste and industrial waste), airport expansion)</td>
<td>Sites in Batam island</td>
</tr>
<tr>
<td></td>
<td>PM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Jan (Thu)</td>
<td>AM</td>
<td><strong>Final Seminar</strong></td>
<td>Harris hotel Batam center</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>14:00</strong> Courtesy call on Chairman of BIFZA</td>
<td>Offices of BIFZA and Batam City</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>15:00</strong> Courtesy call on Mayor of Batam City</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nippon Koei

The site tour was conducted for the following agenda.

- The tour aims to give prospective business partner, which are Japanese companies with high-end environmental technologies opportunities to see potential project sites.
- It also aims to introduce Japanese technologies which help issues of Batam city to the Batam side
- It discusses with Batam side about necessary data collection and actual needs considering future project.

Several Japanese companies such as Stanley Electric Co., Ltd, AGC, Kashima corporation, and Finetech co., Ltd joined the site tour. Those companies have high technologies such as LED light, solar PV system, heat shield paint, sewage disposal, oil sludge treatment, and Advance Energy Management System (AEMS). Staffs from BIFZA and Batam city joined the tour and discussed for development policy of Batam city.

Schedule for site tour is indicated in the following table.

<table>
<thead>
<tr>
<th>Time</th>
<th>Site</th>
<th>Technology</th>
<th>contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>08:30–10:00</td>
<td>Waste Water Treatment Plant in Batam Centre</td>
<td>Waste water treatment</td>
<td></td>
</tr>
<tr>
<td>10:30–12:00</td>
<td>Dinas PU Kota Batam</td>
<td>LED streetlight</td>
<td></td>
</tr>
<tr>
<td>12:30–13:30</td>
<td>Lunch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14:00–14:30</td>
<td>Garbage Collection site</td>
<td>Waste disposal treatment</td>
<td></td>
</tr>
<tr>
<td>15:00–16:30</td>
<td>Hang Nadim International Airport</td>
<td>Heat insulating coating structure, AEMS</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nippon Koei
Approximately 70 participants from BIFZA, Batam city, Yokohama city, and Japanese companies attended the final seminar on 19th. In the seminar, the result of the feasibility study was reported. Also, Japanese companies presented their technology and actual cases in the world.

Detail agenda for Final Seminar on 19th January 2017

<table>
<thead>
<tr>
<th>Time</th>
<th>Program</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:40-9:00</td>
<td>Registration</td>
<td>---</td>
</tr>
<tr>
<td>9:00-9:05</td>
<td>Introduction of participants</td>
<td>Mr. Amir Rusli (MC)</td>
</tr>
<tr>
<td>9:05-9:15</td>
<td>Opening remarks</td>
<td>Dr. Ir. Purba Robert Sianipar (BIFZA)</td>
</tr>
<tr>
<td>9:15-9:25</td>
<td>Opening remarks</td>
<td>Batam city</td>
</tr>
<tr>
<td>9:25-9:45</td>
<td>Presentation on City to City Collaboration/City of Yokohama</td>
<td>Mr. Toru Hashimoto</td>
</tr>
<tr>
<td>9:45-9:55</td>
<td>Overall progress of the study/Nippon Koei</td>
<td>Mr. SAIITO Tetsuya</td>
</tr>
<tr>
<td>9:55-10:15</td>
<td>Result of JCM project formulation study/ iFORCOM</td>
<td>Mr. Erwin Avianto</td>
</tr>
<tr>
<td>10:15-10:35</td>
<td>Result of JCM project formulation study/ Finetech</td>
<td>Mr. Motoyuki Okada Mr. Kikuo Sagawa</td>
</tr>
<tr>
<td>10:35-10:50</td>
<td>Tea break</td>
<td>---</td>
</tr>
<tr>
<td>10:50-11:00</td>
<td>Introduction of green technologies/ Hitachi, Ltd.</td>
<td>Mr. Katsumi Shida</td>
</tr>
<tr>
<td>11:00-11:10</td>
<td>Introduction of green technologies/ AGC Asahi Glass Co., Ltd.</td>
<td>Mr. LIM Yew Meng</td>
</tr>
<tr>
<td>11:10-11:20</td>
<td>Introduction of green technologies/ Kajima Corporation</td>
<td>Mr. Ryohei Tsukada</td>
</tr>
<tr>
<td>11:20-11:30</td>
<td>Explanation of relevant technologies of 3 or 4 companies</td>
<td>Nippon Koei Co., Ltd</td>
</tr>
<tr>
<td>11:30-12:20</td>
<td>Panel session on Project Map</td>
<td>BIFZA Batam City</td>
</tr>
<tr>
<td>11:30-12:20</td>
<td>- Introduction of RPJMD and green city program (Batam City)</td>
<td>City of Yokohama</td>
</tr>
<tr>
<td>11:30-12:20</td>
<td>- Potential development projects (BIFZA)</td>
<td>Nippon Koei</td>
</tr>
<tr>
<td>11:30-12:20</td>
<td>- Draft project map (Nippon Koei)</td>
<td>iFORCOM</td>
</tr>
<tr>
<td>11:30-12:20</td>
<td>- Contribution from City of Yokohama (City of Yokohama)</td>
<td>Finetech</td>
</tr>
<tr>
<td>11:30-12:20</td>
<td>Discussion</td>
<td>---</td>
</tr>
<tr>
<td>12:20-12:30</td>
<td>Implementation of JCM Project in Indonesia/ Indonesia JCM secretariat</td>
<td>Mr. Dicky Edwin Hindarto</td>
</tr>
<tr>
<td>12:30-12:35</td>
<td>Closing remarks</td>
<td>BIFZA</td>
</tr>
<tr>
<td>12:35-12:40</td>
<td>Closing remarks</td>
<td>Batam city</td>
</tr>
<tr>
<td>12:40-12:50</td>
<td>Way forward to Activities in 2016/ City of Yokohama</td>
<td>Mr. Toru Hashimoto</td>
</tr>
<tr>
<td>12:50-</td>
<td>Lunch</td>
<td>---</td>
</tr>
</tbody>
</table>

Source: Nippon Koei
< Site tour and final seminar >

Site Tour (WWTP)  
Site Tour (group photo)  
Site Tour (LED streetlight)  
Site Tour (Waste Disposal)  
Site Tour (Hang Nadim Airport)  
Final seminar: Opening remarks by Mr. Dendi (Batam City)
FY2016 Feasibility Study of Joint Crediting Mechanism Project by City to City Collaboration
Project for Development of JCM Projects under City to City Collaboration between Batam City and City of Yokohama
(Energy Saving Sector: Harris Hotel)

Presentation by AGC
Presentation by Kajima Corporation
Presentation by Mr. Dicky
Panel Discussion
Venue
Presentation by Nippon Koei
Closing remarks by Mr. Robert
(BIFZA)

Closing remarks by Mr. Hashimoto
(City of Yokohama)

Source: Nippon Koei
CHAPTER 5 ATTENDANCE TO INTERNATIONAL CONFERENCE

5.1 PARTICIPATION IN COP22

Yokohama city staff, Mr. Nakamura attended to COP22 which was held in Marrakech from 8th to 18th of November in 2016. The project for city to city collaboration between Batam city and Yokohama city was presented at Japan pavilion on 8th as one of the event of JCM seminar.

The main points of the presentation were summarized in the following.
- Overview and history of development of Yokohama city
- Activities aiming for reduction of GHG emission by Yokohama city such as private and public collaboration by YSCP and YSBA and action plan
- Feasibility study for JCM project by city to city collaboration such as B to B and B to G projects in Batam city

In the panel discussion after the presentation, the following issues were discussed.
- Merits for project formulation under city to city collaboration compared to project formulation without such scheme
- Making consensus in the city as well as the external entities for local government’s international cooperation
- Issues for conducting feasibility study by city to city collaboration from the view point of under policy

< COP22 >

Japan pavilion at COP22

Panel discussion
FY2016 Feasibility Study of Joint Crediting Mechanism Project by City to City Collaboration
Project for Development of JCM Projects under City to City Collaboration between Batam City and City of Yokohama
(Energy Saving Sector: Harris Hotel)

Booth at Japan pavilion

PR by Yokohama city

COP22 venue

COP22 venue

Source: City of Yokohama
CHAPTER 6 ISSUES AND FUTURE PLANS

6.1 ISSUES

Through this project, especially through the development of project map, various kinds of needs of Batam are confirmed and arranged. These needs are related to low carbon development and climate change mitigation and adaptation, however, there are many of them being difficult to be solved with JCM projects considering the cost effectiveness on GHG reduction from energy sources.

Not only the feasibility studies of individual projects, but also the support from City of Yokohama regarding policy planning and target setting toward Batam administrations under the umbrella of city-to-city collaboration is needed as well. Thus, it is even clearer now that promotion of city-to-city collaboration should not be limited to the project development and participation in seminars but transferring administrative knowledge, methodologies and experiences of City of Yokohama as experienced local government toward Batam is required.

More concretely, these are pointed out from Batam side.

1. BIFZA requested City of Yokohama to sign officially for the collaboration.
2. Not only the technologies of companies in Yokohama, administrative capacity of City of Yokohama is expected to be transferred.
   1. Setting energy saving / GHG reduction target
   2. Promotion of green building
   3. Green land use planning
3. Comprehensive support for water sector both in planning and implementation, and participation for waste sector projects
4. Pilot projects in industrial parks

Source: Nippon Koei

Figure 6-1: 2017/1/19; Courtesy call to the chairman of BIFZA (BIFZA suggested the more officialized collaboration with City of Yokohama)
6.2 FUTURE PLANS

Based on the issues identified as above, it was agreed by Batam side and City of Yokohama to find the best available solutions for Batam not by copying the experience and regulations of Yokohama, but by developing the most appropriate system through discussions in city-to-city collaboration.

![Image: Green + Smart Batam Model]

Source: Nippon Koei

**Figure 6-2: Image of City-to-City Collaboration between Batam and Yokohama**

From April 2017, based on the result of these F/S, following three JCM model projects are under development to be proposed. The ideas are already explained to Batam side and confirmed this orientation.

| Table 6-1: JCM Model Projects to be proposed in FY2017 |
|----------------|----------------|----------------|
| Company        | Project                              | Cost (million JPY) | Emission (tCO2) * | Reduction |
| 1) iForcom     | Energy saving of Hang Nadim Airport | 40               | 585            |
| 2) iForcom     | Energy saving of Harris Hotels/18 hotels | 100             | 2,368          |
| 3) Finetech    | Thermal desorption unit + PV(2MW)   | 700-800          | 12,000         |

Source: Nippon Koei

*Emission reduction is under review

For FY 2017, both Batam side and City of Yokohama showed strong interest in continuing this city-to-city collaboration scheme and considering the preparation of several proposals. Followings are the key points for developing F/S idea in FY2017 through the experiences of this project.

1. Proposal of rules, regulations and/or institutions
   (I) Introduction of green building concept
      In the center of Batam, many high buildings are planned to be constructed.
Considering the urgent needs of water and energy conservation, green buildings are highly expected. Department of Environment of Batam City and JCM secretariat of Indonesia mentions that Batam needs the regulations on green buildings like Jakarta and Bandung and support from City of Yokohama through city-to-city collaboration is important to introduce systems to promote green buildings in Batam.

(II) Setting emission reduction target

Government of Indonesia commits the GHG emission reduction to the international society following Paris agreement. Currently, GHG emission reduction action plan is under development in the central and provincial level in Indonesia, but not in the city and regency level. Through city-to-city collaboration it is expected that Batam city becomes one of the pioneer local government body to set such target.

(III) Incentives and drivers for better spatial management, permissions for construction and energy saving

It is necessary to issue Mayor’s decree in line with promoting system for green building. Sharing experience and advice from City of Yokohama would be beneficial for drafting such decrees.

2. Matching with the needs of Batam side

(I) Reference to the project map

It is good to utilize the project map developed by this project since it is prepared to share the common understanding on the orientation of city-to-city collaboration and to mobilize outside finance. It is also important to continue updating this project maps.

(II) Green building

As above, green building initiative especially regarding energy and water conservation needs to be promoted soonest.
Considering high needs from Batam side, initially the application of JCM is required to be studied. Additionally, it is required to explore the potential supporting scheme and finance other than JCM.
Source: Nippon Koei

**Figure 6-5: Project Map: Green Water (Re)**

(IV) Support of Industrial Park
Batam side requires the implementation of symbolic project and expects the pilot project with large scale industrial parks in Batam. It is also noted that the large industrial parks can be good partner organization for development of JCM Model Project.

Source: Nippon Koei

**Figure 6-6: Project Map: Green Industry**
3. Priority in potential collaboration with Industrial Parks
   
   (I) JCM projects with B to B concept
   When infrastructure project is developed with JCM, Batam island is so big that the target should be limited and pilot project approach should work better. “Industrial park” is good as a unit to implement JCM projects in the perspective of the scale, and B to B approach would be more smooth to formulate JCM projects, and industrial parks are better in financial terms compared with the individual companies.

4. Project development considering the characteristic of city-to-city collaboration
   
   (I) JCM projects with B to G concept
   Besides the discussion above, it is needed to explore the potential of B to G project to maximize the merit of city-to-city collaboration. Especially, JCM project for Hang Nadim airport is highly prioritized to be successful so that other B to G projects can be promoted.

Finally, implementation structure for potential F/S is shown below. By cooperation with Green Building Council Indonesia (GBCI), a NGO which promotes green building concepts in Indonesia, it is enabled to establish green building promotion system such as local regulations. It is finally to standardize the green building concepts for each building type in Batam island.

GBCI employs 6 criteria (site development, energy saving, water conservation, construction material, internal environment, and environmental management) to assess buildings, and among 6 criteria, energy and water conservation is the most important. The project members already agree to propose two F/S regarding this theme to localize GBCI’s initiative in Batam.
Figure 6-7: Concept of F/S in FY2017: Standardization of Green Building