

電力分野の投資促進に向けレギュレーションを改定

Accelerate Investment on Electricity, Ministry of ESDM Refine Regulation
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MINISTRY OF ENERGY AND MINERAL RESOURCES

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Director General of Electricity Ministry of Energy and Mineral Resources (ESDM), Andy Noorsaman Someng, on Thursday morning (10/8), opened a morning coffee socialization event for the issuance of several regulations on electricity and renewable energy (EBT) in order to improve and accelerate investment.

Some of the published regulations include:

1. ESDM Ministerial Regulation No. 49 of 2017 (refinement of the Ministerial Regulation 10/2017 on the Principles of Power Sale and Purchase Agreement)
2. ESDM Ministerial Regulation Number 45 of 2017 (revised ESDM Regulation 11/20117 on Utilization of Natural Gas for Power Plant), and
3. ESDM Ministerial Regulation Number 50 of 2017 (second revision of ESDM Ministerial Regulation 12/2017 on Utilization of Renewable Energy Sources for Power Supply).

"This regulation change is motivated by the Government's efforts as a regulator in realizing a better business climate while still encouraging efficiency

practices,” said Andy Sommeng at the socialization. Attended by the stakeholders of the government, business entity, and association of the electricity subsector.

Furthermore, Someng explained, the revision is intended to provide signs in the sale and purchase of electricity. “Revision of Ministry Regulation No. 10, 11 and the second change of 12 will provide the signs in the sale and purchase of healthy power, efficient and transparent based on rights and obligations of each,” he explained

Further more, Someng explained the revision is intende to provide sign in the sale and purchase of electricity

In the ESDM Ministerial Decree 49/2017 (revised ESDM Regulation 10/2017), the provisions on the risks borne by PT PLN (Persero) and the Business Entity in the form of changes in the policy or regulation (government force majeure) and the provision of force majeure in the form of policy changes Or regulation (government force majeure) is **removed** in the new rules.

Beside that, there are additional provisions concerning the transfer of stock, among others: the transfer of shares that can only be done to a business entity one level below and reporting obligations to the Minister of EMR through the Director General of Electricity, changes of directors and / or commissioners, and the exemption of provisions on the Business Entity power generation Geothermal based electricity that is regulated according to the laws and regulations.

The revised items of the Ministerial Regulation 11/2017 include changes in the purchase of gas prices. If previously PLN / Power Supply Enterprise Agency (BUPTL) can buy gas at the highest price of 11.5% ICP / MMBTU if the power plant is not in the wellhead, in the new rules (Permen (ministerial Regulation) ESDM 45/2017) , PLN / BUPTL the highest price is set at 14.5% ICP in plant gate under applicable terms. In the new Ministerial Regulation, the chapter on warranties is **no longer regulated = deleted**

Finally, in ESDM Ministerial Regulation Number 50/2017 (second revision of Ministerial Regulation 12/2017) among others regulated the addition of provisions on Sea Air Power Plant (PLT) and changes in provisions on the

purchase of electricity from power plants that utilize renewable energy sources that are only done through direct **election mechanisms**.

The Ministerial Regulation on Energy and Mineral Resources 50/2017 also regulates changes to the purchase price formula of electricity from PLTS Photovoltaics, PLTB, PLTBm and PLTBG in the case of BPP Generator in the local electricity system equal to or below the national BPP Pembangkitan average, the benchmark price of original power purchase equal to The BPP Generation in the local electricity system shall be determined by agreement of the parties.

As for PLTP, PLTA and PLTSa, the price formula is done B to B for Java, Bali and Sumatra and maximum local BPP for other areas.

Beside, there is also an addition to the provisions concerning price approval, whereby all purchases of electricity from power plants utilizing renewable energy sources are subject to the approval of the ESDM Minister using the Build, Own, Operate and Transfer (BOOT) cooperation pattern, except for PLTSa.

BPP = Biaya Pokok Penyediaan (Pembangkitan)

PLTA = Pembangkit Listrik Tenaga Air

PLTP = Pembangkit Listrik Tenaga Panas Bumi

PLTSa = Pembangkit Listrik Tenaga Sampah

PLTB = Pembangkit Listrik Tenaga Bayu

PLTBm = Pembangkit Listrik Tenaga Biomassa

PLTBG = Pembangkit Listrik Tenaga Bio Gas

BPP = Cost of Provision (Generation)

PLTA = Hydro Power Plant

PLTP = Geothermal Power Plant

PLTSa = Garbage Power Generation

PLTB = Wind Power Generator

PLTBm = Biomass Power Plant

PLTBG = Bio Gas Power Plant