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Energy Regulatory Framework in Indonesia

Imprint

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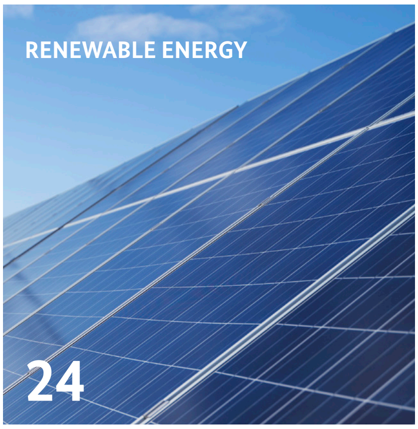
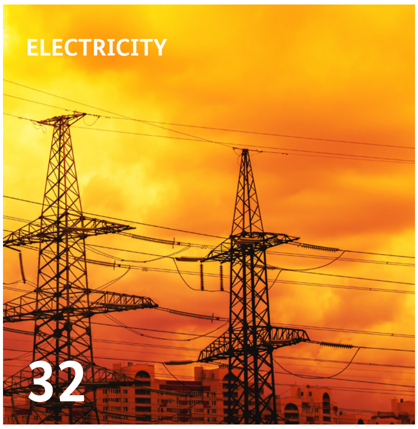


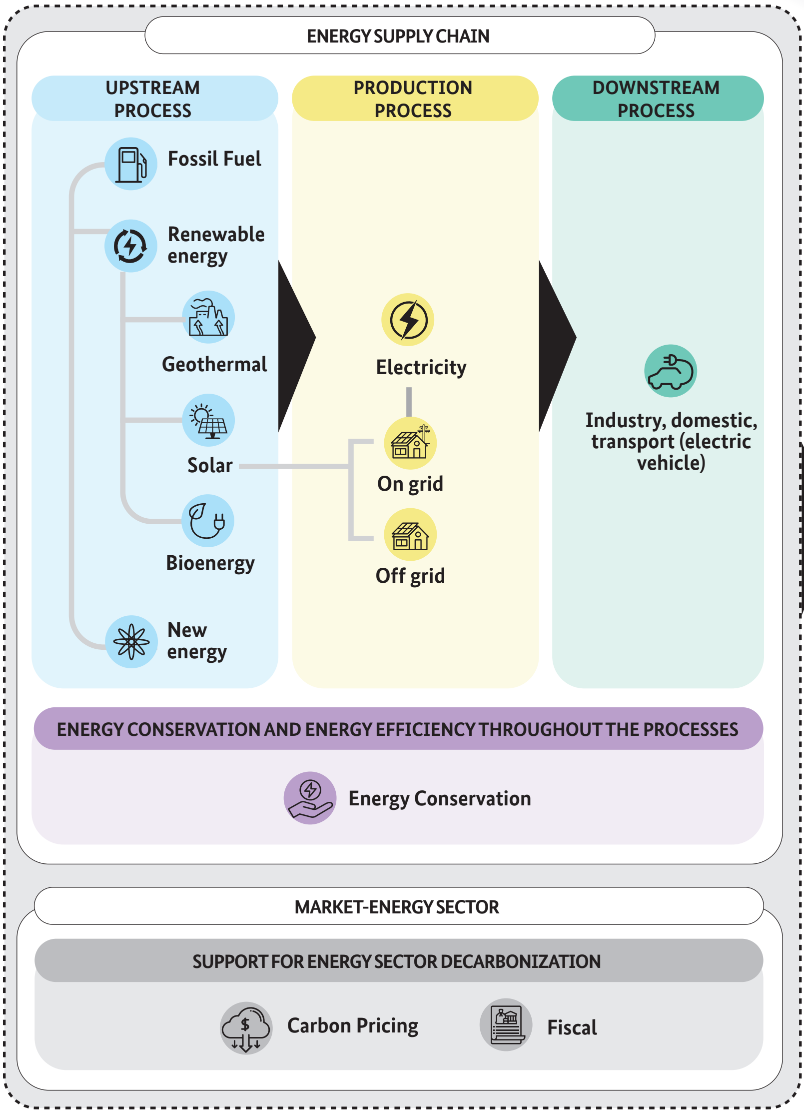


OVERVIEW ENERGY REGULATORY FRAMEWORK IN INDONESIA

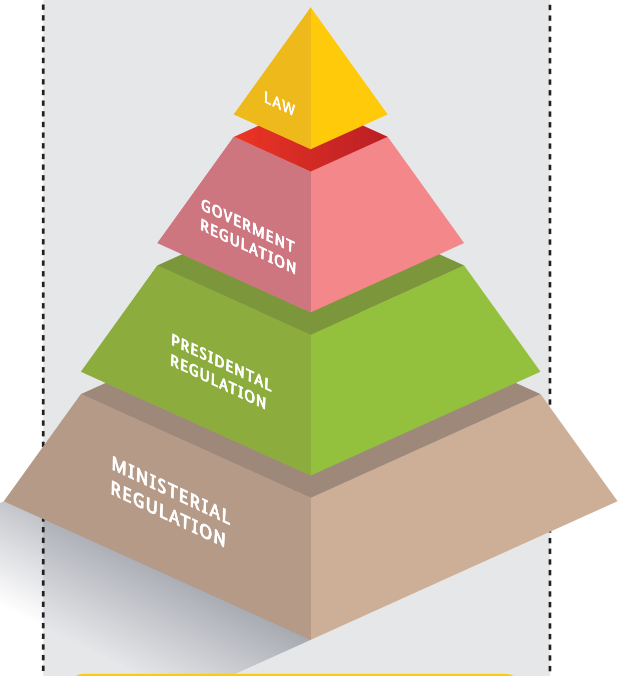
Indonesia has experienced increasing total primary energy supply (TPES) on average by 3.5% annually where the country's energy mix is still dominated by fossil fuels with total primary energy supply reached 1.831 billion barrels oil equivalent (BOE)[1]. On the other hand, the availability of untapped renewable resource is abundant in the archipelago country. According to Ministry of Energy and Mineral Resources (MEMR) latest data, the utilization of renewable energy (RE) in national energy mix is 12.3% in 2022 while the RE potential is about over 3,600 GW[2]. In electricity sector, approximately 12,925 MW of RE power plants have been installed by 2022[3].

Establishing regulation and policies becomes one of key strategies to reduce the dependency towards fossil fuels and accelerate deployment of renewable energy. Furthermore, the Government of Indonesia has recently updated its NDC by increasing emission reduction target to 31.98% unconditionally and 43.20% conditionally. Until today, Indonesia has numerous regulations aiming not only to ensure the energy security and affordability, but also the cleaner energy source.

The factsheet presents energy related regulations according to Indonesia Law and Regulation Hierarchy. These regulations encompass whole process of energy supply chain, from upstream to downstream as well as other instruments and incentive provided by Government to decarbonize the energy sector (below). This also distinguishes the different roles of every stakeholders during the process of creating the regulation as can be seen (right).



INDONESIA LAW AND REGULATION HIERARCHY



Law

- House of Representative, District House of Representative (DPD), and President can initiate/ draft the regulation
- President stipulates the regulation

Government Regulation

- Ministy and Non-Ministry Government Institution can initiate/draft the regulation
- President stipulates the regulation

Presidential Regulation

- Ministy and Non-Ministry Government Institution can initiate/draft the regulation
- President stipulates the regulation

Ministerial Regulation

Detailed procedure of Ministerial Regulation drafting is according to Law No. 12/2011 and PR No. 87/2014 where the process depends on each Ministries

- Ministry of Energy and Mineral Resources (MEMR)
- Ministry of Environment and Forestry (MoEF)
- Ministry of Finance (MoF)
- Ministry of Industry (MoI)
- Ministry of Transportation (MoT)
- Coordinating Minitry of Maritime and Investment (CMMAI)

Ministerial Decree

Ministerial Decree is not included in Indonesia Law and Regulation Hierarchy. The procedures depends on related Ministries.

Regulation of Board Directors of PT PLN

1. MEMR (2022), Handbook of Energy and Economic Statistic of Indonesia, Ministry of Energy and Mineral Resources Republic of Indonesia
2. Source: https://www.esdm.go.id/id/media-center/arsip-berita/dirjen-ebtke-kapasitas-terpasang-pembangkit-ebt-2022-lebihi-target.
3. Source: https://www.esdm.go.id/id/media-center/arsip-berita/dirjen-ebtke-kapasitas-terpasang-pembangkit-ebt-2022-lebihi-target.

ENERGY REGULATORY FRAMEWORK IN INDONESIA

UPSTREAM PROCESS					PRODUCTION PROCESS		DOWN-STREAM PROCESS	ENERGY CONSER-VATION	SUPPORT FOR ENERGY SECTOR CARBONIZATION	
Fossil fuel	New energy	Renewable energy			Electricity		Electric Vehicle		Carbon Pricing	Fiscal
		Geothermal	Bioenergy	Solar PV	On Grid	Off Grid				

	Regulation	Title
LAW	Law No. 16/2016	Ratification of Paris Agreement [1,2]
	Law No. 30/2007	Energy [1,2]
	Law No. 22/2001	Oil and Gas as amended by GR in Lieu of Law 2/2022
	Law No. 4/2009	Mineral and Coal Mining as lastly amended by GR in Lieu of Law 2/2022
	Law No. 10/1997	Nuclear Energy as amended by GR in Lieu of Law 2/2022
	Law No. 21/2014	Geothermal as amended by GR in Lieu of Law 2/2022
	Law No.7/2021	Concerning Harmonization of Tax Regulation
	Law 4/2023	Development and Strengthening of the Financial Sector
GOVERNMENT REGULATION	GR No. 79/2014	National Energy Policy (Kebijakan Energi Nasional/KEN) [1,2]
	GR No. 26/2022	The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources
	GR No. 15/2022	The Treatment of Tax and/or Non-Tax State Revenue for Coal Mining Sector
	GR No. 96/2021	GR No. 96/2021 on The Implementation of Mineral and Coal Mining Business Activities
	GR No. 25/2021	Administration of Energy and Mineral Resources Sectors
	GR No. 37/2018	Tax Treatment and/or Non-Tax State Revenue in the Mineral Mining Business Sector
	GR No. 52/2022	The Safety and Security of Nuclear Minerals
	GR No. 2/2014	Permit of Nuclear Installation and Utilization of Nuclear Material
	GR No. 61/2013	Radioactive Waste Management
	GR No. 46/2009	The Limitation of Nuclear Damage Liability
	GR No. 29/2008	Licensing for The Use of Ionizing Radiation Sources and Nuclear Materials as partially revoked by GR No. 2/2014
	GR No. 78/2010	Reclamation and Post-Mining
	GR No. 55/2010	The Guidance and Monitoring on the Implementation Minerals and Coal Mining Business Management
	GR No. 36/2004	Oil and Natural Gas Downstream Business Activities as amended by GR No. 30/2009
	GR No. 35/2004	Upstream Oil and Natural Gas Business Activities as lastly amended by GR 55/2009
	GR No. 67/2002	Regulatory Agency for The Supply And Distribution of Oil Fuel and Business Activities of Natural Gas Transporting Through Pipelines as amended by GR 49/2012
	GR No. 7/2017	GR No. 7/2017 on Geothermal for Indirect Use
	GR No. 28/2016	GR No. 28/2016 on Amount and Procedure for Provision of Geothermal Production Bonus
	GR No. 25/2021	Administration of Energy and Mineral Resources Sectors
	GR No.. 14/2012	Electricity Supply Business Activity as amended by GR No. 23/2014
	GR No. 33/2023	Energy Conservation
	GR No. 78/2019	Income Tax Facility for Investment in Certain Business Activity and/or Area
PRESIDENTIAL REGULATION	PR No. 22/2017	General Plan for National Energy (Rencana Umum Energi Nasional/RUEN) [1,2]
	PR No. 40/2016	Determination of the Price of Natural Gas as amended by PR 121/2020
	PR No. 191/2014	The Provisions, Distribution and Retail Price of Oil Fuel as lastly amended by PR No. 117/2021
	PR No. 4/2010	The Assignment to PLN to Accelerate the Development of Power Plants Using Renewable Energy, Coal, and Gas; As lastly amended by PR No. 194/2014
	PR No. 83/2014	Nuclear Power Advisory Board
	PR No. 74/2012	Nuclear Damage Liability
	PR No. 112/2022	Acceleration of RE Development for Electricity Generation [1,2]
	PR No. 35/2018	Acceleration of Construction of Waste Processing Installation to Electricity based Environmentally Friendly Technology

1 Regulations related to energy transition
2 Including other renewables such as wind, hydro

ENERGY REGULATORY FRAMEWORK IN INDONESIA

UPSTREAM PROCESS					PRODUCTION PROCESS		DOWNSTREAM PROCESS	ENERGY CONSERVATION	SUPPORT FOR ENERGY SECTOR CARBONIZATION	
Fossil fuel	New energy	Renewable energy			Electricity		Electric Vehicle		Carbon Pricing	Fiscal
		Geothermal	Bioenergy	Solar PV	On Grid	Off Grid				

	Regulation	Title
	PR No. 4/2016	*The Acceleration of Electricity Infrastructure Development (Pembangunan Infrastruktur Ketenagalistrikan/PIK) as amended by PR No. 14/2017*
	PR No. 55/2019	*Acceleration of Battery Electric Vehicles for Road Transportation Program*
	PR No. 98/2021	*Implementation of Carbon Economic Value for Achieving NDC Target and controlling GHG Emission in National Development* [1]
MINISTERIAL REGULATION	MEMR Reg No. 7/2020	*The Procedures for Granting Area, Licenses, and Reporting for Minerals and Coal Mining Business Activities as amended by MEMR Reg 16/2021*
	MEMR Reg No. 48/2018	*Determination of National Vital Objects in The Field of Energy and Mineral Resources* [2]
	MEMR Reg No. 25/2018	*Mineral and Coal Mining Business as lastly amended by MEMR Reg No. 17/2020*
	MEMR Reg No. 14/2018	*Oil and Natural Gas Supporting Business Activities*
	MEMR Reg No. 4/2018	*Business of Natural Gas in Downstream Oil and Natural Gas Business Activities as amended by MEMR Reg No. 19/2021*
	MEMR Reg No. 48/2017	*Business Supervision in the Energy and Mineral Resources Sector as partially revoked lastly by MEMR Reg/2020*
	MEMR Reg No. 45/2017	*The Utilization of Natural Gas for Power Plant as amended by MEMR Reg No. 10/2020*
	MEMR Reg No. 19/2017	*MEMR Reg No. 19/2017 on The Utilization of Coal for Power Plant and Purchase of Excess Power*
	MEMR Reg No. 7/2017	*The Procedure for Determining Ceiling Price for Mineral Metals and Coal Sales as lastly amended by MEMR Reg No. 11/2020*
	MEMR Reg No. 9/2016	*Procedure for Supply and Determination of Coal Price for Mine Mouth Power Plant as amended by MEMR Reg No. 24/2016*
	MEMR Reg No. 15/2013	*Use of Domestic Products in Upstream Oil and Natural Gas Business Activities*
	MOEF Reg No. 61/ PMK.03/2021	*Tax Rights and Obligations for Holder of Mining Business License, Special Mining Business License, Public Mining License, Special Mining Business License for Production Operations as Continuation of Contract Operations, or Contract of Works in the Framework of Cooperation in the Mineral Mining Business Field*
	MEMR Reg No. 50/2017	*Utilization of RE Source for Electricity Supply as lastly amended by MEMR Reg No. 4/2020* [2]
	MEMR Reg No. 39/2017	*Implementation of Physical Activities Utilizing NRE and Energy Conservation as lastly amended by MEMR Reg No. 12/2018* [2]
	MEMR Reg No. 33/2021	*Occupation Health and Safety, Environmental Protection and Management and Geothermal Technical Rules for Indirect Use*
	MEMR Reg No. 37/2018	*Working Area, Granting Permit, and Assignment of Geothermal Concession*
	MEMR Reg No. 33/2018	*Management and Utilization of Geothermal Data and Information for Indirect Use*
	MEMR Reg No. 37/2017	*Geothermal Working Area for Indirect Use*
	MEMR Reg No. 23/2017	*Procedures for Reconcile, Deposit and Report Geothermal Production Bonus*
	MEMR Reg No. 44/2016	*Forms and Procedures for Placement and Disbursement of Geothermal Exploration Commitments*
	MEMR Reg No. 14/2015	*Procedure for Imposition, Collection, and Deposit of Non-Tax Revenue (PNBP) originating from Geothermal Activities at the Directorate General of NREEC (DJ EBKTE)*
	MEMR Reg No. 24/2021	*Provision and Utilization of Biodiesel Types of Biofuels in the Financing Framework by Palm Oil Plantation Fund Agency (Badan Pengelola Dana Perkebunan/BPDP)*
	MEMR Reg. No 32/2008	*The Provision, Utilization, and Trading of Biofuels as Other Fuels*
	MEMR Reg No. 26/2021	*Solar Rooftop Connected to the Grid of Power Supply Business License for Public Interest Holders* [1]
	MOF Reg No. 80/PMK.08/2022	*Geothermal Development Support through Utilization of Geothermal Infrastructure Financing Fund to PT SMI*
	A Joint Regulation of the MEMR, MoF, MSOE	*A Joint Regulation of the MEMR, MoF, MSOE No. 14 of 2013, No. 33/PMK.06/2013, No. PER-01/MBU/2013*
	MEMR Reg No. 10/2022	*Administration of electricity selling and electricity grid rental price and administration of electricity tariff approval* [1]
	MEMR Reg No. 12/2021	*The Classifications, Qualifications, Accreditation and Certification of Electricity Supporting Service Business*
	MEMR Reg No. 11/2021	*Implementation of Electricity Business*
	MEMR Reg No. 10/2021	*Electrical Safety*
	MEMR Reg No. 8/2021	*Procedures for the Preparation of General Plan for National Electricity (RUKN) and General Plan for Regional Electricity (RUKD)*
	MEMR Reg No. 20/2020	*Grid Code*
	MEMR Reg No. 48/2018	*Determination of National Vital Objects in The Field of Energy and Mineral Resources*
	MEMR Reg No. 50/2017	*Utilization of RE Source for Electricity Supply as lastly amended by MEMR Reg No. 4/2020*
	MEMR Reg No. 45/2017	*Utilization of Natural Gas for Electricity Power Plant as amended by MEMR Reg No. 10/2020*

1 Regulations related to energy transition
2 Including other renewables such as wind, hydro

ENERGY REGULATORY FRAMEWORK IN INDONESIA

MINISTERIAL REGULATION

Regulation	Description	UPSTREAM PROCESS					PRODUCTION PROCESS		DOWN-STREAM PROCESS	ENERGY CONSER-VATION	SUPPORT FOR ENERGY SECTOR CARBONIZATION	
		Fossil fuel	New energy	Renewable energy			Electricity					
				Geothermal	Bioenergy	Solar PV	On Grid	Off Grid	Electric Vehicle		Carbon Pricing	Fiscal
MEMR Reg No. 10/2017	*Principles of Power Purchase Agreement (PJBL) with PLN as lastly amended by MEMR Reg No/ 10/2018*						■					
MEMR Reg No. 9/2016	*Procedure for Supply and Determination of Coal Price for Mine-Mouth Power Plant as amended by MEMR Reg No. 24/2016*						■					
MEMR Reg No. 22/2021	*Provision of Electricity Charging Station and Power Delivery Devices for Com-munity in Remote Areas*						■					
MEMR Reg No. 38/2016	*Acceleration of Electrification in Rural Areas that are Not Developing, Remote, Border and Small Islands Populate through the Implementation of Small-Scale Electricity Supply Business*						■					
MoI Reg No. 54/2012	*Local Content for Electricity Infrastructure as amended by MoI Reg No. 5/2017*						■	■				
MoEF Reg No. P.15/MENLHK/SETJEN.KUM/1/4/2019	*Emission Quality Standard for Thermal Power Plants*						■	■				
MoEF Reg No. 8/2009	*Wastewater Quality Standard for Thermal Power Plant Business and/or Activities*						■	■				
MoF Reg No. 130/PMK.08/2016	*The Procedures for Granting Government Guarantee for The Acceleration of Electricity Infrastructure Development as amended by MoF Reg No. 135/PMK.08/2019*						■					
Minister of Public Works and Housing Regulation No. 9/2017	*Minister of Public Works and Housing Regulation No. 9/2017 on Procedures for Selecting a Business Entity as Partner for the Utilization of State Property for Providing Infrastructure for Hydro Power Plants/Mini hydro Power Plants/Micro hydro Power Plants/Solar Power Plants with Rental Mechanism*						■					
MEMR Reg No. 6/2023	*Guideline for Granting Government Support for Purchasing Two Wheel Battery Battery-Based Electric Vehicle*								■			
MEMR Reg No. 3/2023	*General Guideline on Government Support for Motor Vehicle Conversion Program from Internal Combustion Vehicles to Battery Electric Vehicles*								■			
MEMR Reg No. 1/2023	*Provision of Electricity Charging Infrastructure for Battery Based Electric Motorized Vehicles*								■			
MoI Reg No. 6/2022	*Specification, Roadmap Development, and Provision of Local Content Calculation for Battery Electric Vehicle*								■			
MoI Reg No. 36/2021	*Low Carbon Emission Four Wheel Motor Vehicles*								■			
MoI Reg No. 28/2020	*Battery-Powered Vehicles in Completely Knocked Down and Incompletely Knocked Down State as amended by MoI Reg No. 7/2022*								■			
CMMAI Reg No. 8/2020	*Working Procedures of The Coordination Team for Accelerating the Battery Vehicle Program for Road Transportation and Working Groups*								■			
MoT Reg No. PM 15/2022	*Conversion of Motor Vehicles other than Motorcycles with Combustion Motors to Battery-Based Electric Motor Vehicles*								■			
MoT Reg No. PM 87/2020	*Testing of The Physical Type of Battery-Based Electric Motor Vehicles*								■			
MoT Reg No. PM 65/2020	*Conversion of Motor Vehicles with Motors Combustion into Battery-Based Electric Motor Vehicles*								■			
MEMR Reg No. 14/2021	*Implementation of Minimum Energy Performance Standards for Energy Utilizing Equipment*									■		
MEMR Reg No. 9/2020	*Electricity Generation Efficiency of PLN*									■		
MEMR Reg No. 48/2018	*MEMR Reg No. 48/2018 on Determination of National Vital Objects in The Field of Energy and Mineral Resources*									■		
MEMR Reg No. 39/2017	*Implementation of Physical Activities Utilizing NRE and Energy Conservation as amended by MEMR Reg No. 12/2018*									■		
MEMR Reg No. 14/2012	*Energy Management*									■		
MoEF Reg. No 21/2022	*MoEF Reg. No 21/2022 on Guidelines of Carbon Economic Value Implementation*										■	
MEMR Reg No. 16/2022	*The Procedures for Carbon Pricing Implementation for Power Plant Sub-sector*										■	
CMMAI Reg No. 5/2022	*Structure and Work Procedures of The Steering Committee for the Implementation of Carbon Economic Value for Achieving Nationally Set Contribution Targets and Controlling Greenhouse Gas Emissions in National Development*										■	
MoF Reg No. 80/PMK.08/2022	*Geothermal Development Support through Utilization of Geothermal Infrastructure Financing Fund to PT SMI*			■								■
MoF Reg No. 115/PMK.03/2021	*Procedure for The Granting of Facilities of Being Exemption from the Imposition of Value Added Tax on Import and/or Delivery of Certain Strategic Taxable Goods, Procedure for the Payment of Value Added Tax of Certain Taxable Strategic Goods That Have Been Exempted From The Imposition of Value Added Tax That Are Not Used In Accordance With The Initial Purpose or Being Transferred, and The Imposition of Sanctions for Delayed Payment of Value Added Tax*											■
MOF Reg No. 130 PMK.010/2020	*MOF Reg No. 130/PMK.010/2020 on Provision of Facility for Corporate Income Tax Reduction*											■
MoF Reg No. 116/PMK.04/2019	*The Exemption or Relief of Import Duty and/or Exemption of Value Added Tax on The Import of Goods for Kontrak Karya or Perjanjian Karya of Coal Mining Business*											■
MoF Reg No. 66/PMK.010/2015	*Import Duty Exemption of Capital Goods for Construction or Development of Power Plant Industries for Public Purposes*											■
MEMR Reg No. 16/2015	*Criteria and/or Requirements for the Utilization of Income Tax Facilities for Investment in Certain Business Activity and Area in Energy and Mineral Resources Sector*											■
MoF Decree No. 275/KMK.010/2022	*Assignment to PT SMI in the context of providing fiscal support through funding and financing to accelerate in the energy transition in the electricity sector*											■

1 Regulations related to energy transition
2 Including other renewables such as wind, hydro

ENERGY REGULATORY FRAMEWORK IN INDONESIA

	Regulation	UPSTREAM PROCESS					PRODUCTION PROCESS		DOWN-STREAM PROCESS	ENERGY CONSER-VATION	SUPPORT FOR ENERGY SECTOR CARBONIZATION		Description
		Fossil fuel	New energy	Renewable energy			Electricity						
				Geothermal	Bioenergy	Solar PV	On Grid	Off Grid	Electric Vehicle		Carbon Pricing	Fiscal	
MINISTERIAL DECREE	MEMR Decree No. 301.K/MB.01/MEM.B/2022	■											*The 2022-2027 National Minerals and Oil Management Plan*
MINISTERIAL DECREE	MEMR Decree No. 267.K/MB.01/MEM.B/2022	■											*The Fulfillment Domestic Coal Demand*
MINISTERIAL DECREE	MEMR Decree No. 78 K/30/MEM/2019	■											*Determination of Coal Domestic Market Obligation (DMO) for Domestic Purpose*
MINISTERIAL DECREE	MEMR Decree No. 1796 K/30/MEM/2018	■											*The Guidelines for The Implementation of Application, Evaluation, and Issuance of Licenses in The Mineral and Coal Mining Sector*
MINISTERIAL DECREE	MEMR Decree No. 205.K/EK.05/DJE/2022				■								*The Determination of Oil Fuel Business Entities and Biodiesel Fuel Business Entities and Volume Allocation for Biodiesel Fuel for Biodiesel Fuel Mixing during January – December 2023*
MINISTERIAL DECREE	MEMR Decree No. 188.K/HK.02/MEM.L/2021						■						*Electricity supply Business Plan by PT PLN in 2021-2030*
MINISTERIAL DECREE	MEMR Decree No. 169.K/HK.02/MEM.M/2021						■						*National Average Cost of Production (Biaya Pokok Produksi/BPP) 2020*
MINISTERIAL DECREE	MEMR Decree No. 118.K/MG.04/MEM.M/2021						■						*Certain Price of Natural Gas at Power Plants (Plant Gate) as amended by MEMR Decree No. 135.K/HK.02/MEM.M/2021*
MINISTERIAL DECREE	MEMR Decree No. 34.K/16/MEM/2020						■						*The Establishment of Natural Gas Allocation and Utilization for Electricity Generation by PLN*
MINISTERIAL DECREE	MEMR Decree No. 14.K/TL.04/MEM.L/2023										■		*PTBAE PLTU that is Connected to the First Phase PLN Network*
MINISTERIAL DECREE	MEMR Decree No. 182.K/TL.04/MEM.S/2023								■				*Charging Service Fee at Public Electric Vehicle Charging Stations*
REGULATION OF BOARD DIRECTORS OF PT PLN	Regulation No. 0283.P/DIR/2016						■						*PLN Electricity Usage by IPP non-PLN* [2]
REGULATION OF BOARD DIRECTORS OF PT PLN	Regulation No. 0064.P/DIR/2019			■	■	■	■						*Guidelines for Connection of the Renewable Energy Plant to the Distribution System of PT PLN* [2]
REGULATION OF BOARD DIRECTORS OF PT PLN	Regulation No. 0062.P/DIR/2020		■	■	■	■	■						*Electricity Purchase from New and Renewable Energy Plant* [1,2]

1 Regulations related to energy transition
2 Including other renewables such as wind, hydro

FOSSIL FUEL

ENERGY SOURCE: Oil Coal Natural Gas

Law No. 22/2001 as amended by GR in Lieu of Law 2/2022	*Oil and Gas*
Law No. 4/2009 as lastly amended by GR in Lieu of Law 2/2022	*Mineral and Coal Mining*
Law No. 16/2016	*Ratification of Paris Agreement to the United Nations Framework Convention on Climate Change*
Law No. 30/2007	*Energy*
GR No. 26/2022	*The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources*
GR No. 15/2022	*The Treatment of Tax and/or Non-Tax State Revenue for Coal Mining Sector*
GR No. 96/2021	*The Implementation of Mineral and Coal Mining Business Activities*
GR No. 25/2021	*Administration of Energy and Mineral Resources Sectors*
GR No. 37/2018	*Tax Treatment and/or Non-Tax State Revenue in the Mineral Mining Business Sector*
GR No. 79/2014	*National Energy Policy (Kebijakan Energi Nasional/KEN)*
GR No. 78/2010	*Reclamation and Post-Mining*
GR No. 55/2010	*Guidance and Monitoring on the Implementation Minerals and Coal Mining Business Management*
GR No. 36/2004 as amended by GR No. 30/2009	*Oil and Natural Gas Downstream Business Activities*
GR No. 35/2004 as lastly amended by GR 55/2009	*Upstream Oil and Natural Gas Business Activities*
GR No. 67/2002 as amended by GR 49/2012	*Regulatory Agency for The Supply And Distribution of Oil Fuel and Business Activities of Natural Gas Transporting Through Pipelines*
PR No. 22/2017	*National Energy Plan (Rencana Umum Energi Nasional/RUEN)*
PR No. 40/2016 as amended by PR 121/2020	*Determination of the Price of Natural Gas*
PR No. 191/2014 as as lastly amended by PR No. 117/2021	*Determination of the Price of Natural Gas*
PR No. 4/2010 as lastly amended by PR No. 194/2014	*The Provisions, Distribution, and Retail Price of Oil Fuel*
MEMR Reg No. 7/2020 as amended by MEMR Reg 16/2021	*The Procedures for Granting Area, Licenses, and Reporting for Minerals and Coal Mining Business Activities*
MEMR Reg No. 48/2018	*Determination of National Vital Objects in The Field of Energy and Mineral Resources*
MEMR Reg No. 25/2018 as lastly amended by MEMR Reg No. 17/2020	*Mineral and Coal Mining Business*
MEMR Reg No. 14/2018	*Oil and Natural Gas Supporting Business Activities*
MEMR Reg No. 4/2018 as amended by MEMR Reg No. 19/2021	*Business of Natural Gas in Downstream Oil and Natural Gas Business Activities*
MEMR Reg 48/2017 as partially revoked lastly by MEMR Reg 7/2020	*Business Supervision in the Energy and Mineral Resources Sector*
MEMR Reg No. 45/2017 as amended by MEMR Reg No. 10/2020	*The Utilization of Natural Gas for Power Plant*
MEMR Reg No. 19/2017	*The Utilization of Coal for Power Plant and Purchase of Excess Power*
MEMR Reg No. 7/2017 as lastly amended by MEMR Reg No. 11/2020	*The Procedure for Determining Ceiling Price for Mineral Metals and Coal Sales*
MEMR Reg No. 9/2016 as amended by MEMR 24/2016	*Procedure for Supply and Determination of Coal Price for Mine Mouth Power Plant*
MEMR Reg No. 15/2013	*Use of Domestic Products in Upstream Oil and Natural Gas Business Activities*
MOF Reg No. 61/PMK.03/2021	*Tax Rights and Obligations for Holder of Mining Business License, Special Mining Business License, Public Mining License, Special Mining Business License for Production Operations as Continuation of Contract Operations, or Contract of Works in The Framework of Cooperation in the Mineral Mining Business Field*
MEMR Decree No. 301.K/MB.01/MEM.B/2022	*The 2022-2027 National Minerals and Oil Management Plan*
MEMR Decree No. 267.K/MB.01/MEM.B/2022	*The Fulfillment Domestic Coal Demand*
MEMR Decree No. 78 K/30/MEM/2019	*Determination of Coal Domestic Market Obligation (DMO) for Domestic Purpose*
MEMR Decree No. 1796 K/30/MEM/2018	*The Guidelines for The Implementation of Application, Evaluation, and Issuance of Licenses in The Mineral and Coal Mining Sector*

Law No. 22/2001 as amended by GR in Lieu of Law 2/2022

Oil and Gas

1. Oil and natural gas are non-renewable strategic natural resources controlled by the state and are vital commodities.
2. One of the objectives of this regulation is as an implementation and control of oil and gas as natural resources and development resources that are strategic and vital.
3. The purpose of conducting oil and Gas business activities is, among others, to ensure the efficiency and effectiveness of the availability of Natural Oil and Gas, both as energy sources and as raw materials, for domestic needs.
4. GR in Lieu of Law 2/2022 provides more concise administration scheme through Business Licensing in hope to increase investment in Oil and Gas sector.

Law No. 4/2009 as lastly amended by GR in Lieu of Law 2/2022

Mineral and Coal Mining

1. Mineral and coal mining business activities possess an important role in providing real added-value to the sustainable growth of the national economy and regional development.
2. In order to support sustainable national development, one of the objectives of mineral and coal management is to ensure the availability of minerals and coal as raw materials and/or as a source of energy for domestic needs.
3. GR in Lieu of Law 2/2022 eliminates the need to apply for IUP Operation Production and provides direct acess for business entities that succeed in their exploration phase to obtain IUP Operation Production.

Law No. 16/2016

Ratification of Paris Agreement to the United Nations Framework Convention on Climate Change

1. Through Law No. 16/2016, Indonesia confirms the ratification of the Paris Agreement to the UNFCCC (United Nations Framework Convention on Climate Change). Paris Agreement was signed by the Government of Indonesia on April 22, 2016 in New York, United States of America, a copy of the original text in English and its translation in Indonesian language as attached and forming an integral part of Law No. 16/2016. The agreement is a legally binding international treaty aiming to strengthen the global response to the threat of clirnate change, in the context of sustainable development in efforts to eradicate poverty including by holding the increase in the global average temperature well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.
2. As a commitment to contribute in emission reduction efforts, Government of Indonesia (GoI) has strengthened the Nationally Determinded Contribution (NDC) in 2022 NDC with increased emission reduction target to 29% unconditionally and 41% conditionally). In 2022, GoI updated the NDC with increased emission reduction target to 31.89% unconditionally and 43.20% conditionally.
3. In energy sector, the emission reduction target is 12.5% unconditionally and 15.5% conditionally.

Law No. 30/2007

Energy

1. Law No.30/2007 is mainly aimed to ensure the sustainable, secured, and resilience national energy development.
2. For non-renewable energy resources (e.g. fossil based energy sector) are limited, this sets a motion for Indonesia to carry out diversification of energy resources so that energy availability is guaranteed.
3. Fossil energy resources and other energy sources are controlled by the state and utilized for the greatest prosperity of the people.

GOVERNMENT REGULATION

GR No. 26/2022

The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources

1. This GR regulates the types and rates of Non-Tax State Revenues that apply to the Ministry of Energy and Mineral Resources, which include non-tax state revenue originating from: (i) revenue from natural resource utilization; (ii) services in the energy and mineral resources sector; (iii) the use of facilities and infrastructure in accordance with the duties and functions; (iv) administrative fines; and (v) placement of guarantees in the field of energy and mineral resources with a predetermined type and rate.
2. The relevant license holder who increases the Added Value of coal can be given certain treatment in the form of imposing a royalty of 0% (zero percent), on the volume of coal by taking into account energy independence and meeting the needs of industrial raw materials.

GR No. 15/2022

The Treatment of Tax and/or Non-Tax State Revenue for Coal Mining Sector

1. The objectives of this GR are to provide legal and business certainty for license holders and to re-arrange the imposition of tax revenues and Non-Tax State Revenues in the framework of efforts to increase state revenues.
2. This regulation regulates taxes on income received or earned by taxpayers in the field of mining business in relation to income received or obtained from (i) the sale/transfer of production results, and (ii) income from outside the business, in whatever name and form.
3. The amount of taxable income for taxpayers is determined based on gross income less costs for obtaining, collecting and maintaining income in accordance with the provisions of laws and regulations in the field of income tax.

GR No. 96/2021

The Implementation of Mineral and Coal Mining Business Activities

1. This regulation is an implementing regulation of Law No. 4 of 2009 regarding Mineral and Coal Mining (as amended), in particular to prioritize minerals and/or coal for the national interest.
2. This GR also regulates the classification of mineral and coal mining, and the business licensing.

GR No. 25/2021

Administration of Energy and Mineral Resources Sectors

1. This Government Regulation (GR) is an implementation of the Omnibus Laws, particularly on the energy & mineral resources sector.
2. This GR aims to increase the investment and employment in the energy and mineral resources sector, which includes: (i) the imposition of production/royalty fees of up to 0% based on the volume of coal used domestically; (ii) changes in the nomenclature of Geothermal Permits (Izin Panas Bumi) to Business Licensing; (iii) provision of funds in order to support the development of electricity supply; (iv) National Electricity General Plan and Regional Electricity General Plan can be updated during review; (v) Determination of Business Area with several considerations; (vi) changes in the scope of the Business Area; and (vii) simplifying and facilitating the use of electric power networks for telecommunications, multimedia and informatics purposes.
3. In mineral and coal sector, the regulation stipulates imposition of 0% royalty on coal value-added improvements may be given with consideration of energy independence and meeting the needs of industrial raw materials for the holders of (i) mining business permits on production and operation (*Izin Usaha Pertambangan Operasi Produksi*), (ii) Special Mining Business Permits on production and operation (*Izin Usaha Pertambangan Khusus*/IUPK), and (iii) IUPK as Continuation of Contract/Agreement Operations.

GR No. 37/2018

Tax Treatment and/or Non-Tax State Revenue in the Mineral Mining Business Sector

1. The Income Tax provisions regulated in this Government Regulation apply to Taxpayers that hold Mining Business Permit (*Izin Usaha Pertambangan*/IUP), Special Mining Business Permit (*Izin Usaha Pertambangan Khusus*/IUPK), People's Mining Permit (*Izin Pertambangan Rakyat*/IPR), IUPK for Operation Production which are changes in the form of a Mining Business from a Contract of Work (*Kontrak Karya*/KK) whose contract has not yet ended.
2. The main provisions in this GR include: (i) Income Tax regulation; (ii) tax and/or non-tax state revenue rights and obligations for holders of IUP, IUPK, IPR, or KK; and (iii) tax treatment and/or non-tax state revenue for holders of IUPK which are changes in the form of Mining Business from KK whose contracts have not yet ended.

GR No. 79/2014

National Energy Policy (*Kebijakan Energi Nasional*/KEN)

1. The Government Regulation (GR) emphasizes that National Energy Policy shall be the policy on Energy Management based on the principles of fairness, sustainability, and environmental sound to create Energy Independence and national Energy Security.
2. This GR sets that several ways to fulfil the Availability of Energy for national needs are by:
   (i) reduce the export of fossil energy gradually; and
   (ii) realizing a balance between the rate of addition of fossil Energy Reserves and the maximum production rate.
3. In fossil based energy sector, the regulation sets:
   (i) oil share in primary energy shall be less than 25% in 2025 and to be less than 20% in 2050;
   (ii) coal share in primary energy at least 30% in 2025 and 25% in 2050; and
   (iii) natural gas at least 22% in 2025 and 24% in 2050.
4. The regulation also mandates reduction of subsidies for fuel oil and electricity gradually until the purchasing power of people is achieved.

GR No. 78/2010

Reclamation and Post-Mining

1. This regulation is to help creating sustainable development, mining business activities must be carried out with due observance of environmental principles, transparency and community participation. Considering that, if not carried out properly, mining activities can negatively impact the environtment, then appropriate reclamation and post-mining activities that are integrated with mining activities must be done.
2. This regulation requires IUP and IUPK holders in the exploration stage and IUP holders to carry out reclamation and IUPK holders in the production operation stage to carry out reclamation and post-mining.
3. IUP holders must make a reclamation plan and a production operation plan to carry out mining activities which must be approved by the minister, governor or regent/ mayor in accordance with their authority.

GR No. 55/2010

Guidance and Monitoring on the Implementation Minerals and Coal Mining Business Management

1. This GR is an implementing regulation of Law No. 4 of 2009 regarding Mineral and Coal Mining (as amended), to support realization of mineral and coal management that meets the principles of externality, accountability and efficiency.
2. Minister, governors or regents/mayors in accordance with their authority provide guidance on the implementation of mining business activities carried out by holders of mining business permits , people's mining permit, or special mining business permits that consists of: (i) providing guidelines and standards for implementing mining business management; (ii) providing guidance, supervision and consultation; (iii) education and training; and (iv) planning, research, development, monitoring and evaluation of the implementation of mining business operations in the mineral and coal sector.
3. The minister, governor or regent/mayor in accordance with their authority shall supervise the implementation of mining business activities carried out by holders of mining business permits , people's mining permit, or special mining business permits which consist the supervision of (i) determination on people's mining area; (ii) determination and granting of non-metal mineral and rock Mining Business Permit Areas; (iii) granting of metal mineral and coal Mining Business Permit Areas; (iv) issuance of People's Mining Permits (*Izin Pertambangan Rakyat*/IPR); (v) issuance of Mining Business Permits (*Izin Usaha Pertambangan*/IUP); and (vi) organizing the guidance and supervision of activities carried out by holders of IPR and IUP.

GR No. 36/2004 as amended by GR No. 30/2009

Oil and Natural Gas Downstream Business Activities

1. This GR is an implementing of Law No. 22 of 2001 regarding Oil and Gas (as amended), especially to give priority to the use of natural gas for domestic needs and to provide strategic reserves of petroleum to support the supply of domestic fuel oil.
2. This regulation also governs the licensing, pricing, and government supervision of downstream oil and gas business activities.

GR No. 35/2004 as lastly amended by GR 55/2009

Upstream Oil and Natural Gas Business Activities

1. This GR is an implementing of Law No. 22 of 2001 regarding Oil and Gas (as amended).
2. This GR regulates the implementation of Upstream Business Activities including the guidance and supervision, mechanisms for awarding Working Areas, General Surveys, Data, Cooperation Contracts, utilization of Oil and Gas for domestic needs, state revenues, supply and utilization of land, development of the environment and local communities, utilization domestic goods, services, technology, and engineering and design capabilities, as well as the use of labor in Upstream Oil and Gas Business Activities.

GR No. 67/2002 as amended by GR 49/2012

Regulatory Agency for The Supply And Distribution of Oil Fuel and Business Activities of Natural Gas Transporting Through Pipelines

1. This GR is an implementation of Law No. 22 of 2001 regarding Oil and Gas (as amended) which regulates the organizational structure, status, functions, duties, personnel, authorities, and responsibilities as well as the working mechanism of the Regulating Agency (*Badan Pengatur).*
2. This regulation stipulates that Regulating Agency's (*Badan Pengatur*) function is to supervise the implementation of the supply and distribution of oil fuel and the transportation of natural gas through pipelines, so that the availability and distribution of oil fuel as determined by the government is guaranteed and increases the use of natural gas in the country.
3. The Regulating Agency (*Badan Pengatur*) has the task of regulating and determining (i) the availability and distribution of Oil Fuel; (ii) national fuel oil reserves; (iii) utilization of transportation facilities and (iv) storage of fuel oil; (v) rates for transportation of natural gas by pipeline; (vi) Natural Gas prices for households and small customers; (vii) business of natural gas transmission and distribution.

PRESIDENTIAL REGULATION

PR No. 22/2017

National Energy Plan (*Rencana Umum Energi Nasional*/RUEN)

1. National Energy Plan (RUEN) is a government policy that constitutes application of energy policy across sectors in order to achieve National Energy Policy (KEN).
2. RUEN sets that the fossil based energy use should be minimized and prioritzed for domestic purpose through reduction of fossil energy exports for instance, (i) reducing natural gas exports of 20% by 2025 and cease export activity by 2036, (ii) gradually reducing coal exports by 2046 and cease the exports when domestic coal demand achieves 400 billion tonnes.

PR No. 40/2016 as amended by PR 121/2020

Determination of the Price of Natural Gas

1. This regulation is aimed to encourage the acceleration of economic growth and increasing the competitiveness of the national industry through the utilization of natural gas and to ensure the efficiency and effectiveness of the flow of natural gas.
2. The Minister of Energy and Mineral Resources determines natural gas prices by considering: (i) field economics; (ii) domestic and international natural gas prices; (iii) the purchasing power of domestic natural gas consumers; and (iv) added value from the use of natural gas in the country.
3. The minister determines the price of certain natural gas at the point of delivery of natural gas users (plant gate) with a maximum price of US$ 6/MMBTU can be given to natural gas users provided that natural gas users buy natural gas at the point of delivery of natural gas users (plant gate), including natural gas originating from liquefied natural gas (LNG) or compressed natural gas (CNG), with prices higher than US$ 6/MMBTU.
4. In relation to certain natural gas prices that have been determined, the minister evaluates the pricing and natural gas users who obtain certain natural gas prices, every year or at any time by considering domestic economic conditions.

PR No. 191/2014 as as lastly amended by PR No. 117/2021

The Provisions, Distribution and Retail Price of Oil Fuel

1. This regulation aims to reorganize policies regarding the supply, distribution, retail selling prices and consumers who use certain types of fuel oil and regulate the supply, distribution and prices of other fuel oils.
2. The types of fuel oil referred to in this PR are: (i) Fuel of the Certain Types (*Jenis BBM Tertentu*) (Subsidized); (ii) Special Assignment Fuel Types (*Jenis BBM Penugasan Khusus*) (not subsidized); and (iii) General Fuel Type (*Jenis BBM Umum*) (not subsidized).
3. The Minister of Energy and Mineral Resources set the retail selling price for Fuel of the Certain Types (*Jenis BBM Tertentu*) and Special Assignment Fuel Types (*Jenis BBM Penugasan Khusus*).

PR No. 4/2010 as lastly amended by PR No. 194/2014

The Assignment to PLN to Accelerate the Development of Power Plants Using Renewable Energy, Coal, and Gas

1. The accelerated development of power plants using renewable energy, coal and gas is carried out through assignments from the Government to PT PLN (Persero) and through cooperation with private power developers under a power purchase agreement.
2. Power plants that use coal and gas are required to use environmentally friendly technology in accordance with regulatory provisions.

MINISTERIAL REGULATION

MEMR Reg No. 7/2020 as amended by MEMR Reg 16/2021

The Procedures for Granting Area, Licenses, and Reporting for Minerals and Coal Mining Business Activities

1. This regulation aims to re-regulate provisions regarding procedures for granting areas, permits, and reporting on mineral and coal mining business activities to ensure legal certainty, business certainty, increase effectiveness and efficiency in the implementation of mining business activities and encourage business development.
2. This regulation regulates: (i) preparation and determination of Mining Business Permit Area (*Wilayah Izin Usaha Pertambangan*/WIUP) and Special Mining Business Permit Area (*Wilayah Izin Usaha Pertambangan Khusus*/WIUPK), (ii) Mining Area (*Wilayah Pertambangan*/WP) information system; (iii) procedures for granting WIUP and WIUPK; (iv) procedures for granting licenses; (v) the rights, obligations and prohibitions of the license holder; and (vi) annual work plan and budget and reports.
3. There are administrative sanctions against parties who do not comply with the provisions in this regulation.

MEMR Reg No. 48/2018

Determination of National Vital Objects in The Field of Energy and Mineral Resources

1. National vital objects in the field of energy and mineral resources (*Objek Vital Nasional/*Obvitnas) must meet the following characteristics:
   (i) produce basic daily needs;
   (ii) threats and harassment of them result in disaster for humanity and development;
   (iii) threats and disturbances against them result in disruption of transportation and communication nationally; and/or
   (iv) threats and disturbances against them result in disruption of the administration of the state government.

2. Obvitnas for the oil and natural gas sub-sector shall fulfil the following criteria:
   (i) have a strategic role in guaranteeing the supply of national oil and natural gas; and/or
   (ii) has a strategic role in guaranteeing the supply of fuel oil, fuel gas, liquefied petroleum gas, liquefied natural gas, compressed natural gas, and/or processed oil and natural gas products.

3. Obvitnas for the mineral and coal sub-sector shall have the following criteria:
   (i) has a strategic role in ensuring supply for domestic needs and has cooperation with domestic users or to meet the supply needs of mineral or coal processing and/or refining facilities;
   (ii) is in a national strategic area;
   (iii) employs a workforce of at least 5,000 (five thousand) people;
   (iv) total investment of at least IDR 5,000,000,000,000.00 (five trillion rupiah); and/or
   (v) contribution to mineral or coal non-tax state revenue of at least IDR 300,000,000,000.00 (three hundred billion rupiah) per year.

MEMR Reg No. 25/2018 as lastly amended by MEMR Reg No. 17/2020

Mineral and Coal Mining Business

1. This regulation differentiates mining business into:
   - (i) coal mining, and
   - (ii) mineral mining, which is classified into:
     - a. radioactive mineral mining;
     - b. metal mineral mining;
     - c. non-metal mineral mining; and
     - d. rock mining.
2. This regulation governs, among others, the exploration activities, production operations activities, finance, non-tax state revenue, data management, share divestment.
3. This regulation also stipulates that foreign operation production mining license holder, must divest its shares gradually and by the 10th year, a minimum of 51% shares must be held by Indonesian participant.

MEMR Reg No. 14/2018

Oil and Natural Gas Supporting Business Activities

1. The implementation of oil and gas supporting business aims to: (i) support the supply and utilization of goods and services directly related to upstream and downstream business activities; (ii) realizing oil and gas supporting business activities that are independent, reliable, transparent, competitive, efficient and encourage the development of national potential and capabilities; and (iii) developing and directing oil and gas supporting businesses to become national oil and gas supporting businesses.
2. Oil and gas supporting business can be carried out by companies, domestic capital companies and foreign capital companies, or individuals which can be individuals, limited liability companies, and firms that have expertise in oil and gas supporting business.
3. Oil and gas support businesses are classified into: (i) oil and gas construction service businesses; (ii) oil and gas non-construction service business; and (iii) oil and gas supporting industry business.

MEMR Reg No. 4/2018 as amended by MEMR Reg No. 19/2021

Business of Natural Gas in Downstream Oil and Natural Gas Business Activities

1. Natural gas activities that are regulated in this regulation includes the natural gas transportation business activities, natural gas trading business activities, and natural gas storage business activities which are carried out in a transparent, accountable, competitive and fair manner.
2. The business activity of transporting natural gas through pipes on transmission sections is carried out by business entities after obtaining oil and gas transportation business permits and special rights on transmission sections and is required to have transmission pipelines and supporting facilities on transmission sections.
3. Natural gas trading business activities through distribution modes other than pipelines include natural gas trading business activities in the form of compressed natural gas and liquefied natural gas which can be carried out by business entities holding special rights for distribution network areas and/or business entities holding oil and gas trading business permits for compressed natural gas and liquefied natural gas trading business activities.
4. Natural Gas Transportation business activities other than pipes and Natural Gas Storage business activities can be carried out by Business Entities after obtaining a Business Permit from the Minister.

MEMR Reg 48/2017 as partially revoked lastly by MEMR Reg 7/2020

Business Supervision in the Energy and Mineral Resources Sector

1. The scope of this ministerial regulation stipulates changes in ownership, direct control, and management of companies which include transfers of participating interests and/or transfers of shares as well as changes in directors and/or commissioners. In addition the ministerial regulation also stipulates on the mechanism for procuring biodiesel type of biofuels.
2. The MEMR Reg 7/2020 revoked the stipulation on MEMR Reg 48/2017 regarding changes in board of director or board of commisioner in the companies.
3. The Cooperation Contractor in transferring part or all of the Participating Interest to another party must first obtain the Minister's approval by taking into account the considerations of the Head of SKK Migas. However, it cannot transfer majority of the Participating Interest to non-affiliate party within the first 3 years of the exploration period.

MEMR Reg No. 45/2017 as amended by MEMR Reg No. 10/2020

The Utilization of Natural Gas for Power Plant

1. This regulation governs the utilization of Natural Gas for power generation owned by PT PLN (Persero) and Electricity Generation Business Entity (*Badan Usaha Pembangkitan Tenaga Listrik*/BUPTL) in the power system, in which the Minister determines the price of Natural Gas from upstream oil and natural gas business activities for power generation.
2. The regulation amends MEMR Reg No. 45/2017 where initially the price of electricity purchase through direct appointment was determined based on natural gas price in well-mouth with maximum price 8% of ICP (Indonesian Crude Price). MEMR Reg No. 10/2020 amends this clause where the maximum price is USD 6/MMBTU.
3. The regulation also removes electricity purchase mechanism through public auction.

MEMR Reg No. 19/2017

The Utilization of Coal for Power Plant and Purchase of Excess Power

1. The objectives of this regulation is to increase the optimal utilization of coal in the development of power plants, as well as increasing the role of power generators from operating permit holders to maintain the availability of electric power in the local electricity system.
2. This regulations sets the use and ceiling price of the purchase of electricity (*Harga Patokan Tertinggi*/HPT) from CFPP and Excess Power based on Regional Average of Production Cost (Regional BPP) and National BPP.
3. The price is classified as:
   a. Ceiling Price for Mine Mouth CFPP
   b. Ceiling Price for Non Mine Mouth CFPP:
      - Capacity more than 100 MW; and
      - Capacity up to 100 MW.
   c. Excess Power.
4. The highest purchase price of excess power is 90% (ninety percent) of the BPP Generation in the regional electricity system.

MEMR Reg No. 7/2017 as lastly amended by MEMR Reg No. 11/2020

The Procedure for Determining Ceiling Price for Mineral Metals and Coal Sales

1. In selling the metal mineral or coal produced, mining license holders must comply with the Metal Mineral Benchmark Price (*Harga Patokan Mineral Logam*/HPM Logam) or the Coal Benchmark Price (*Harga Patokan Batubara*/HPB).
2. HPM Logam or HPB is determined by considering: (i) market mechanisms and/or in accordance with generally accepted prices in international markets; (ii) increasing the added value of minerals or coal in the country; and/or (iii) implementation of good mining practices.

MEMR Reg No. 9/2016 as amended by MEMR 24/2016

Procedure for Supply and Determination of Coal Price for Mine Mouth Power Plant

1. Mine mouth power plant company can be (i) an integration IUPLTU holder, which is PT PLN (Persero); and (ii) a generation IUPLTU holder in the form of a limited liability company legal entity formed by a consortium of mining companies.
2. Provision of coal for the development of a mine-mouth power plant is carried out based on a coal sale and purchase agreement between the mining company and the mine-mouth power generation company.
3. The price of coal for a mine-mouth power plant is calculated based on the (i) coal base price, which is determined based on an agreement between the mining company and the mine-mouth power generation company with the formula for production costs plus margins taking into account escalation, and (ii) the production fees/royalty.

MEMR Reg No. 15/2013

Use of Domestic Products in Upstream Oil and Natural Gas Business Activities

1. This regulation aims to optimize the priority on the use of domestic products in upstream oil and natural gas business activities.
2. This regulation stipulates that contractors, domestic producers, and provider of goods and/or services that procure goods and/or services in the upstream oil and gas business activities, are required to use, maximize and empower goods, services, as well as engineering and design capabilities. in the country that meet the quantity, quality, time of delivery and price in accordance with the provisions in the procurement of goods and/or services.
3. Local Content (*Tingkat Komponen Dalam Negeri*/TKDN) targets for Upstream Oil and Gas Business Activities are determined as listed in Appendix I of this regulation.
4. An appreciation in the form of Price Preference (price adjustment or normalization value to the bid price in the process of procuring goods and/or services) is given if the TKDN of goods reaches greater than or equal to 25% or the promise/commitment to achieving TKDN for services reaches greater than or equal to 30%.

MOF Reg No. 61/PMK.03/2021

Tax Rights and Obligations for Holder of Mining Business License, Special Mining Business License, Public Mining License, Special Mining Business License for Production Operations as Continuation of Contract Operations, or Contract of Works in the Framework of Cooperation in the Mineral Mining Business Field

1. Holders of mining business permits as a continuation of contract operations or contracts of work are entitled to the results of mineral production, including associated minerals, by-products, results of processing and/or refining, or the remaining results of refining mineral mining commodities and mining areas.
2. Tax rights and obligations for Taxpayers Holders of mining business permits, special mining business permits, community mining permits, special mining business permits as a Continuation of Contract Operations, or contracts of work which include: (i) recognizing income from all sales/transfer of production results in taxes income; (ii) charge expenses related to income from cooperation activities as a deduction from gross income in calculating the income tax; (iii) withholding and/or collecting taxes; (iv) calculating the amount of tax payable; (v) make payments and/or settle the underpayment of tax owed; (vi) submit a tax return that has been filled out correctly, completely, clearly and signed; and/or (viii) other taxation rights and obligations.

MEMR Decree No. 301.K/MB.01/MEM.B/2022

The 2022-2027 National Minerals and Oil Management Plan

The national mineral and coal management plan stipulated in this decree contains: (i) national mineral and coal policy; (ii) national mineral and coal management strategy; (iii) data on potential national mineral and coal resources and reserves; (iv) goals and targets of the national mineral and coal management plan; (v) institutional; and (vi) monitoring and evaluating the implementation of national mineral and coal management.

MEMR Decree No. 267.K/MB.01/MEM.B/2022

The Fulfillment Domestic Coal Demand

1. Determine the percentage of domestic market obligation for holders of mining business permits in the production operation stage of 25% (twenty five percent) of the planned amount of coal production in the approval of the work plan and annual budget costs to meet coal needs for the supply of electricity for public and private interests and raw materials/fuel for industry.
2. In the case of an urgencies of unfulfillment of domestic coal demand, the Director General of Minerals and Coal on behalf of the Minister of Energy and Mineral Resources may appoint a mining business license holder at the production operation stage to meet domestic coal demand.

MEMR Decree No. 78 K/30/MEM/2019

Determination of Coal Domestic Market Obligation (DMO) for Domestic Purpose

1. The Ministrial Decree determines the minimum Domestic Market Obligation (DMO) of coal is 25% of the 2019 total production plan.
2. Companies who do not fulfil the DMO:
   (i) may perform a quota transfer mechanism; and
   (ii) is subject to sanctions in the form of cutting the amount of production in the 2020 Work Plan and Budget.

MEMR Decree No. 1796 K/30/MEM/2018

The Guidelinces for The Implementation of Application, Evaluation, and Issuance of Licenses in The Mineral and Coal Mining Sector

This decree stipulates Guidelines for the Application, Evaluation, and Issuance of Licensing in the Field of Mineral and Coal Mining which consists of 10 (ten) attachments covering guidelines regarding matters such as licenses and their extensions, changes in shares, directors, and commissioners issued by governors, evaluation of the disbursement of guarantee of the seriousness of exploration and partnership programs.

NEW ENERGY

Law No. 16/2016	*Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)*
Law No. 30/2007	*Energy*
Law No. 10/1997 as amended by GR in Lieu of Law 2/2022	*Nuclear Energy*
GR No. 52/2022	*The Safety And Security of Nuclear Minerals*
GR No. 79/2014	*National Energy Policy (Kebijakan Energi Nasional/KEN)*
GR No. 2/2014	*Permit of Nuclear Installation and Utilization of Nuclear Material*
GR No. 61/2013	*Radioactive Waste Management*
GR No.46/2009	*The Limitation of Nuclear Damage Liability*
GR No. 29/2008 as partially revoked by GR No. 2/2014	*Licensing for The Use of Ionizing Radiation Sources and Nuclear Materials*
PR No. 22/2017	*General Plan for National Energy (Rencana Umum Energi Nasional/RUEN)*
PR No. 83/2014	*Nuclear Power Advisory Board*
PR No. 74/2012	*Nuclear Damage Liability*
MEMR Regulation 48/2018 Determination of National Vital Objects in The Field of Energy and Mineral Resources	*Determination of National Vital Objects in The Field of Energy and Mineral Resources*

Law No. 16/2016

Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)

1. Through Law No. 16/2016, Indonesia ratifies the Paris Agreement to the UNFCCC (United Nations Framwork Convention on Climate Change) which was signed by the Government of Indonesia on April 22, 2016 in New York, United States of America. The Paris Agreement is a legally binding international treaty aiming to tackle climate change and its negative impacts by holding the increase in the global average temparature well below 2°C compared to pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C compared to pre-industrial levels.
2. As a commitment to contribute in emission reduction efforts, Government of Indonesia (GoI) submitted the first Nationally Determined Contribution (NDC) with emission reduction target of 29% unconditionally and 41% conditionally. In 2022, GoI updated the NDC with increased emission reduction target to 31.89% unconditionally and 43.20% conditionally.
3. The Paris Agreement also enables international carbon trading mechanism. According to article 6 Paris Agreement, the internationally transferred mitigation outcomes (ITMO) can be used to achieve NDC under voluntary basis and shall be authorized by participating parties.

Law No. 30/2007

Energy

1. Law No.30/2007 is mainly aimed to ensure the sustainable, secured, and resilience national energy development.
2. In new energy and renewable energy, this mandates the increase utilization of new energy and renewable energy by the Government and regional government.
3. This also promotes the diversification of energy source and the use of local source to support the energy supply in underdeveloped regions, remote area, and village regions, especially from renewables source.

Law No. 10/1997 as amended by GR in Lieu of Law 2/2022

Nuclear Energy

Law No. 10/1997 is an umbrella law for nuclear activities in Indonesia. The regulation outlines: (i) the institutional framework to manage nuclear activities and the role of regulatory body, (ii) nuclear related business activities and the requires business licenses, (iii) radioactive waste management, (iv) the liability for nuclear damage, and (iv) penalty/sactions for unlicensed nuclear related activities e.g. nuclear reactor construction, operation or decommissioning.

GOVERNMENT REGULATION

GR No. 52/2022

The Safety And Security of Nuclear Minerals

1. This GR is aimed to implement the provisions of Article 16 (2) Law No. 10/1997. This Government Regulation regulates aspects at all stages of nuclear excavation mining which include:
   (i) safety of nuclear excavation material mining;
   (ii) nuclear excavation material mining security; and (iii) mining safety and security management nuclear excavation material.
2. Nuclear minerals mining consist of: (i) radioactive mineral mining, (ii) processing of radioactive associated minerals, and (iii) storage of radioactive associated minerals.

GR No. 79/2014

National Energy Policy (Kebijakan Energi Nasional/ KEN)

1. The Government Regulation (GR) emphasizes that National Energy Policy shall be the policy on Energy Management based on the principles of fairness, sustainability, and environmental sound to create Energy Independence and national Energy Security.
2. In new energy sector, the regulation mentions types of new energy source that can be utilized by the Government and/or Regional Government, namely: (i) liquified coal and hydrogen for transportation, and (ii) new energy source in form of solid and gas for electric power.
3. While the nuclear energy utilized by considering the safety of national energy supply in large scale and carbon emission reduction is considered as the last option by paying close attention to the safety factors.

GR No. 2/2014

Permit of Nuclear Installation and Utilization of Nuclear Material

1. The regulation sets the requirements (administrative, technical, and financial) needed for: (i) the construction, operation, and decommissioning of nuclear rector, (ii) the construction, operation and decommissioning of non-reactor nuclear installation, and (iii) nuclear material utilization.
2. The construction of commercial Power Reactor in a form of nuclear power plant is determined by the Minister of Energy and Mineral Resources after consultancy with the House of Representative Republic Indonesia.

GR No. 61/2013

Radioactive Waste Management

1. This GR aims to regulate radioactive waste derived from the utilization of nuclear power that has the potential to endanger the safety, security, and health of workers, the public, and the environment and it provides a more comprehensive arrangement regarding Radioactive Waste Management.
2. Radioactive waste is classified into three types: (i) Low-level Radioactive Waste; (ii) Medium-level Radioactive Waste; and (iii) High-level Radioactive Waste.
3. Radioactive Waste Management must be carried out by Radioactive Waste Generators and National Nuclear Energy Agency/BATAN.
4. BATAN must have a license to carry out radioactive waste management. Radioactive Waste Generators are holders of utilization permit of ionizing radiation sources or materials nuclear facilities and/or permits for construction, operation and decommissioning of nuclear installations due to activities producing radioactive waste.

GR No. 46/2009

the Limitation of Nuclear Damage Liability

This GR increases the limit of liability of nuclear installation entrepreneurs for nuclear damage, which under Article 34 paragraph (1) of Law Number 10 Year 1997 on Nuclear was previously set at a maximum of Rp.900,000,000,000.00, to a maximum of Rp.4,000,000,000,000.00, for each nuclear accident, both for each nuclear installation and transportation of nuclear fuel or used nuclear fuel.

GR No. 29/2008 as partially revoked by GR No. 2/2014

Licensing for The Use of Ionizing Radiation Sources and Nuclear Materials

1. GR No. 29/2008 sets out three types of ionizing radiation sources: (i) Group A (e.g. export of radioactive substances, production of ionizing radiation plant), (ii) Group B (e.g. storage of radioactive substance) and (iii) Group C (e.g. export of ionizing radiation plant).
2. Every individual or entity that will utilize ionizing radiation sources must obtain an license from Nuclear Supervising Body (*Badan Pengawas Tenaga Nuklir*/BAPETEN).
3. Provisions relating to licenses for nuclear material utilization is revoked by GR No. 2 of 2014 on Licenses for Nuclear Installation and Nuclear Material Utilization.

PR No. 22/2017

General Plan for National Energy (Rencana Umum Energi Nasional/ RUEN)

1. National Energy Plan (RUEN) is a government policy that constitutes application of energy policy across sectors in order to achieve National Energy Policy (KEN).
2. Implementation of new energy utilization planned in RUEN, among others are:
   (i) Develop of liquified coal and hydrogen roadmap for transportation until 2050;
   (ii) Develop production technology and use of synthetic fuel and hydrogen for transportation;
   (iii) Accelerate the development of liqufied coal as liquid fuel;
   (iv) Develop regulation for synthetic fuel and hydrogen for public and private vehicle; and
   (v) Establish fuel cell based transportation industry.

PR No. 83/2014

Nuclear Power Advisory Board

1. PR No. 83/2014 sets out the tasks, functions, and members of the Nuclear Power Advisory Board as an independent non-structural agency.
2. The Nuclear Power Advisory Board is tasked to give advice and considerations to the President relating to nuclear energy utilization.

PR No. 74/2012

Nuclear Damage Liability

1. PR No. 74/2012 provides that nuclear installation business actors must be responsible to third parties for nuclear losses causes by any nuclear accident occuring in any nulcear installation and/or transportation of nuclear fuel or spent nuclear fuel for which they are responsible.
2. The maximum responsibility is IDR4,000,000,000 (four billions rupiah) for every nuclear accident that can be carried out through insurance mechanism or other financial guarantees.

MINISTERIAL REGULATION

MEMR Regulation 48/2018 Determination of National Vital Objects in The Field of Energy and Mineral Resources

Determination of National Vital Objects in The Field of Energy and Mineral Resources

1. MEMR Reg 48/2018 sets out the procedure for determining a national vital object in the energy and mineral resources sector which is an area/location, building/installation and/or business related to the public's needs, state interest, and/or strategic state revenues in the energy and mineral resources sector. One of the subsectors of the national vital object in the energy and mineral resources is new and renewable energy and energy conservation.
2. National vital objects for the sub-sector of new, renewable energy and energy conservation must meet the following criteria: (i) used as a primary energy source for electricity generation for the public interest; and/or (ii) investment value of at least IDR 100,000,000,000.00 (one hundred billion rupiah).

RENEWABLE ENERGY

ENERGY SOURCE: Geothermal Solar Bioenergy

Law No. 16/2016	*Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)*
Law No. 30/2007	*Energy*
Law No. 21/2014 as amended by GR in Lieu of Law 2/2022	*Geothermal*
GR No. 26/2022	*The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources*
GR No. 25/2021	*Administration of Energy and Mineral Resources Sectors*
GR No. 7/2017	*Geothermal for Indirect Use*
GR No. 28/2016	*Amount and Procedure for Provision of Geothermal Production Bonus*
GR No. 79/2014	*National Energy Policy (Kebijakan Energi Nasional/KEN)*
PR No. 112/2022	*Acceleration of Renewable Energy Development for Electricity Generation*
PR No. 22/2017	*General Plan for National Energy (Rencana Umum Energi Nasional/RUEN)*
PR No. 35/2018	*Acceleration of Construction of Waste Processing Installation to Electricity based Environmentally Friendly Technology*
MEMR Reg No. 33/2021	*Occupation Health and Safety, Environmental Protection and Management and Geothermal Technical Rules for Indirect Use*
MEMR Reg No. 24/2021	*Provision and Utilization of Biodiesel Types of Biofuels in the Financing Framework by Palm Oil Plantation Fund Agency (Badan Pengelola Dana Perkebunan/BPDP)*
MEMR Reg No. 26/2021	*Solar Rooftop Connected to the Grid of Power Supply Business License for Public Interest Holders*
MEMR Reg No. 50/2017 as lastly amended by MEMR Reg No. 4/2020	*Utilization of Renewable Energy Source for Electricity Supply*
MEMR Reg No. 48/2018	*Determination of National Vital Objects in The Field of Energy and Mineral Resources*
MEMR Reg No. 37/2018	*Working Area, Granting Permit, and Assignment of Geothermal Concession*
MEMR Reg No. 33/2018	*Management and Utilization of Geothermal Data and Information for Indirect Use*
MEMR Reg No. 39/2017 as amended by MEMR Reg No. 12/2018	*Implementation of Physical Activities Utilizing New and Renewable Energy and Energy Conservation*
MEMR Reg No. 37/2017	*Geothermal Working Area for Indirect Use*
MEMR Reg No. 23/2017	*Procedures for Reconcile, Deposit and Report Geothermal Production Bonus*
MEMR Reg No. 44/2016	*Forms and Procedures for Placement and Disbursement of Geothermal Exploration Commitments*
MEMR Reg No. 14/2015	*Procedure for Imposition, Collection, and Deposit of Non-Tax Revenue (PNBP) originating from Geothermal Activities at the Directorate General of New Renewable Energy and Energy Conservation/NREEC (DJ EBKTE)*
MEMR Reg No. 32/2008 as lastly amended by MEMR Reg No. 12/2015	*The Provision, Utilization, and Trading of Biofuel as Other Fuels*
MEMR Reg No. 17/2014	*Purchase of Electricity from PLTP (Geothermal Power Plant) and Geothermal Steam for PLTP by PT PLN*
A Joint Regulation of the Minister of Energy and Mineral Resources, Minister of Finance, and Minister of State-Owned Enterprise No. 14 of 2013, No. 33/PMK.06/2013, No. PER-01/MBU/2013	*The Ownership Status of Geothermal Assets from Joint Operation Contract*
MEMR Decree No. 205.K/EK.05/DJE/2022 as lastly amended by MEMR Decree No. 208.K/EK.05/DJE/2022	*The Determination of Oil Fuel Business Entities and Biodiesel Fuel Business Entities and Volume Allocation for Biodiesel Fuel for Biodiesel Fuel Mixing during January-December 2023*

LAW

Law No. 16/2016

Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)

1. Through Law No. 16/2016, Indonesia ratifies the Paris Agreement to the UNFCCC (United Nations Framwork Convention on Climate Change) which was signed by the Government of Indonesia on April 22, 2016 in New York, United States of America. The Paris Agreement is a legally binding international treaty aiming to tackle climate change and its negative impacts by holding the increase in the global average temparature well below 2°C compared to pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C compared to pre-industrial levels.
2. As a commitment to contribute in emission reduction efforts, Government of Indonesia (GoI) submitted the first Nationally Determined Contribution (NDC) with emission reduction target of 29% unconditionally and 41% conditionally. In 2022, GoI updated the NDC with increased emission reduction target to 31.89% unconditionally and 43.20% conditionally.
3. The Paris Agreement also enables international carbon trading mechanism. According to article 6 Paris Agreement, the internationally transferred mitigation outcomes (ITMO) can be used to achieve NDC under voluntary basis and shall be authorized by participating parties.

Law No. 30/2007

Energy

1. Law No.30/2007 is mainly aimed to ensure the sustainable, secured, and resilience national energy development.
2. In new energy and renewable energy, this mandates the increase utilization of new energy and renewable energy by the Government and regional government.
3. This also promotes the diversification of energy source and the use of local source to support the energy supply in underdeveloped regions, remote area, and village regions, especially from renewables source.

Law No. 21/2014 as amended by GR in Lieu of Law 2/2022

Geothermal

1. 1. Law No. 21/2014 is the umbrella for geothermal energy activities in Indonesia which should follow the principles of benefits, efficiency, justice, affordability, economic optimization in the utilization of energy resources, sustainability, independence, security and safety and preservation of the environment.
2. The law also adresses the implementation of geothermal for direct and indirect use, rights and obligation of Business License Holders, community participation, and penalty provision where the detail mechanism is regulated in the implementing regulation.
3. Geothermal can be utilized for direct utilization (e.g. tourism, agribusiness, and industry) and indirect utilization for electricity generation which is the first priority.

GOVERNMENT REGULATION

GR No. 26/2022

The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources

This GR sets out the types of Non-Tax State Revenue applicable at the Ministry of Energy and Mineral Resources which must be originated from the following revenues: (i) utilization of natural resources; (ii) services in the energy and mineral resources sector; (iii) use of facilities and infrastructures in accordance with the duties and functions; (iv) administrative fines; and (v) placement of guarantee in the energy and mineral resources sector, e.g. fines in the electricity subsector and fines for incompliance on local content requirements in the electricity business.

GR No. 25/2021

Administration of Energy and Mineral Resources Sectors

1. This Government Regulation (GR) is linked to the Omnibus Laws, particularly for the implementation the the Omnnibus Laws on the energy & mineral resources sector.
2. In geothermal sector, this regulation requires geothermal license holder to conduct exploration and exploitation based on feasibility study that obtain an approval from the Ministry of Energy and Mineral Resources.

GR No. 7/2017

Geothermal for Indirect Use

The Government Regulation (GR) outlines the requirement and procedure for geothermal business activity for indirect use (electricity) which consists of procurement mechanism for geothermal working area, rights and responsibilites of the holder of geothermal license (*Izin Panas Bumi*/IPB), and tariff of geothermal energy.

GR No. 28/2016

Amount and Procedure for Provision of Geothermal Production Bonus

1. The regulation obliges the holder of geothermal license (*Izin Panas Bumi*/IPB), geothermal business power holders (*kuasa pengusahaan sumber daya panas bumi*), holders of joint operational contract and geothermal business utilization holders (*izin pengusahaan sumber daya panas bumi*) to pay geothermal production bonus since the commercial operation date of the first unit to local administration where the project is located.
2. Amount of production bonus are 1% of gross income from the sale of geothermal energy and 0.5% of gross income from the sale of electricity from geothermal power plants.

GR No. 79/2014

National Energy Policy (*Kebijakan Energi Nasional*/KEN)

1. The Government Regulation (GR) emphasizes that National Energy Policy shall be the policy on Energy Management based on the principles of fairness, sustainability, and environmental sound to create Energy Independence and National Energy Security.
2. In renewable energy sector, the regulation sets target of NRE share at least 23% in 2025 and 31% in 2050 and promotes the energy diversification through the acceleration of supply and utilization of NRE sources.
3. The regulation provides the requirement of renewable energy price calculation which is based on:
   (i) The assumption to compete with energy price deriving from petroleum energy souces prevailing in an area within certain time where the calculation excludes the fuel oil subsidy; or
   (ii) Rational calculation of energy prices for renewable energy supply from local sources, in order to secure energy supply in remote, under developed, and locations/areas vulnerable to weather interruption, or close to Indonesian borders.

PRESIDENT REGULATION

PR No. 112/2022

Acceleration of Renewable Energy Development for Electricity Generation

1. The regulation stipulates the procurement and pricing for RE power plants. The procurement can be conducted under two mechanism: (i) Direct appointment or (ii) Direct selection which are distinguished based on the types of power plants.
2. The RE Pricing is determined based on: (i) Ceiling price (HPT) by considering the location and capacity of the projects and (ii) Price based on agreement.
3. The regulation mandates the MEMR to prepare road map on the acceleration of early retirement of coal- fired power plants (CFPP) after coordinating with the Ministry of Finance and Ministry of State-Owned Enterprises.

PR No. 22/2017

General Plan for National Energy (*Rencana Umum Energi Nasional*/RUEN)

1. National Energy Plan (RUEN) is a government policy that constitutes application of energy policy across sectors in order to achieve National Energy Policy (KEN).
2. In term of renewable energy sector, RUEN details installed capacity target of each type of renewables power plant to achieve renewables share target.
3. RUEN promotes the utilization of renewables energy for government, industrial, residential and commercial purpose such as the utilization of solar cells on minimum of 30% of government building's rooftops and 25% of households.

PR No. 35/2018

Acceleration of Construction of Waste Processing Installation to Electricity based Environmentally Friendly Technology

1. The regulation aims to accelerate waste-to-energy power plants in 12 cities.
2. The regulation stipulates that Governors or Mayors can assign (i) Regional Owned Enterprise (*Badan Usaha Milik Daerah*/BUMD) or (ii) carry out business entities competition to choose the waste to energy project's developer. In the event that there is no suitable BUMD to perform the assignment or there is no candidate participating in the tender, the Ministry of Energy and Mineral Resources can assign State Owned Enterprise (BUMN) based on a proposal from governors/mayors.
2. The regulation also mandates the Ministry of Energy and Mineral Resources to assign PLN to purchase electricity from waste to energy power plant with the tariff determined as follows:
   - For capacity up to 20 MW connected to low voltage, medium voltage, or high voltage, the tariff is 13.35 USD cent/kWh; and
   - For capacity more than 20 MW connected to medium voltage, or high voltage, the tariff (in USD cent/kWh) is = 14.54 - (0.076 x amount of waste to energy power plants capacity sold to PLN).

   The tariff above does not apply to waste-to-energy power plant developed by state-owned enterprises.

MINISTERIAL REGULATION

MEMR Reg No. 33/2021

Occupation Health and Safety, Environmental Protection and Management and Geothermal Technical Rules for Indirect Use

1. Implementor of Preliminary and Exploration Survey Assignment and Geothermal Business License (IPB) holders must have Geothermal Technical Head to carry out: (i) geothermal work safety and health and geothermal engineering and (ii) environmental pollution and/ or damage control.
2. This regulation also regulates geothermal supporting business which can be carried out by geothermal supporting business companies that have been registered with MEMR. The geothermal supporting business companies comprise geothermal supporting services companies and geothermal supporting industry companies.

MEMR Reg No. 24/2021

Provision and Utilization of Biodiesel Types of Biofuels in the Financing Framework by Palm Oil Plantation Fund Agency (*Badan Pengelola Dana Perkebunan*/BPDP)

1. The regulation requires gas oil (BBM) business entities to mix biodiesel with diesel oil fuel (*BBM jenis minyak solar*) and distribute such mixed gas oil.
2. The regulation stipulates that biodiesel (BBN) business entities that have signed contract with gas oil (BBM) business entities and have distributed its biodiesel are eligible to obtain funding from Palm Oil Plantation Fund Management Agency (*Badan Pengelola Dana Perkebunan Kelapa Sawit*/BPDP).
3. This regulation also emphasizes the role of evaluation team which consists of Ministry and BPDP in determing allocation of biodiesel volume for one period of biodiesel procurement.

MEMR Reg No. 26/2021

Solar Rooftop Connected to the Grid of Power Supply Business License for Public Interest Holders

1. MEMR Reg 26/2021 extends the applicability of the regulation to also cover consumers of other IUPTLU holders with business area.
2. MEMR Reg No 26/2021 increases the multiplier for the calculation of exported electric power generated from consumer's solar rooftop from previously 65% to 100%.
3. MEMR Reg 26/2021 sets out the limitation of installed capacity up to 100% of connected power of Solar Rooftop Customers within a state-owned enterprise IUTPLU holder's business area (e.g. PT PLN).
4. The regulation also allows holder of business license to provide electricity for public interest (*Izin Usaha Penyedia Tenaga Listrik untuk Kepentingan Umum*/IUPTLU) with business area and solar rooftop consumers to perform carbon-trading.

   Currently, the regulation is being reviewed and there is a plan to amend MEMR Reg No. 26/2021, particularly regarding export-import mechanism and installed capacity limitation.

MEMR Reg No. 50/2017 as lastly amended by MEMR Reg No. 4/2020

Utilization of Renewable Energy Source for Electricity Supply

MEMR Reg No. 50/2017 has been amended two times by MEMR Reg No. 53/2018 and lastly amended by MEMR Reg No. 4/2020.

1. This regulation sets out the guideline for PT PLN to purchase electricity from renewable energy power plant. Under this regulation, renewable energy includes solar, wind, hydro, biomass, biogas, waste, geothermal, tidal, and biofuels.
2. There are two procurement mechanisms for electricity purchase by PT PLN: (i) direct selection and (ii) direct appointment.
3. The electricity purchase price under MEMR Reg No. 50/2017 is determined with reference to the BPP (depending on the type of renewable power plant) and must obtain the approval from the Minister of Energy and Mineral Resources for certain types of renewable power plants.
4. However, Presidential Regulation No. 112 of 2022 sets out that regulations that are implementing regulations of renewable energy for electricity generation are still valid so long as it is in line with the Presidential Regulation. Therefore, the procurement mechanisms and electricity purchase price mechanisms under MEMR Reg No. 50/2017 are arguably no longer valid since the it is currently regulated under Presidential Regulation No. 112 of 2022.
5. The second amendment of MEMR Reg No. 50/2017 removes the BOOT requirements for renewable energy power plants.

MEMR Reg No. 48/2018

Determination of National Vital Objects in The Field of Energy and Mineral Resources

1. MEMR Reg 48/2018 sets out the procedure for determining a national vital object in the energy and mineral resources sector which is an area/location, building/installation and/or business related to the public's needs, state interest, and/or strategic state revenues in the energy and mineral resources sector. One of the subsectors of the national vital object in the energy and mineral resources is new and renewable energy and energy conservation.
2. National vital objects for the sub-sector of new, renewable energy and energy conservation must meet the following criteria: (i) used as a primary energy source for electricity generation for the public interest; and/or (ii) investment value of at least IDR 100,000,000,000.00 (one hundred billion rupiah).

MEMR Reg No. 37/2018

Working Area, Granting Permit, and Assignment of Geothermal Concession

1. This regulation sets auction mechanism of geothermal working area (WKP/*Wilayah Kerja Panas Bumi*). If there is only one candidate, the auction can be conducted through direct appointment.
2. Particularly for the result of Preliminary and Exploration Survey Assignment, the auction is carried out through limited offer.
3. This regulation provides that a power purchase agreement is valid for 30 years maximum since the commercial operation date. If the IPB is extended, such power purchase agreement will be adjusted to steam sale and purchase agreement.

MEMR Reg No. 33/2018

Management and Utilization of Geothermal Data and Information for Indirect Use

1. The regulation provides that geothermal data and information belongs to the state, the management and utilization of which is carried out by the Minister of Energy and Mineral Resources.
2. The regulation stipulates the utilization of geothermal data and information for several purposes including electricity business plan planning.
3. Other parties that carry out Preliminary Survey Assignment and Preliminary Survey and Exploration Assignment, IPB holders, public service agencies and state-owned enterprises with assignment to add geothermal working area data, that will deliver, surrender, and/or transfer geothermal data and information must obtain an approval from the Minister of Energy and Mineral Resources.

MEMR Reg No. 39/2017 as amended by MEMR Reg No. 12/2018

Implementation of Physical Activities Utilizing New and Renewable Energy and Energy Conservation

1. The regulation regulates physical activities of new and renewable energy and energy conservation (EBTKE) utilization in a form of construction, procurement and/or installation of: (i) new and/or renewable energy electricity generation installation, (ii) bioenergy non-electric fuel supply installation, (iii) energy efficiency equipment, (iv) revitalization/rehabilitation of EBTKE utilization installation, and/or (v) other physical activities of EBTKE utilization.
2. The regulation sets out procedures for carrying out pyhsical activities of EBTKE utilization through the following stages: (i) proposal, (ii) evaluation, (iii) determination, (iv) procurement, and (v) hand-over.

MEMR Reg No. 37/2017

Geothermal Working Area for Indirect Use

This regulation mainly aims to accelerate the utilization of geothermal for indirect use. In order to support business activity in geothermal sector, this regulation accomodates mechanism for: (i) the planning, preparation, and determination of geothermal working area (WKP/*Wilayah Kerja Panas Bumi*), (ii) provision of additional geothermal data for WKP, (iii) changes, cancellation, and consolidation of WKP and (iv) return of geothermal working area/WKP.

MEMR Reg No. 23/2017

Procedures for Reconcile, Deposit and Report Geothermal Production Bonus

1. Geothermal Business License (IPB) holders must pay Production Bonus since the first unit produce commercially. Holders of geothermal concession power (*kuasa pengusahaan sumber daya panas bumi*), joint operation contracts, and geothermal concession license (*izin pengusahaan sumber daya panas bumi*) must pay Production Bonus since 1 January 2015 for units that have been producing prior to Law No. 21 of 2014 issuance and since the first unit produce commercially if those units have not produced prior to Law No. 21 of 2014 issuance.
2. Production Bonus imposition is in the amount of: (i) 1% of gross revenue for geothermal steam sale or (ii) 0.5% of gross revenur for electricity sale. The Production Bnous is given to the regional government whose administrative area covers the relevant WKP.
3. The regulation stipulates that MEMR should conduct reconciliation of geothermal steam and/or electricity sale to calculate the percentage of regions whose administrative area covers the relevant WKP, within:
   - 14 working days after receiving the realisation of geothermal steam and/or electricity sale (for the holder of geothermal license); and
   - every 3 months (for the holders of geothermal resource concession power (*kuasa pengusahaan sumber daya panas bumi*), joint operation contracts, and geothermal concession license (*izin pengusahaan sumber daya panas bumi*).

   MEMR determines the amount of Production Bonus for the regions whose administrative area covers the relevant WKP based on the percentage calculation above and the reconciliation result.
4. IPB holders, Holders of geothermal concession power (*kuasa pengusahaan sumber daya panas bumi*), joint operation contracts, and geothermal concession license (*izin pengusahaan sumber daya panas bumi*) must deposit geothermal Production Bonus to regional general cash account (*Rekening Kas Umum Daerah*/RKUD) within max. 14 working days after MEMR determines the amount of production bonus for the relevant region.
5. IPB holders, Holders of geothermal concession power (*kuasa pengusahaan sumber daya panas bumi*), joint operation contracts, and geothermal concession license (*izin pengusahaan sumber daya panas bumi*) must should report realisation of gross income from the selling of geothermal steam and/or electricity to Ministry MEMR within max. 7 days after the payment.

MEMR Reg No. 44/2016

Forms and Procedures for Placement and Disbursement of Geothermal Exploration Commitments

The regulation sets: (i) mechanisms for placement of exploration commitment, (ii) disbursement mechanism of geothermal exploration commitments and its amount for different exploration methode (e.g. slim hole, standard hole), (iii) sanctions in the form of exploration commitment reduction, and (iv) return of the remaining exploration commitment. Exploration commitment can be defined as a guaranteed fund to perform exploration well drilling.

MEMR Reg No. 14/2015

Procedure for Imposition, Collection, and Deposit of Non-Tax Revenue (PNBP) originating from Geothermal Activities at the Directorate General of NREEC (DJ EBKTE)

1. The regulation stipulates that non-tax revenue from geothermal activities consist of (i) pemanent fees (for exploration and operation fees), (ii) production fees, (iii) fees for information map printing services on geothermal areas, and (iv) price for geothermal working area data.
2. Permanent Fee is divided into: (i) Permanent Fee for geothermal exploration which is imposed on IPB holders since IPB issuance until COD of the first unit and (ii) Permanent Fee for geothermal production operation which is imposed on IPB holders since COD of the first unit. The Permanent Fee formula is: WKP area (ha) x tariff.
3. Production Fee as a non-tax state revenue is imposed on IPB holders with IUPTL since COD. The formula of production fee: the amount of sold electricity generated (kWh) x tariff x electricity selling price.
4. The regulation sets out further the mechanism for depositing the non-tax state revenue.

MEMR Reg No. 32/2008 as lastly amended by MEMR Reg No. 12/2015

The Provision, Utilization, and Trading of Biofuel as Other Fuels

1. This regulation aims to regulate the utilization and trading system of Biofuel as Other Fuel (liquid or gas oil that are not sourced from natural oil, natural gas, and process products) which is intended to increase the utilization of Other Fuel in the context of national energy security.
2. Under MEMR Reg No. 32/2008, Biofuel as Other Fuel can be in the form of Biodiesel (B100), Bioethanol (E100) and Pure Vegetable Oil (O100).
3. This MEMR Reg obliges Oil Fuel Trading Business License Holders, Direct Users of Oil Fuel, and Electricity Generation Business License Holder that still use oil fuel to use Biofuel in stages.
4. This regulation distinguishes between biofuel as (i) Certain Other Fuel, which has certain types, standards and specifications, volume, and ceiling price and (ii) General Other Fuel, which are not categorized as Certain Other Fuel and do not receive subsidies. Each category has different selling price.

MEMR Reg No. 17/2014

Purchase of Electricity from PLTP (Geothermal Power Plant) and Geothermal Steam for PLTP by PT PLN

1. The regulation sets out that PLN purchases: (i) electricity from geothermal business license (IUP) holders and holders of geothermal concession power, license, and contract that exist prior to the issuance of Law No. 27 of 2003 and (ii) geothermal steam from holders of geothermal concession power, license, and contract that exist prior to the issuance of Law No. 27 of 2003.
2. The purchase price for electricity from IUP holders is based on ceiling price that serves as a base price since commercial operation date, excluding escalation price and transmission development.
3. PT PLN and the holders of geothermal concession power, license, and contract that exist prior to the issuance of Law No. 27 of 2003 and own an electricity generation business license (IUPTL) can adjust the tariff of electricity purchase from PLTP and geothermal steam purchase under the approval from MEMR.
4. The risk of failures during exploration and/or feasibility study activities are borne by the IUP holders and holders of geothermal concession power, license and contract. If the relevant geothermal working area is not utilized by the geothermal concession power holders, the risks are borned by the geothermal developers.

A Joint Regulation of the Minister of Energy and Mineral Resources, Minister of Finance, and Minister of State-Owned Enterprise No. 14 of 2013, No. 33/PMK.06/2013, No. PER-01/MBU/2013

The Ownership Status of Geothermal Assets from Joint Operation Contract

1. Existing and future upstream and downstream assets from Joint Operation Contract (JOC) are owned by Pertamina, unless stated otherwise in the JOC whose project is ongoing.
2. Pertamina transfers its upstream and downstream assets to its subsidiaries formed to carry out geothermal utilization pursuant to applicable regulations without waiting for any determination.
3. For financing purposes based on the JOC, Pertamina or its subsidiaries formed for geothermal business may transfer the ownership of and/or guarantee or pledge the downstream assets to other parties pursuant to the business customary principles.

MINISTERIAL DECREE

MEMR Decree No. 205.K/EK.05/DJE/2022 as lastly amended by MEMR Decree No. 208.K/EK.05/DJE/2022

The Determination of Oil Fuel Business Entities and Biodiesel Fuel Business Entities and Volume Allocation for Biodiesel Fuel for Biodiesel Fuel Mixing during January-December 2023

1. This MEMR Decree establishes the list of Oil Fuel Business Entities, list of Biodiesel Business Entities, and biodiesel volume allocation for the procurement of 30% biodiesel to be mixed with 70% Solar Oil for the period of January 2023 and 35% biodiesel to be mixed with 65% Solar Oil for the period of February-December 2023, with a total biodiesel volume allocation is 13,148,594 kL including a reserve of 156,531 kL.
2. Such list above can be changed pursuant to applicable regulations. The procurement period mentioned above can also be changed based on the policies of Palm Oil Plantation Fund Management Steering Committee.

ELECTRICITY

System: On Grid Off Grid

Law No. 16/2016	*Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)*
Law No. 30/2009 as amended by GR in Lieu of Law 2/2022	*Electricity*
GR No. 26/2022	*The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources*
GR No. 25/2021	*Administration of Energy and Mineral Resources Sectors*
GR No. 79/2014	*National Energy Policy (Kebijakan Energi Nasional/KEN)*
GR No. 14/2012 as amended by GR No. 23/2014	*Electricity Supply Business Activity*
PR No 112/2022	*Acceleration of Renewable Energy Development for Electricity Generation*
PR No. 22/2017	*National Energy (Rencana Umum Energi Nasional/RUEN)*
PR No. 4/2016 as amended by PR No. 14/2017	*The Acceleration of Electricity Infrastructure Development (Pembangunan Infrastruktur Ketenagalistrikan/PIK)*
PR No. 4/2010 as lastly amended by PR No. 194/2014	*The Assignment to PLN to Accelerate the Development of Power Plants Using Renewable Energy, Coal, and Gas*
MEMR Reg No. 10/2022	*Procedures for of electricity selling and electricity grid rental price and procedures for electricity tariff approval*
MEMR Reg No. 22/2021	*Provision of Electricity Charging Station and Electricy Distribution Equipment in Remote Areas*
MEMR Reg No. 12/2021	*The Classifications, Qualifications, Accrediation and Certification of Electricity Supporting Service Businesses*
MEMR Reg No. 11/2021	*Implementation of Electricity Business*
MEMR Reg No. 10/2021	*Electrical Safety*
MEMR Reg No. 8/2021	*Procedures for the Preparation of General Plan for National Electricity (RUKN) and General Plan for Regional Electricity (RUKD)*
MEMR Reg No. 20/2020	*Grid Code*
MEMR No. Reg 48/2018	*Determination of National Vital Objects in The Field of Energy and Mineral Resources*
MEMR Reg No. 50/2017 as lastly amended by MEMR Reg No. 4/2020	*Utilization of Renewable Energy Source for Electricity Supply*
MEMR Reg No. 45/2017 as amended by MEMR Reg No. 10/2020	*Utilization of Natural Gas for Electricity Power Plant*
MEMR Reg No. 10/2017 as lastly amended by MEMR Reg No. 10/2018	*Principles of Power Purchase Agreement (PJBL) with PLN*
Minister of Public Works and Housing Regulation No. 9/2017	*Procedures for Selecting a Business Entity as Partner for the Utilization of State Property for Providing Infrastructure for Hydro Power Plants/Mini hydro Power Plants/Micro hydro Power Plants/Solar Power Plant with Rental Mechanism*
MEMR Reg No. 38/2016	*Acceleration of Electrification in Rural Areas that are Not Developing, Remote, Border and Small Islands Populate through the Implementation of Small-Scale Electricity Supply Business*
MEMR Reg No. 9/2016 as amended by MEMR Reg No. 24/2016	*Procedure for Supply and Determination of Coal Price for Mine-Mouth Power Plant*
MoI Reg No. 54/2012 as amended by MoI Reg No. 5/2017	*Local Content for Electricity Infrastructure*
MoEF Reg No. P.15/MENLHK/SETJEN.KUM.1/4/2019	*Emission Quality Standard for Thermal Power Plants*
MoEF Reg No. 8/2009	*Procedures for the Preparation of General Plan for National Electricity (RUKN) and General Plan for Regional Electricity (RUKD)*
MoF Reg No. 130/PMK.08/2016 as amended by MOF Reg No. 135/PMK.08/2019	*Procedures for Selecting a Business Entity as Partner for the Utilization of State Property for Providing Infrastructure for Hydro Power Plants/Mini hydro Power Plants/Micro hydro Power Plants/Solar Power Plant with Rental Mechanism*
MEMR Decree No. 134.K/MG.01/ MEM.M/2022	*The Guildeine for Establishment and Evaluation of Natural Gas Utilization and Price in Industrial Sector and Electricity Generation for Public Purposes Sector*
MEMR Decree No. 188.K/HK.02/MEM.L/2021	*Electricity Supply Business Plan by PT PLN*
MEMR Decree No. 169.K/HK.02/MEM.M/2021	*National Average Cost of Production (Biaya Pokok Produksi/BPP) 2020*
MEMR Decree No. 118.K/MG.04/MEM.M/2021 as amended by MEMR Decree No. 135.K/HK.02/MEM.M/2021	*Certain Price of Natural Gas at Power Plants (Plant Gate)*
MEMR Decree No. 34.K/16/MEM/2020	*The Establishment of Natural Gas Allocation and Utilization for Electricity Generation by PT PLN*

LAW

Law No. 16/2016 On Grid Off Grid

Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)

1. Through Law No. 16/2016, Indonesia ratifies the Paris Agreement to the UNFCCC (United Nations Framwork Convention on Climate Change) which was signed by the Government of Indonesia on April 22, 2016 in New York, United States of America. The Paris Agreement is a legally binding international treaty aiming to tackle climate change and its negative impacts by holding the increase in the global average temparature well below 2°C compared to pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C compared to pre-industrial levels.

2. As a commitment to contribute in emission reduction efforts, Government of Indonesia (GoI) submitted the first Nationally Determined Contribution (NDC) with emission reduction target of 29% unconditionally and 41% conditionally. In 2022, GoI updated the NDC with increased emission reduction target to 31.89% unconditionally and 43.20% conditionally.

3. The Paris Agreement also enables international carbon trading mechanism. According to acticle 6 Paris Agreement, the internationally transferred mitigation outcomes (ITMO) can be used to achieve NDC under voluntary basis and shall be authorized by participating parties.

Law No. 30/2009 as amended by GR in Lieu of Law 2/2022 On Grid Off Grid

Electricity

1. Law No. 30/2009 is the umbrella law of electricity sector in Indonesia. This Law 30/2009 requires the development of electricity to adhere to the principles such as, benefit, justice-based efficiency, relying on own capacity, security and safety, and sustainability.

2. Law 30/2019 divides electricity business into electricity generation business and electricity supporting business. Electricity generation business consists of electricity generation business for public purposes and for private purposes. There are four types of business under electricity generation business, namely, electricity generation, transmission, distribution, and/or sales.

3. In term of electricity generation business, this regulation gives the first priority to State-owned Enterprises to carry out electricity generation for public purposes. The electricity generation for private purposes can be carried out by government institution, state-owned enterprises, private business entities, cooperatives, individuals, and other entities.

GOVERNMENT REGULATION

GR No. 26/2022 On Grid Off Grid

The Types and Tarif of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources

1. This GR sets out the types of Non-Tax State Revenue applicable at the Ministry of Energy and Mineral Resources which must be originated from the following revenues: (i) utilization of natural resources; (ii) services in the energy and mineral resources sector; (iii) use of facilities and infrastructures in accordance with the duties and functions; (iv) administrative fines; and (v) placement of guarantee in the energy and mineral resources sector, e.g. fines in the electricity subsector and fines for incompliance on local content requirements in the electricity business.

GR No. 25/2021 On Grid Off Grid

Administration of Energy and Mineral Resources Sectors

1. The Government Regulation (GR) is linked to the Omnibus Laws, particularly for the implementation of the Omnnibus Laws on the energy and mineral resources sector.

2. In electricity sector, the regulation sets out further details on, among others, (i) National Electricity General Plan (*Rencana Umum Ketenagalistrikan Nasional*) and Electricity Generation Business Plan (*Rencana Usaha Penyediaan Tenaga Listrik*), (ii) funds for electricity generation deveopment (e.g. for disadvantaged community groups and electricity development in rural areas, (iii) electricity for self-use, and (iv) electricity supporting services.

GR No. 79/2014 On Grid Off Grid

National Energy Policy (*Kebijakan Energi Nasional*/ KEN)

1. The Government Regulation (GR) emphasizes that National Energy Policy shall be the policy on Energy Management based on the principles of fairness, sustainability, and environmental sound to create Energy Independence and national Energy Security.

2. In the electricity sector, the regulation sets:
   i. target of power generation capacity around 115 GW in 2025 and 430 GW in 2050.
   ii. target of electricity utilization per capita around 2,500 kWh in 2025 and 7,000 kWh in 2050.
   iii. electrification ratio target of 85% in 2015 and 100% in 2020.
   iv. electricity utilization target per capita around 2,500 kWh in 2025 and 7,000 kWh in 2050

3. The regulation also mandates the Government to actualize electricity market through: (i) price setting of certain primary energy such as coal, gas, water, and geothermal for power generation, (ii) setting electricity tariff progressively, (iii) implementation of feed in tariff mechanism in setting selling price for renewable energy, and (iv) improvement of geothermal energy management through risk sharing between holders of electricity generation business license and developers.

GR No. 14/2012 as amended by GR No. 23/2014 On Grid Off Grid

Electricity Supply Business Activity

1. The regulation stipulates that the electricity generation business activity for public purposes must obtain an electricity generation business license.
2. This regulation also requires electricity transmission business to open access for joint utilization between the holders of electricity generation business license conducting transmission and/or distribution and parties who will utilize the transmission and/or distribution grid. Meanwhile, electricity distribution business may open access for joint utilization.
3. Electricity selling price and electricity rental price must obtain an approval from MEMR, governors, or regencies/mayors.
4. The regulation sets out that: (i) electricity purchase is conducted through public tender, (ii) electricity purchase for diversification to non-fuel oil is conducted through direct selection, and (iii) direct appointment is conducted for certain circumstances, e.g. renewable energy power plants, excess energy, and expansion.

PR No 112/2022 On Grid

Acceleration of Renewable Energy Development for Electricity Generation

1. This regulation sets out the procurement mechanisms for electricity purchase from renewable energy power plants, namely direct selection and direct appointment.
2. This regulation sets out the mechanisms for determining electricity purchase price, namely ceiling price and price agreed between parties, with or without considering the location factor.
3. This is the first regulation that expressly regulates early termination for coal-fired power plants owned by PLN and/or PPA of coal-fired power plants developed by IPP.

PR No. 22/2017 On Grid Off Grid

National Energy (*Rencana Umum Energi Nasional*/RUEN)

1. National Energy Plan (RUEN) is a government policy that constitutes application of energy policy across sectors in order to achieve National Energy Policy (KEN).
2. In order to improve the electricity infrastructure in Indonesia, RUEN sets target of installed capacity of power generation about:
   (i) 135.5 GW by 2025 consists of 90.4 GW of fossil based power plants and 45.1 GW of new and renewables power plant; and
   (ii) 443.1 GW by 2050 consists of 275.4 GW of fossil based power plants and 167.7 GW of new and renewables power plant.

PR No. 4/2016 as amended by PR No. 14/2017 On Grid

The Acceleration of Electricity Infrastructure Development (*Pembangunan Infrastruktur Ketenagalistrikan*/PIK)

1. National Energy Plan (RUEN) is a government policy that constitutes application of energy policy across sectors in order to achieve National Energy Policy (KEN).
2. In order to improve the electricity infrastructure in Indonesia, RUEN sets target of installed capacity of power generation about:
   (i) 135.5 GW by 2025 consists of 90.4 GW of fossil based power plants and 45.1 GW of new and renewables power plant; and
   (ii) 443.1 GW by 2050 consists of 275.4 GW of fossil based power plants and 167.7 GW of new and renewables power plant.

PR No. 4/2010 as lastly amended by PR No. 194/2014 On Grid Off Grid

The Assignment to PLN to Accelerate the Development of Power Plants Using Renewable Energy, Coal, and Gas

1. The government has assigned PT PLN (Persero) to organize the procurement of power plants that use renewable energy, coal, and gas, including the development of related transmissions.
2. To carry out the procurement of power plant development, ministers, heads of non-ministerial government agencies, governors and regents/mayors provide support to accelerate the process of: (i) licensing related to environmental documents; (ii) exemption for land acquisition; and (iii) exemption and compensation for transmission lines.
3. In carrying out the development of power plants or electricity transmission, PT PLN (Persero) can cooperate with private power developers with a private electricity developer scheme to sell their electricity to PT PLN (Persero) and can be given facilities in the form of import duty exemptions and other facilities regulated by Minister of Finance.

MEMR Reg No. 10/2022 On Grid

Procedures for of electricity selling and electricity grid rental price and procedures for electricity tariff approval

1. The regulation sets out application procedures for electricity selling price approval and electicity power grid rental & application procedures for determination of electricity tariff and other costs related to electricity distribution.
2. According to Article 2(3) MEMR/2022, holders of IUPTLU who own a Wilus may purchase electricity and/or rent electricity power grid from: IUPTLU holders for power plants; IUPTLU holders with Wilus; IUPTLS holders; IUJPTL holders; and electricity supplying business entities to other countries.
3. To obtain rental price approval, IUPTLU who own a Wilus should submit rental prental application and required documents to MEMR (via DGE)/Governor.

MEMR Reg No. 22/2021 Off Grid

Provision of Electricity Charging Station and Electricy Distribution Equipment in Remote Areas

1. Electricity Charging Station (*Stasiun Pengisian Energi Listrik*/SPEL), Electricity Distribution Equipment (*Alat Penyalur Daya Listrik*/APDAL) Package which consists of APDAL and Direct Current House Installation (*Instalasi Rumah Arus Searah*/IRAS), and APDAL Reserve, are provided for people living in area that are difficult to be reached by power grids.
2. The regulation stipulates that PT PLN is responsible to conduct procurement, distribution, and installation of Electricity Charging Station (*Stasiun Pengisian Energi Listrik*/SPEL).
3. PT PLN may cooperate with other Business Entities and must guarantee that SPEL can be operated at least 5 (five) years since the issuance of Certificate of Worthiness (*Sertifikat Laik Operasi*/SLO) or a statement letter on the responsibility of electricity safety aspects.
4. Procurement, distribution, and installation of APDAL Package and APDAL Reserve are carried out by MEMR.
5. SPEL and APDAL component should fulfill National Standard (*Standar Nasional Indonesia*/SNI). In case SNI has not been available, SPEL components must comply with international standard or other applicable technical standard and APDAL Package components must comply with conformity assessment set out in the regulation.

MEMR Reg No. 12/2021 On Grid Off Grid

The Classifications, Qualifications, Accrediation and Certification of Electricity Supporting Service Businesses

1. This regulation sets out, among others, (i) the types of electricity supporting service businesses, (ii) the procedures for obtaining certificates in relation to the electricity sector, e.g. operational worthiness certificate and electricity supporting services business entity certificate, and (iii) procedures for accrediation of electricity supporting service businesses.

MEMR Reg No. 11/2021 On Grid Off Grid

Implementation of Electricity Business

1. This regulation regulates in detail electricity generation business activities for public purposes and for self use as well as electricity supporting business activities, including the activities, requirements and licenses.
2. The regulation sets that holders of electricity business namely, integrated IUPTLU holders, electricity transmission IUPLTU holders, electricity distribution IUPTLU holders, and/or IUPTLS holders may perform electricity grid joint utilization and/or parallel operation in order to meet electricity system reliability and standard.
3. Procedures for obtaining price approval for joint utilization under MEMR Reg 11/2021 are:
   - Transmission and/or distribution grid owners submit the application for price approval to MEMR/governors in accordance with their authority;
   - MEMR/governors accept or reject the propose rental price no later than 30 business days since receiving the application; and
   - If MEMR/governors reject the proposed rental price, the grid owners conduct a re-negotiation.
4. The regulation also allows integrated IUPTLU Holders with Wilus to cooperate for electricity generation with IUPTLU holders for power plant, integrated IUPTLU Holders with Wilus, IUPTLS holders, IUJPTL holders, and/or business entities supplying electricity to other countries. Specifically for rental of power plant installation, electricity transmission and/or distribution between integrated IUPTLU holders with Wilus and IUJPTL holders, it must obtain an approval from MEMR for the rental price.

MEMR Reg No. 10/2021 On Grid Off Grid

Electrical Safety

1. Every electricity business activity must comply with electrical safety provisions which includes (i) fulfil the standardization of electricity equipment and utility, (ii) electricity installation security, and (iii) electricity utility security.

MEMR Reg No. 8/2021 On Grid Off Grid

Procedures for the Preparation of General Plan for National Electricity (RUKN) and General Plan for Regional Electricity (RUKD)

1. The regulation mandates RUKN and RUKD planning should align with National Energy Policy (KEN) and will be evaluated every year.
2. RUKN and RUKD will be updated every 5 years and can be updated in advance if there is significant change in: (i) the reality and projection of electricity consumption and energy generation mix, (ii) the assumption and/or target of economic growth and inflation, (iii) regulation or policy changes related to generation and distribution and (iv) other conditions determined by central or regional Government.

MEMR Reg No. 20/2020 On Grid

Grid Code

1. Under MEMR Regulation No. 20/2020, the planning, connection, development, and operation of power plant and electricity grid in an electricity system must comply with local system Grid Code which is classified into 5 systems: (i) Jawa, Bali, Maudra, (ii) Sumatra, (iii) Sulawesi, (iv) Kalimantan, and (v) Nusa Tenggara, Maluku, Papua.
2. This regulation also mandates the establishment of Grid Code Management Committee (*Komite Manajemen Aturan Jaringan*/KMAJ) to evaluate the implementation of Grid Code, conduct study on the proposed change of Grid Code, and provide recommendation.

MEMR No. Reg 48/2018 On Grid

Determination of National Vital Objects in The Field of Energy and Mineral Resources

1. The regulation sets out criteria and procedures for determining national vital objects in, among others, the electricity sub sector.
2. In order to be classified as national vital objects, certain criterias should be met for electricity subsector are: (i) serving consumers at the lowest, provincial level, (ii) power plants connected to at the lowest voltage level 150 kV, (iii) minimum voltage level 150 kV, (iv) control center of electrical power transmission or distribution system and/or (v) serving central government, transportation, or telecommunication nationally and international.

MEMR Reg No. 50/2017 as lastly amended by MEMR Reg No. 4/2020 On Grid

Utilization of Renewable Energy Source for Electricity Supply

1. PLN purchases electricity from renewable energy power plants using direct selection, save for certain conditions where direct appointment can be used (e.g. excess power, capacity expansion). Electricity purchase from solar and wind power plants use direct selection based on quota capacity.
2. The electricity purchase price from renewable power plants refer to Electricity Generation Cost/*Biaya Pokok Penyediaan Pembangkitan* (except for biofuel and hydro plants using dams/reservoirs/irrigation channel whose construction is multi-function which use price agreed by parties).
3. Build, Own, Operate, and Transfer (BOOT) scheme is no longer required for renewable power plant development.
4. The provisions of MEMR Reg 50/2017 are still valid so long as it does not contradict with PR 112/2022.

MEMR Reg No. 45/2017 as amended by MEMR Reg No. 10/2020 On Grid

Utilization of Natural Gas for Electricity Power Plant

1. This ministerial regulation regulates the provisions regarding the utilization of natural gas for power plants belonging to PT PLN (Persero) and electricity generation business entities in the electric power system, i.e.: IPP and Wilus holders with PPA or Operation Cooperation with PLN (Gas Business Entity).
2. PT PLN (Persero) and Gas Business Entity obtain natural gas from: (i) the gas allocation from MEMR and (ii) gas supply from gas trading business license holders as long as these business entities provide natural gas facilities or infrastructure.
3. PLN and Gas Business Entity may purchase natural gas from pipe with the price of natural gas at the plant gate is US$ 6 per MMBTU maximum.

MEMR Reg No. 10/2017 as lastly amended by MEMR Reg No. 10/2018 On Grid

Principles of Power Purchase Agreement (PJBL) with PLN

1. MEMR Regulation No 10/2017 sets out certain mandatory key provisions for PPAs between PLN and IPP.
2. MEMR Reg 10/2017 does not apply to intermittent renewable power plants, hydro plants below 10 MW, biogas power plants, and Waste-to-Energy power plants.

Minister of Public Works and Housing Regulation No. 9/2017 On Grid

Procedures for Selecting a Business Entity as Partner for the Utilization of State Property for Providing Infrastructure for Hydro Power Plants/Mini hydro Power Plants/ Micro hydro Power Plants/ Solar Power Plant with Rental Mechanism

1. The regulation sets out procedures for selecting business entities that will act as partner of state-owned water resources goods utilization for providing infrastructures for hydro/micro/micro hydro/solar power plants through leasing scheme.
2. Objects for rent in this regulation include water resources infrastructure (e.g. dams, weirs and reservoirs) and state-owned water resources goods in the form of land and/or buildings or otherwise, which are under the authority of the Minister of Public Works and Housing.
3. The Business Entity Selection Stage consists of pre-qualification and selection.

MEMR Reg No. 38/2016 Off Grid

Acceleration of Electrification in Rural Areas that are Not Developing, Remote, Border and Small Islands Populate through the Implementation of Small-Scale Electricity Supply Business

1. This regulation enables private sector to work as an utility with an integrated IUPTLU, operating electricity business area or known as mini-grid with total capacity up to 50 MW.
2. Such private sectors must achieve 95% of electrification rate in its business area within 5 years after obtaining assignment from Ministry of Energy and Mineral Resources.

MEMR Reg No. 9/2016 as amended by MEMR Reg No. 24/2016 On Grid

Procedure for Supply and Determination of Coal Price for Mine-Mouth Power Plant

1. Mine mouth power plant companies can be: (i) an integrated IUPLTU holder which is electricity state-owned enterprises that generate electricity for public purposes in an integrated manner and (ii) a generation IUPLTU holder which is a consortium formed by mining companies or its affiliates with other business entities.
2. The regulation sets out the coal price for mine-mouth power plants which is coal basic price plus production/royalty fee.

MoI Reg No. 54/2012 as amended by MoI Reg No. 5/2017 On Grid Off Grid

Local Content for Electricity Infrastructure

1. The regulation sets local content obligation for electricity infrastructure, i.e.: (i) coal-fired power plants, (ii) hydro power plants, (iii) geothermal power plants, (iv) gas power plants, (v) steam gas power plants, (vi) solar power plants, and (vii) transmission grid, substation, and electricity distribution grid.
2. The regulation provides administrative and financial sanctions for: (i) failure to meet the local content requirement based on the verified local content value at the end of the project, (ii) failure to provide/disclose supporting data of self-assessment and/or be willing to be verified, (iii) intentionally falsifying local component data that affect the local component value, and/or (iv) not utilizing local products.

MoEF Reg No. P.15/MENLHK/SETJEN.KUM.1/4/2019 On Grid Off Grid

Emission Quality Standard for Thermal Power Plants

1. The regulation sets out emission quality standard for: (i) coal fired power plants, (ii) gas power plants, (iii) steam gas power plants, (iv) diesel power plants, (v) gas mouth power plants, (vi) geothermal power plants, (vii) biomass power plants, (viii) waste-to-energy power plants, and (ix) mixed fuel power plants.
2. The regulation requires continuous monitoring using CEMS for certain capacities of the power plants set out above.

MoEF Reg No. 8/2009 On Grid Off Grid

Wastewater Quality Standard for Thermal Power Plant Businesses and/or Activities

The regulation sets out wastewater quality standard from main process, supporting activities, and other activities containing oily water for: (i) coal-fired power plants, (ii) gas power plants, (iii) steam and gas power plants, (iv) diesel power plants, and (v) geothermal power plants.

MoF Reg No. 130/PMK.08/2016 as amended by MOF Reg No. 135/PMK.08/2019 On Grid

Procedures for Selecting a Business Entity as Partner for the Utilization of State Property for Providing Infrastructure for Hydro Power Plants/Mini hydro Power Plants/Micro hydro Power Plants/Solar Power Plant with Rental Mechanism

This regulation provides government guarantee to PLN for electricity infrastructure development in a form of: (i) loan guarantee to support PLN in the acceleration of electricity infrastructure development through self-managed scheme and (ii) business feasibility guarantee to support PLN in the acceleration of electricity infrastructure development through cooperation scheme.

MEMR Decree No. 134.K/MG.01/MEM.M/2022 On Grid

The Guildeine for Establishment and Evaluation of Natural Gas Utilization and Price in Industrial Sector and Electricity Generation for Public Purposes Sector

This decree provides guidelines in the industry sector and electricity generation for public purposes sector for: (i) processing for determining certain natural gas users and price; (ii) reporting and reconciliation of volumes and prices of certain natural gas; and (iii) evaluation of the certain natural gas price implementation.

MEMR Decree No. 188.K/HK.02/MEM.L/2021 On Grid

Electricity Supply Business Plan by PT PLN

1. Through MEMR Decree No. 188.K/HK.02/MEM/L/2021, MEMR passes the Electricity Supply Business Plan (*Rencana Usaha Penyediaan Tenaga Listrik*/ RUPTL) PT PLN 2021-2030.
2. The RUPTL plans capacity addition of generation within 10 years is 40.6 GW (average 4 GW per year) with renewables share of 51.6% or 20.9 GW of total capacity addition.
3. The Ministrial Decree requires PT PLN to report the implementation progress of RUPTL every 3 months and whenever it's requested to MEMR.

MEMR Decree No. 169.K/HK.02/MEM.M/2021 On Grid

National Average Cost of Production (Biaya Pokok Produksi/BPP) 2020

The average national BPP 2020 decreased to USD 7.05 cent/kWh or IDR 1,027.70/kWh (a 10.3% decrease from the USD 7.86 cent/kWh specified in the 2018 BPP Decree). This 2020 BPP Decree will be used as a reference until 31 March 2022. However, this decree shall remain valid, until a new BPP is determined.

MEMR Decree No. 118.K/MG.04/MEM.M/2021 as amended by MEMR Decree No. 135.K/HK.02/MEM.M/2021 On Grid

Certain Price of Natural Gas at Power Plants (Plant Gate)

This decree sets out the price of certain natural gas at power plants (plant gate) consisting of natural gas volume and adjustments to the natural gas price component and distribution rates which consist of transportation costs and natural gas midstream costs.

MEMR Decree No. 34.K/16/MEM/2020 On Grid

The Establishment of Natural Gas Allocation and Utilization for Electricity Generation by PLN

This decree sets out the allocation and utilization of natural gas for electricity generation by PLN which refers to PLN's RUPTL and the determination of allocation and utilization of natural gas prices previously determined by the Minister of Energy and Mineral Resources.




ELECTRIC VEHICLE

Law No. 16/2016	*Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)*
Law No. 30/2009 as amended by GR in Lieu of Law 2/2022	*Electricity*
PR No. 55/2019	*Acceleration of Battery Electric Vehicles for Road Transportation Program*
MEMR Reg No. 6/2023	*Guideline for Granting Government Support for Purchasing Two Wheel Baterry-Based Electric Vehicle*
MEMR Reg No. 3/2023	*General Guideline on Government Support for Motor Vehicle Conversion Program from Internal Combustion Vehicles to Battery Electric Vehicles*
MEMR Reg No. 1/2023	*Provision of Electricity Charging Infrastructure for Battery-Based Electric Motorized Vehicles*
MoI Reg No. 6/2022	*Specification, Roadmap Development, and Provision of Local Content Calculation for Battery Electric Vehicle*
MoI Reg No. 36/2021	*Low Carbon Emission Four Wheel Motor Vehicles*
MoI Reg No. 28/2020 as amended by MoI Reg No. 7/2022	*Battery-Powered Electric Vehicles in Completely Knocked Down and Incompletely Knocked Down State*
Coordinating Minister of Maritime and Investment Regulation No. 8/2020 (CMMAI Reg No. 8/2020)	*Working Procedures of The Coordination Team for Accelerating the Battery Electric Vehicle Program for Road Transportation and Working Groups*
MoT Reg No. PM 15/2022	*Conversion of Motor Vehicles Other Than Motorcycles With Combustion Motors to Battery-Based Electric Motor Vehicles*
MoT Reg No. PM.87/2020	*Testing of The Physical Type of Battery-Based Electric Motor Vehicles*
MoT Reg No. PM 65/2020	*Conversion of Motor Vehicles with Motors Combustion into Battery-Based Electric Motor Vehicles*
MEMR Decree No. 182.K/TL.04/MEM.S/2023	*Charging Service Fee at Public Electric Vehicle Charging Stations*

Law No. 16/2016

Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)

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3. In term of electricity generation business, this regulation gives the first priority to State-owned Enterprises to carry out electricity generation for public purposes. The electricity generation for private purposes can be carried out by government institution, state-owned enterprises, private business entities, cooperatives, individuals, and other entities.

GOVERNMENT REGULATION

PR No. 55/2019

Acceleration of Battery Electric Vehicles for Road Transportation Program

1. The regulation sets five directives of Battery Electric Vehicle (BEV) acceleration for road transportation programs, which are: (i) acceleration of domestic BEV industry development, (ii) provision of incentives, (iii) provision of charging infrastructure and regulating electricity tariff for BEV, (iv) satisfaction of technical requirements for BEV, and (v) environmental protection.
2. BEV industry development acceleration is carried out through BEV industries and/or BEV components industries. PR 55/2019 mandates the Minister of Industry to prepare a national motor vehicle industry development road map.
3. The regulation obliges BEV companies and BEV component companies that wish to engage in BEV industries and/or BEV component industries in Indonesia to obtain business license and build BEV manufacturing facility in the country.
4. In order to accelerate the use of BEV, government can control the distribution or use of fossil fuel-based vehicle in accordance with national motor vehicle industry development roadmap.
5. For the first time, the provisions of BEV charging infrastructure is carried out through assignment to PLN.

MEMR Reg No. 6/2023

Guideline for Granting Government Support for Purchasing Two Wheel Battery-Based Electric Vehicle

1. Government Support for Purchasing Two Wheel Battery-Based Electric Vehicle (*Program Assistance*) is in a form of discounted replacement given to certain people who are the beneficiary of: (i) people's business credit (*kredit usaha rakyat*), (ii) micro business productive assistance, (iii) wage subsidies, and/or (iv) receivers of electricity subsidies until 900 volt ampere.
2. The Program Assistance is given for one purchase of two wheel battery-based electric vehicle to one identification number. The Program Assistance is given with a quota of 200,000 and 600,000 units maximum for 2023 and 2024 respectively.
3. To be eligible for the discounted replacement, the two wheel battery-based electric vehicles must have at least 40% of local content requirement and are registered in the information system.

MEMR Reg No. 3/2023

General Guideline on Government Support for Motor Vehicle Conversion Program from Internal Combustion Vehicles to Battery Electric Vehicles

1. The regulation stipulates that Government support in Motor Vehicle Conversion Program (*Program Konversi Sepeda Motor*) is in form of conversion fee discount covering at least battery pack brushless DC (BLDC), motor, and controller. The conversion fee can be evaluated every year. Such program will be carried out for the period: (i) for the 2023 fiscal year a maximum of 50,000 units of electric motorbikes; (ii) for the 2024 budget year a maximum of 150,000 units of electric motorbikes.
2. The receiver should be an individual where the subsidy is obtained through Conversion Workshop (*Bengkel Konversi*).
3. The regulation provides some criterias that need to be assessed in monitoring and evaluating the program such as: (i) the effectiveness and efficiency *(kelancaran)* of the program implementation; (ii) the technical and financial capability of Conversion Workshop, (iii) the readiness of BEV component producers , including the compliance with local content requirement, and (iv) suitability of the Independent Verification Agency.

MEMR Reg No. 1/2023

Provision of Electricity Charging Infrastructure for Battery-Based Electric Motorized Vehicles

1. This regulation aims to carry out the acceleration of the battery-based electric motor vehicle (Battery Electric Vehicle/BEV) program as well as increasing the effectiveness of monitoring and evaluating the provision of electric charging infrastructure for battery-based electric motorized vehicles, it is necessary to rearrange the type of technology, integrate applications in the provision of electric charging infrastructure for battery-based electric motor vehicles batteries, and application of electricity tariffs for battery-based electric motorized vehicles.
2. Electric charging infrastructure for Battery-Based KBL includes: (i) recharge facility, at least consisting of: Electrical Power Supply equipment; current, voltage and communication control systems; and protection and security system; and/or (ii) Battery exchange facility.
3. Recharging can be done on: (i) Private Electrical Installation; and/or (ii) Public Electric Vehicle Charging Station/SPKLU. The regulation provides further detail on the mechanism on Private Electrical Installations and SPKLU.
4. The regulation obliges the parties who operate Private Electrical Installations to have an Electricity Support Service Business License/IUJPTL. Meanwhile, for SPKLU, business entity who provides the facility is a Business Entity: (i) integrated Business License for the Supply of Electricity for Public/IUPTLU holder; or (ii) IUPTLU holder for sales, which has a Business Area to sell electricity at SPKLU. Further, to accelerate the BEV program, SPKLU Business Entities have SPKLUs located in more than 1 (one) province.

MoI Reg No. 6/2022

Specification, Roadmap Development, and Provision of Local Content Calculation for Battery Electric Vehicle

1. The regulation sets out the percentage of local contect (*Tingkat Komponen Dalam Negeri*/TKDN) of battery electric vehicle according to the composition into:
   (i) manufacturing aspect for main components, 50% for 2020 - 2023, and 58% from 2024 onwards, of all the local content value;
   (ii) manufacturing aspect for supporting components, 10% of all the local content value;
   (iii) assembly aspect, 20% for 2020 - 2023, and 12% from 2024 onwards, of all the local content value; and
   (iv) development aspect, 20% of all the local content value.
   MoI Reg No. 6/2022 breaks down in further detail the local content composition of each element above.
2. The regulation allows businesses or manufacturers to conduct their own calculation for local content or cooperate with another company based on the requirements in MoI Reg No. 6/2022. The calculation should be verified by Verification Body that has been decided by Ministry.

MoI Reg No. 36/2021

Low Carbon Emission Four Wheel Motor Vehicles

1. MOI Reg No. 36/2021 sets out that low carbon emission four-wheel vehicle (LCEV) must be imposed with luxury-goods sales tax in accordance with applicable regulations.
2. LCEV is categorized into: (i) Energy Saving and Affordable Four-Wheel Vehicle (KBH2); (ii) hybrid electric vehicle; (iii) Plug In Hybrid Electric Vehicle (PHEV); (iv) BEV; (v) Fuel Cell Electric Vehicle (FCEV); and (vi) Flexy Engine. MOI Reg No. 36/2021 sets out the requirements for each type of such LCEV.
3. Four-wheel vehicle industry companies producing LCEV must obtain a determination letter for its company and vehicles from the Minister of Industry.

MoI Reg No. 28/2020 as amended by MoI Reg No. 7/2022

Battery-Powered Electric Vehicles in Completely Knocked Down and Incompletely Knocked Down State

1. MoI Reg No. 28/2020 is one of the implementing regulations of PR No. 55/2019 whcih allows BEV industry companies to import: (i) BEV in completely knocked down state (CKD), (ii) BEV in incompletely knocked down state (IKD), and (iii) components. BEV industry companies with four or more wheels can carry out import of BEV CKD and IKD while BEV industry companies with two or three wheels can carry out import of BEV CKD.
2. Such import must obtain an approval from the Ministry of Industry.

Coordinating Minister of Maritime and Investment Regulation No. 8/2020 (CMMAI Reg No. 8/2020)

Working Procedures of The Coordination Team for Accelerating the Battery Electric Vehicle Program for Road Transportation and Working Groups

1. CMMAI Reg No. 8/2020 is one of the implementing regulations of PR No. 55/2019 which sets out the tasks, functions and structure of BEV Program Acceleration Coordination Team. The BEV Program Acceleration Coordination Team is formed to support the implementation of BEV program acceleration for road transportation.
2. The regulation appoints CMMAI as the head of the coodination team and Coordinating Minister for Economic Affairs as vice head of the coodination team.

MoT Reg No. PM 15/2022

Conversion of Motor Vehicles Other Than Motorcycles With Combustion Motors to Battery-Based Electric Motor Vehicles

1. Under MOT Reg No. PM 15/2022, every motorized vehicle except motorcycle with internal combustion engine that has Motor Vehicle Owner Book, Motor Vehicle Number Certificate, a copy of master card and/or testing card from periodic testing execution unit may be converted into battery-based electricity motorized vehicle.
2. The conversion must be carried out by public workshops *(bengkel)*, institutions, or agencies that have obtained an approval from the Minister of Transportation as a Conversion Workshop.
3. Every converted battery-based electricity motorized vehicle must meet the technical and roadworth requirements before operating on the road, the procedure of which is set out further in the MOT Reg No. PM 15/2022.

MoT Reg No. PM.87/2020

Testing of The Physical Type of Battery-Based Electric Motor Vehicles

1. This MOT regulation requires every BEV operating on the road to meet technical and roadworthy requirements through testing. In addition, Battery-Based Electric Motor Vehicles must conduct additional physical type tests on: (i) electric batteries, (ii) electricity charging device, (iii) electricity touch protection, (iv) functional safety, and (v) hydrogen emission.
2. The above-mentioned testing is conducted on the following BEV: (i) motorcycle; (ii) passenger car; (iii) bus car; (iv) goods car; and (v) special vehicles.

MoT Reg No. PM 65/2020

Conversion of Motor Vehicles with Motors Combustion into Battery-Based Electric Motor Vehicles

1. Under MOT Reg No. PM 65/2020, every motorcycle with internal combustion engine that has been registered and identified may be converted into battery-based electricity motorcycle.
2. The conversion must be carried out by public workshops (*bengkel*) that have obtained an approval from the Minister of Transportation as a Conversion Workshop.
3. Every converted battery-based electricity motorcycle must meet the technical and roadworth requirements before operating on the road, the procedure of which is set out further in the MOT Reg No. PM 65/2020.

MINISTERIAL DECREE

MEMR Decree No. 182.K/TL.04/MEM.S/2023

Charging Service Fee at Public Electric Vehicle Charging Stations

1. The ministerial decree sets charging fees of road electric battery vehicles (BEV) at public station according to charging technology:
   (i) IDR 25,000 for fast charging
   (ii) IDR 57,000 for ultra fast charging
2. Charging fees will be evaluated every two years or whenever it's required.

ENERGY CONSERVATION

Law No. 16/2016	*Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)*
Law No. 30/2007	*Energy*
GR No. 79/2014	*National Energy Policy (Kebijakan Energi Nasional/KEN)*
GR No. 33/2023	*Energy Conservation*
PR No. 22/2017	*General Plan for National Energy (Rencana Umum Energi Nasional/RUEN)*
MEMR Reg No. 14/2021	*Implementation of Minimum Energy Performance Standards for Energy Utilizing Equipment*
MEMR Reg No. 9/2020	*Electricity Generation Efficiency of PLN*
MEMR Reg No. 48/2018	*Determination of National Vital Objects in The Field of Energy and Mineral Resources*
MEMR Reg No. 39/2017 as amended by MEMR Reg No. 12/2018	*Implementation of Physical Activities Utilizing NRE and Energy Conservation*
MEMR Reg No. 14/2012	*Energy Management*

LAW

Law No. 16/2016

Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)

1. Through Law No. 16/2016, Indonesia ratifies the Paris Agreement to the UNFCCC (United Nations Framwork Convention on Climate Change) which was signed by the Government of Indonesia on April 22, 2016 in New York, United States of America. The Paris Agreement is a legally binding international treaty aiming to tackle climate change and its negative impacts by holding the increase in the global average temparature well below 2°C compared to pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C compared to pre-industrial levels.
2. As a commitment to contribute in emission reduction efforts, Government of Indonesia (GoI) submitted the first Nationally Determined Contribution (NDC) with emission reduction target of 29% unconditionally and 41% conditionally. In 2022, GoI updated the NDC with increased emission reduction target to 31.89% unconditionally and 43.20% conditionally.
3. The Paris Agreement also enables international carbon trading mechanism. According to article 6 Paris Agreement, the internationally transferred mitigation outcomes (ITMO) can be used to achieve NDC under voluntary basis and shall be authorized by participating parties.

Law No. 30/2007

Energy

1. Law No.30/2007 is mainly aimed to ensure the sustainable, secured, and resilience national energy development.
2. In energy conservation, the law mandates the provision of incentive and disincentive for energy consumers and producers of energy efficient appliances which will be given by Government and/or regional government. The implementation of energy conservation will be further regulated under Government regulation or regional government regulation.

GOVERNMENT REGULATION

GR No. 79/2014

National Energy Policy (*Kebijakan Energi Nasional*/KEN)

1. The Government Regulation (GR) emphasizes that National Energy Policy shall be the policy on Energy Management based on the principles of fairness, sustainability, and environmental sound to create Energy Independence and national Energy Security.
2. In energy conservation, the regulation establishes several national energy policy targers, among others:
   i. target of energy elasticity less than 1 in 2025 that comply with economic growth target; and
   ii. target of final energy intensity reduction of 1% per year up to 2025.
3. The regulation also mandates the Government and/or Regional Government to set guideline and implementation of energy conservation policy, at least covering: (i) obligation of standardization and labelization of all energy users' equipment, (ii) obligation of energy management and efficent use of power generating technology and energy conversion equipment, (iii) socialization on energy saving culture, (iv) business climate creation for the development of energy service business as investor and energy provider, (v) acceleration of efficient mass transportation system and electronic road pricing implementation and/or conversion, and (vi) establishment of fuel-consumption target.

GR No. 33/2023

Energy Conservation

1. The Government Regulation (GR) revokes GR No. 70/2009 by emphasizing that energy conservation must be implemented in whole stages from upstream to downstream.
2. The upstream management aims to conserve energy in form of prioritizing energy resources and restiricting amount of energy produced in certain period of time. While the downstream management aims to improve energy efficiency by using energy-efficient equipment, and reducing energy consumption.
3. Energy conservation program is carried out through: (i) Energy Management, (ii) Minimum Energy Performance Standard (MEPS) and Labelling, (iii) Energy Conservation Funding, (iv) Development of Energy Conservation Business and Service, (v) Improvement of Energy Conservation Awareness, (vi) Improvement of Human Resources Capacity, (vii) Research and Innovation, and/or (viii) Cooperation in Energy Conservation.

PRESIDENTIAL REGULATION

PR No. 22/2017

General Plan for National Energy (*Rencana Umum Energi Nasional*/ RUEN)

1. National Energy Plan (RUEN) is a government policy that constitutes application of energy policy across sectors in order to achieve National Energy Policy (KEN).
2. RUEN highlights mandatory activity in energy conservation and energy utilization efficiency, among others:
   (i) Develop policy for Energy Service Company (ESCO) to implement energy efficient projects
   (ii) Conduct audit and energy management program;
   (iii) Restructure manufacturing industry and provision of incentive (fiscal and nonfiscal) for industries that implement energy efficiency; and
   iv) Conduct socialization and education on energy saving through electronic media and social media to raise business actors' and the public's awareness on energy saving.

MINISTERIAL REGULATION

MEMR Reg No. 14/2021

Implementation of Minimum Energy Performance Standards for Energy Utilizing Equipment

1. The regulation sets the obligation for domestic manufacturers and importers to display Minimum Energy Performance Standard/MEPS (*Standar Kinerja Energi Minimum*/SKEM) label or energy saving label on their energy utilization equipment that will be traded in Indonesia.
2. MEPS label or energy saving label can be displayed after the domestic manufacters and importers obtain Energy Efficient Certifcate (*Sertifikat Hemat Energi*/SHE) issued by product certification organization (*Lembaga Sertifikasi Produk*/LSPro).

MEMR Reg No. 9/2020

Electricity Generation Efficiency of PLN

1. MEMR Reg No. 9/2020 sets out that PLN must implement and improve the electricity generation efficiency of power plant and electricity grid in conducting electricity generation business.
2. PLN carries out electricity generation efficiency of power plant based on power plant specific fuel consumption target which is fuel consumption required by a power plant unit to generate 1 kWh of gross electricity.
3. PLN carries out electricity generation efficiency of electricity grid based on electricity grid loss target.

MEMR Reg No. 48/2018

Determination of National Vital Objects in The Field of Energy and Mineral Resources

1. MEMR Reg 48/2018 sets out the procedure for determining a national vital object in the energy and mineral resources sector which is an area/location, building/installation and/or business related to the public's needs, state interest, and/or strategic state revenues in the energy and mineral resources sector. One of the subsectors of the national vital object in the energy and mineral resources is new and renewable energy and energy conservation.
2. National vital objects for the sub-sector of new, renewable energy and energy conservation must meet the following criteria: (i) used as a primary energy source for electricity generation for the public interest; and/or (ii) investment value of at least IDR 100,000,000,000.00 (one hundred billion rupiah).

MEMR Reg No. 39/2017 as amended by MEMR Reg No. 12/2018

Implementation of Physical Activities Utilizing NRE and Energy Conservation

1. Physical Utilization Activities of New and Renewable Energy and Energy Conservation comprises, among others, construction, procurement and/or installation of (i) energy efficiency equipment (e.g. energy saving lamp, solar street lighting, etc) and (ii) revitalization/rehabilitation of installations utilizing new and renewable energy and conservation energy.
2. MEMR Reg No. 14/2012 sets out the procedures to implement Physical Utilization Activities of New and Renewable Energy and Energy Conservation which are proposal, evaluation, determination, procurement, and hand over.

MEMR Reg No. 14/2012

Energy Management

1. The regulation, as an implementing regulation of GR 70/2009, requiresd users of energy sources and energy consumer with total consumption of equal to or more than 6000 toe (ton oil equivalent) to perform energy management which consists of: (i) appointment of an energy manager, (ii) preparation of an energy conservation prgoram, (iii) implementation of periodic energy audit, (iv) implementation of energy audit's recommendations, and (iv) annual reporting of energy management implementation to the Minister of Energy and Mineral Resources, governors, or regents/mayors.
2. The provision of incentives in form of funding of energy audit by Government and/or recommendation for energy supply priority for users of energy sources and energy who implements energy management for 3 years consecutively and are able to reduce energy consumption min. 2% per year.
3. The provision of disincentives to users of energy sources and energy that do not implement energy management, e.g. written warning, public announcement, fine, energy supply reduction.

CARBON PRICING

Law No. 16/2016	*Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)*
Law No.7/2021	*Harmonization of Tax Regulation*
Law 4/2023	*Development and Strengthening of the Financial Sector*
PR No. 98/2021	*Implementation of Carbon Economic Value for Achieving NDC Target and controlling GHG Emission in National Development*
MoEF Reg. No 21/2022	*Guidelines of Carbon Economic Value Implementation*
MEMR Reg No 16/2022	*The Procedures for Carbon Pricing Implementation for Power Plant Sub-sector*
Coordinating Minister of Maritime and Investment Regulation No. 5/2022 (CMMAI Reg No. 5/2022)	*Structure and Work Procedures of The Steering Committee for the Implementation of Carbon Economic Value for Achieving Nationally Set Contribution Targets and Controlling Greenhouse Gas Emissions in National Development*
MEMR Decree No. 14.K/TL.04/MEM.L/2023	*PTBAE PTLU that in Connected to the First Phase PLN Network*

Law No. 16/2016

Ratification of Paris Agreement to The United Nations Framework Convention on Climate Change (UNFCCC)

1. Through Law No. 16/2016, Indonesia ratifies the Paris Agreement to the UNFCCC (United Nations Framwork Convention on Climate Change) which was signed by the Government of Indonesia on April 22, 2016 in New York, United States of America. The Paris Agreement is a legally binding international treaty aiming to tackle climate change and its negative impacts by holding the increase in the global average temparature well below 2°C compared to pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C compared to pre-industrial levels.
2. As a commitment to contribute in emission reduction efforts, Government of Indonesia (GoI) submitted the first Nationally Determined Contribution (NDC) with emission reduction target of 29% unconditionally and 41% conditionally. In 2022, GoI updated the NDC with increased emission reduction target to 31.89% unconditionally and 43.20% conditionally.
3. The Paris Agreement also enables international carbon trading mechanism. According to acticle 6 Paris Agreement, the internationally transferred mitigation outcomes (ITMO) can be used to achieve NDC under voluntary basis and shall be authorized by participating parties.

Law No.7/2021

Harmonization of Tax Regulation

1. The new tax law is aimed mainly to optimize tax revenue collection through several overhaul on the existing tax structure.
2. This also includes the introduction of a new carbon tax (article 13) which will be imposed on individuals or entities purchasing goods containing carbon and/or activities generating carbon emission. The carbon tax tariff is higher or equal to the carbon price at carbon market for every kilogram of carbon equivalent emission with the lowest tariff is 30 rupiah (US$0.21) per kilogram of carbon equivalent emission or equivalent unit.

Law 4/2023

Development and Strengthening of the Financial Sector

1. Carbon units is a security *(efek)* under Law 4/2003.
2. Carbon exchange is a system that organizes carbon trading and/or registration of carbon units ownership which is carried out by a market operator with a business license from the Financial Services Authority (OJK).
3. Carbon trading carried out through exchange carbon must meet the requirements and obtain a license from OJK.
4. Law 4/2023 particularly sets out that further provisions regarding carbon trading through carbon exchange with be set out in an OJK Regulation after consultation with the House of Representatives (DPR).

PRESIDENT REGULATION

PR No. 98/2021

Implementation of Carbon Economic Value for Achieving NDC Target and controlling GHG Emission in National Development

1. This Presidential Regulation (PR) outlines a larger emissions reduction framework that aims to implement the NDC target.
2. PR 98/2021 formulates steps to create climate change mitigation and adaptation action plans and how national and local government, business actors and the public can participate.
3. The PR sets out the mechanisms to implement the carbon pricing which includes: carbon trading (comprising emission trading and greenhouse gas emission offset), result-based payment, carbon levies, and other mechanisms pursuant to the science and technology development as determined by the Minister of Environment and Forestry.
4. PR 98/2021 also introduces Greenhouse Gas Emission Reduction Certificate (*Sertifikat Pengurangan Emisi Gas Rumah Kaca*) which can be used for, among others, carbon trading.

MoEF Reg. No 21/2022

Guidelines of Carbon Economic Value Implementation

1. MoEF Regulation No. 21/2022 is an implementing regulation of PR No. 98/2021 on Carbon Economic Value.
2. MOEF Reg 21/2022 covers a variety of matters regarding carbon pricing, monitoring, reporting and verification (MRV), the registration and reporting obligation to SRN PPI (Climate Change Control National Registration System/*Sistem Regitrasi Nasional Pengendalian Perubahan Iklim*), and carbon trading levies.

MEMR Reg No. 16/2022

The Procedures for Carbon Pricing Implementation for Power Plant Sub-Sector

1. Implementation of carbon pricing for subsector power plant is carried out through emission trading mechanism (for fossil based power plant) and GHG emission offset mechanism (for NRE power plant).
2. The regulation mandates MEMR to determine Emission Ceiling Technical Approval (*Persetujuan Teknis Batas Atas Emisi*/PTBAE) (expressed in ton CO2e/MWh) and PTBAE for business actors (PTBAE *untuk pelaku usaha*/PTBAE-PU) (expressed in ton CO2e) for fossil power plant in order to participate in carbon trading activity.
3. MEMR Reg 16/2022 indicates that emission trading until 2024 will first focus on coal-fired power plants (PLTU) connected to PLN's electricity grid. The determination of PTBAE for PLTU connected to PLN's electricity grid is no later than 20 working days after the issuance of MEMR Reg No. 16/2022, i.e: 17 January 2023, while PTBAE for PLTU outside PT PLN's business area and/or PLTU for self-use is no later than 31 December 2024. MEMR Reg 16/2022 indicates that PTBAE-PU for each PLTU connected to PLN's grid is will be set no later than 31 January 2023.
4. MEMR Reg 16/2022 expressly states that new and renewable energy power plants can carry out GHG emission offset.

Coordinating Minister of Maritime and Investment Regulation No. 5/2022 (CMMAI Reg No. 5/2022)

Structure and Work Procedures of The Steering Committee for the Implementation of Carbon Economic Value for Achieving Nationally Set Contribution Targets and Controlling Greenhouse Gas Emissions in National Development

1. CMMAI Reg No. 5/2022 is one of the implementing regulations of PR No. 98/2021.
2. It sets out the tasks, functions, and structure of the steering committee in order to provide directions on carbon pricing policies and instruments for achieving the NDC target and controlling greenhouse emissions for development.
3. The regulation appoints CMMAI as the head of steering committee and Coordinating Minister for Economic Affairs as vice head of the steering committee.

MEMR Decree No. 14.K/TL.04/MEM.L/2023

PTBAE PLTU that is Connected to the First Phase PLN Network

1. According to MEMR Decree 14/2023, the following is PTBAE for PLTU connected to PLN's grid for 2023 and 2024 each:
   a. non-mine mouth and mine mouth PLTU with capacity of 25MW ≤ x <100MW = 1.297 ton CO2e/MWh;
   b. non-mine mouth PLTU with capacity of 100MW ≤ x ≤ 400 MW = 1.011 ton CO2e/MWh;
   c. non-mine mouth PLTU with capacity of x > 400 MW = 0.911 ton CO2e/MWh; and
   d. mine mouth PLTU with capacity of x ≥ 100 MW = 1.089 ton CO2e/MWh.
2. The above PTBAE can be tightened by MEMR based on the evaluation of Carbon Pricing Implementation in the Coal-Fired Power Plant Sub Sector (Second Dictum of MEMR Decree 14/2023).

FISCAL

Law No.7/2021	*Harmonization of Tax Regulation*
GR No. 78/2019	*Income Tax Facility for Investment in Certain Business Activity and/or Area*
MoF Reg No. 80/PMK.08/2022	*Geothermal Development Support through Utilization of Geothermal Infrastructure Financing Fund to PT SMI*
MoF Regulation No. 115/PMK.03/2021	*Procedure for The Granting of Facilities of Being Exemption from the Imposition of Value Added Tax on Import and/or Delivery of Certain Strategic Taxable Goods, Procedure for the Payment of Value Added Tax of Certain Taxable Strategic Goods That Have Been Exempted From The Imposition of Value Added Tax That Are Not Used In Accordance With The Initial Purpose or Being Transferred, and The Imposition of Sanctions for Delayed Payment of Value Added Tax*
MoF Reg No. 130/PMK.010/2020	*Provision of Facility for Corporate Income Tax Reduction*
MoF Regulation No. 116/PMK.04/2019	*The Exemption or Relief of Import Duty and/or Exemption of Value Added Tax on The Import of Goods for Kontrak Karya or Perjanjian Karya of Coal Mining Business*
MoF Regulation No. 66/PMK.010/2015	*Import Duty Exemption of Capital Goods for Construction or Development of Power Plant Industries for Public Purposes*
MEMR Reg No. 16/2015	*Criteria and/or Requirements for the Utilization of Income Tax Facilities for Investment in Certain Business Activity and Area in Energy and Mineral Resources Sector*
MoF Decree No. 275/KMK.010/2022	*Assignment to PT SMI in The Context of Providing Fiscal Support through Funding and Financing to Accelerate the Energy Transition in The Electricity Sector*

LAW

Law No.7/2021

Harmonization of Tax Regulation

1. The new tax law is aimed mainly to optimize tax revenue collection through several overhaul on the existing tax structure.
2. This also includes the introduction of a new carbon tax (article 13) which will be imposed on individuals or entities purchasing goods containing carbon and/or activities generating carbon emission. The carbon tax tariff is higher or equal to the carbon price at carbon market for every kilogram of carbon equivalent emission with the lowest tariff is 30 rupiah (US$0.21) per kilogram of carbon equivalent emission or equivalent unit.

GOVERNMENT REGULATION

GR No. 78/2019

Income Tax Facility for Investment in Certain Business Activity and/or Area

This regulation provides income tax facilities for several business sectors with certain criteria such as mini and micro power plant with investment value below IDR 100 billions and certaiin electricity manufacturyer industries. Some of the benefits of tax allowances are: (i) additional cost recovery for tangible asset investment in a form of 30% VAT deduction, (ii) deduction of accelerated deppreciation for tangible fixed assets and amortization for intagible fixed assets, (iii) income tax imposition on divident distributions to foreign taxpayer, and (iv) loss compensation.

MINISTERIAL REGULATION

MoF Reg No. 80/PMK.08/2022

Geothermal Development Support through Utilization of Geothermal Infrastructure Financing Fund to PT SMI

1. MOF Reg 80/2022 aims to regulate the management of Geothermal Infrastructure Financing Fund (PISP), the responsibility of which is given to PT Sarana Multi Infrastruktur (PT SMI).
2. PISP can be used for, among others, funding and/or financing of geothermal development support which consists of exploration support and exploration financing.

MoF Regulation No. 115/PMK.03/2021

Procedure for The Granting of Facilities of Being Exemption from the Imposition of Value Added Tax on Import and/or Delivery of Certain Strategic Taxable Goods, Procedure for the Payment of Value Added Tax of Certain Taxable Strategic Goods That Have Been Exempted From The Imposition of Value Added Tax That Are Not Used In Accordance With The Initial Purpose or Being Transferred, and The Imposition of Sanctions for Delayed Payment of Value Added Tax

1. The import and/or delivery of certain strategically taxable goods are exempted from the imposition of value added tax by using a value added tax exemption certificate or without using a value added tax exemption certificate.
2. MOF Reg 115/2021 sets out the certain strategic taxable goods the import and/or delivery of which are exempted from the imposition of value added tax, e.g. machineries and factory equipment which are one unit that are used directly in the process of producing taxable goods by the taxable entrepreneur who produces said taxable goods.

MoF Reg No. 130/PMK.010/2020

Provision of Facility for Corporate Income Tax Reduction

1. This regulation sets criteria of industries and taxpayers that can be granted corporate income tax reduction including electricity primary component/equipment manufacturer.
2. The first stage corporate income tax reduction is are minimum 50% for new investment with nominal between 100 billion - 500 million rupiah and 100% for new investment more than 500 billion rupiah for a certain time period ranging between 5-20 years depending on the capital investment plan value.
3. After such time period expires, the corporate income tax reduction is 25% for new investment with nominal between 100 billion - 500 million rupiah and 50% for new investment more than 500 billion rupiah for two subsequent tax years.

MoF Regulation No. 116/PMK.04/2019

The Exemption or Relief of Import Duty and/or Exemption of Value Added Tax on The Import of Goods for *Kontrak Karya* or *Perjanjian Karya* of Coal Mining Business

1. This regulation was issued in order to further improve taxation and customs services in the mineral and coal mining sector, orderly administration, supervision, and legal certainty in providing tax and customs treatment on the import of goods in the context of work contracts *(kontrak karya)* or work agreements for coal mining concessions (*perjanjian karya pengusahaan pertambangan batubara*/PKP2B).
2. MOF Regulation 116/2019 sets out requirements for (i) exemption or relief of import duties on imported goods under PKP2B and (ii) exemption of value added tax on taxable imported goods under PKP2B.
3. Imported goods that receive exemption or relief of import duties and/or exemption of value added tax under PKP2B can be transferred, re-export, and destroyed subject to the conditions set out further in MOF Regulation 116/2019.

MoF Regulation No. 66/PMK.010/2015

Import Duty Exemption of Capital Goods for Construction or Development of Power Plant Industries for Public Purposes

1. Under MOF Reg 66/2015, business entities may be granted exemption from import duty on capital goods that are clearly used for electricity generation industry with conditions as follows: (i) have not been produced domestically; (ii) have been produced domestically but have not met the required specifications; or (iii) has been produced domestically but the amount is not yet sufficient to meet the industry's demands.
2. Exemption from import duty for the electricity generation industry can be granted to business entities as follows:
   a. PT PLN (Persero);
   b. IUPTL holders who have a business area;
   c. IUPTL holders for electricity generation business with a power purchase agreement with PT PLN (Persero) which states that all the electricity produced will be purchased by PT PLN (Persero), or Finance Lease Agreement (FLA) with PT PLN (Persero); or
   d. IUPTL holders for electricity generation business who have a power purchase agreement with IUPTL holders with a business area, which states that all the electricity produced will be purchased by the IUPTL holder with the business area.

MEMR Reg No. 16/2015

Criteria and/or Requirements for the Utilization of Income Tax Facilities for Investment in Certain Business Activity and Area in Energy and Mineral Resources Sector

Tax income facilities can be is given to certain taxpayers in the energy and mineral resources sector (business and/or area) that fulfill the following criteria: (i) has high investment value or is export oriented, (ii) employs a large workforce, and (iii) has high local content in its production.

MoF Decree No. 275/KMK.010/2022

Assignment to PT SMI in the context of providing fiscal support through funding and financing to accelerate the energy transition in the electricity sector

The assignment to PT SMI for fiscal incentive provision through funding and financing framework to accelerate the Energy Transition Mechanism (ETM) in electricity sector. Through this Ministerial Decree, PT SMI has mandates and authority to collaborate with various institutions and stakeholders in developing ETM financing and funding programme.

REGULATION OF BOARD OF DIRECTORS PT PLN (PERSERO)

0062.P/DIR/2020*	*Electricity Purchase from New and Renewable Energy Plant*
0064.P/DIR/2019**	*Guidelines for Connection of the Renewable Energy Plant to the Distribution System of PT PLN*
0283.P/DIR/2016***	*PLN Electricity Usage by IPP Non-PLN*

*Retrieved from Mentari Report on Policy Analysis: Power Purchase Agreement in Indonesia
** Umbra
***Retrieved from https://www.scribd.com/document/372201532/Perdir-0283-P-dir-2016-Pemakaian-Tenaga-Listrik-PLN-Oleh-Penyedia-Tenaga-Listrik-Non-PLN-2#

0062.P/DIR/2020*

Electricity Purchase from New and Renewable Energy Plant

1. The regulation offers two types of procurement mechanism for renewable energy: (i) direct appointment and (ii) direct selection.
2. There is a prequalification of selected tender list except for electricity purchased from geothermal power plants (PLTP), waste to energy power plants (PLTSa), and hydro power plants (PLTMH) utilizing reservoirs/dam/irrigation channels whose construction is multi-function with utilization of water resources state-owned goods.
3. Solar and wind are procured based on capacity quota which refers to the RUPTL PLN.
4. The regulation also sets out minimum provisions that must be included in the PPA.

0064.P/DIR/2019**

Guidelines for Connection of the Renewable Energy Plant to the Distribution System of PT PLN

1. The regulation provides: (1) Review and approval procedure for connecting Renewable Energy (RE) generations and purchasing electric power, (2) Technical requirements for RE generations, (3) Testing, certification, and commisioning procedure, and (4) RE power plant connection study review.
2. The regulation applies to: (i) PLN's RE generator, IPP that have RE generators with total installed capacity up to 10 MW, (iii) IPP with RE generators that are connected to a Connection Point and operate in parallel with PT PLN (persero) distribution system at a voltage of 20 kV or lower, (iv) operation license holders of RE generators that sell excess power to PLN, (v) capacity expansion of existing RE generators connected to a Distribution System and have PPA, and (vi) projects of renewable energy utilization and energy conservation whose managers or beneficiaries are region-owned enterprises, cooperatives and/or community groups/NGOs appointed by the regional governments. This regulation does not apply to solar rooftop.

0283.P/DIR/2016***

PLN Electricity Usage by IPP non-PLN

The regulation sets out guideline for PLN electricity usage by non-PLN electricity generators for auxillaries equipments and office facilities (e.g. due to system interference or maintenance) which will be charged 1.5 times of appblicable special services fee for export-import without minimal energy limit.

*Retrieved from Mentari Report on Policy Analysis: Power Purchase Agreement in Indonesia
** Umbra
***Retrieved from https://www.scribd.com/document/372201532/Perdir-0283-P-dir-2016-Pemakaian-Tenaga-Listrik-PLN-Oleh-Penyedia-Tenaga-Listrik-Non-PLN-2#

1.000 Islands - Renewable Energy for Electrification Programme Phase II (REEP2) Energy Programme Indonesia
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