ABSTRACT

Electrical energy is one of the kind of energy sources that play an important role in human life on a daily basis, such as industrial, commercial, government, and household activities. All processes related to public activities can run quickly, effectively, and efficiently with electricity. The electricity consumption in Indonesia reportedly has increased every year. The increasing of electricity consumption in Indonesia has shown that electricity is the main driving sector for the development that supports productivity and public activities and it is hoped that the economy will also increase. Based on this statement, this study was aimed to analyze the factors which affect electricity consumption in Indonesia during the 2015 – 2019 period.

This study used secondary data done by taking four independent variables, including GDRP per capita, population, installed power capacity and electricity tariffs. The dependent variable used in this study is electricity consumption. The research used the estimation technique of Fixed Effect Model which was selected based on the result of the Chow Test. The results in the regression analysis showed that the GDRP per capita and population variable both resulted positive and insignificant effects on the electricity consumption in Indonesia during the 2015 – 2019 period. The installed power capacity variable had a positive and significant influence on the electricity consumption in Indonesia during the 2015 – 2019 period. Meanwhile, the electricity rate variable had a negative and insignificant effect on the electricity consumption in Indonesia during the 2015 – 2019 period.

Keywords: Consumption, Electricity, GDRP, Population, Installed Power Capacity, Electricity Tariffs