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**MINISTER OF ENERGY AND MINERAL RESOURCES
OF THE
REPUBLIC OF INDONESIA**

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES
NUMBER: 05 OF 2009

CONCERNING

GUIDELINES FOR THE PURCHASE OF ELECTRICITY BY PT PLN (LIMITED)
FROM COOPERATIVES OR OTHER BUSINESS ENTITIES

BY THE GRACE OF ALMIGHTY GOD

THE MINISTER OF ENERGY AND MINERAL RESOURCES,

- Considering :
- a. that the participation of cooperatives or other business entities in providing electricity plays a very important role in increasing the national electricity supply capacity;
 - b. that the price of electricity purchased by PT PLN (Limited) from cooperatives or other business entities is closely related to changes in macro-economic indicators;
 - c. that the provisions relating to the purchase price of electricity which have been enacted in a number of regulations of the Minister of Energy and Mineral Resources are no longer adequate and in order to accommodate the dynamics of economic and industrial development new regulations are needed on the price of electricity purchased by PT PLN (Limited);
 - d. that based on the considerations referred to in letters a, b and c, it is necessary to enact a Regulation of the Minister of Energy and Mineral Resources concerning Guidelines for the Purchase of Electricity by PT PLN (Limited) from Cooperatives or other Business Entities;
- Bearing in mind :
- 1. Law number 15 of 1985 concerning Electricity (Republic of Indonesia State Gazette number 74 of 1985, Supplement number 3317 to the Republic of Indonesia State Gazette);
 - 2. Law number 30 of 2007 concerning Energy (Republic of Indonesia State Gazette number 96 of 2007 Supplement number 4746 to the Republic of Indonesia State Gazette);
 - 3. Government Regulation number 10 of 1989 concerning the Provision and Utilization of Electricity (Republic of Indonesia State

Gazette number 24 of 1989, Supplement number 3394 to the Republic of Indonesia State Gazette) as twice amended, most recently by Government Regulation number 26 of 2006 (Republic of Indonesian State Gazette number 56 of 2006, Supplement number 4628 to the Republic of Indonesia State Gazette);

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4. Presidential Decree number 187/M of 2004 dated 20 October 2004 as amended a number of times, most recently by Presidential Decree number 77/P of 2007 dated 28 August 2007;
5. Decree of the Minister of Energy and Mineral Resources number 1122/K/30/MEM/2002 dated 12 June 2002 concerning Guidelines for Distributed Small Scale Power Generation;
6. Regulation of the Minister of Energy and Mineral Resources number 0030 of 2005 dated 20 July 2005 concerning the Organization and Working Procedures of the Department of Energy and Mineral Resources;
7. Regulation of the Minister of Energy and Mineral Resources number 001 of 2006 dated 2 January 2006 concerning the Procedure for the Purchase of Electricity and/or the Leasing of Electricity Supply Networks for General Purposes as amended by the Regulation of the Minister of Energy and Mineral Resources number 004 of 2007 dated 11 May 2007;
8. Regulation of the Minister of Energy and Mineral Resources number 002 of 2006 dated 18 January 2006 concerning Medium Scale Power Generation using Renewable Energy;

DECREES

To enact : A REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES CONCERNING GUIDELINES FOR THE PURCHASE OF ELECTRICITY BY PT PLN (LIMITED) FROM COOPERATIVES OR OTHER BUSINESS ENTITIES.

Section 1

These guidelines for the purchase of electricity by PT PLN (Limited) apply to the purchase of electricity from power plants producing energy from new, renewable, and non-renewable energy sources.

Section 2

Electricity may be purchased by PT PLN (Limited) from cooperatives or other business entities through public tender, direct appointment or direct selection in accordance with the provisions of the law.

Section 3

- (1) Plans for the purchase of electricity referred to in Section 2 shall be made based on PT PLN (Limited)'s Electrical Power Supply Business Plan (RUPTL) which has been approved by the Minister of Energy and Mineral Resources.

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- (2) Besides the purchase of electricity based on the RUPTL referred to in clause (1), PT PLN (Limited) is obligated to purchase electricity produced from renewable energy sources having a capacity of up to 10 MW in accordance with the provisions of the law.

Section 4

The purchase of electricity referred to in Section 2 shall be performed in an open, non-discriminatory, transparent and accountable manner.

Section 5

- (1) In implementing the planned purchase of electricity, PT PLN (Limited) is obliged to make an In-house Price Estimate (HPS) as a reference based on the type of generator, location of the generator, capacity and a capacity factor based on certain assumptions covering:
 - a. Domestic Component Content (TKDN);
 - b. the price and quality of the fuel;
 - c. the exchange rate; and
 - d. other macro-economic indicators.
- (2) In the case of geothermal power plants, the reference referred to in clause (1) shall include the reference parameter of the costs of exploration and development.
- (3) The HPS referred to in clause (1) shall be set for each project in accordance with an equitable economic price/value.

Section 6

In implementing the planned purchase of energy produced from renewable energy sources with a capacity of up to 10 MW, PT PLN (Limited) may publish a maximum price.

Section 7

In submitting a request to the Minister of Energy and Mineral Resources for the approval of the price of electricity to be purchased from cooperatives or other business entities, PT PLN (Limited) is obliged to attach the HPS referred to in Section 5 or the maximum price referred to in Section 6.

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Section 8

The purchase price of electricity referred to in Section 7 can be adjusted after taking into account related macro-economic indicators and subject to agreement having been reached between PT PLN (Limited) and cooperatives or other business entities and written into the electricity purchase contract.

Section 9

At the time this Ministerial Regulation comes into effect the reference purchase prices of electricity which were set for tender processes, direct appointments, direct selections or the tendering out of geothermal mining work areas before this Ministerial Regulation took effect shall still constitute a reference during negotiation over the selling price of electricity between cooperatives or other business entities and PT PLN (Limited).

Section 10

When this Ministerial Regulation comes into effect:

1. The provisions of Section 14 of Decision of the Minister of Energy and Mineral Resources number 1122K/30/MEM/2002 dated 12 June 2002 concerning the Guidelines for Distributed Small Scale Power Generation;
2. The provisions of Section 3 of Regulation of the Minister of Energy and Mineral Resources number 002 of 2006 dated 18 January 2006 concerning Medium Scale Power Generation using Renewable Energy;

3. Regulation of the Minister of Energy and Mineral Resources number 044 of 2006 dated 18 July 2006 concerning the Purchase of Electricity In Order to Accelerate the Diversification of Energy for Electricity Generation Plants to Coal through Direct Selection;
4. Regulation of the Minister of Energy and Mineral Resources number 14 of 2008 dated 9 May 2008 concerning the Standard Price of Electricity from Geothermal Power Plants; and
5. Regulation of the Minister of Energy and Mineral Resources number 269-12/26/600.3/2008 dated 9 June 2008 concerning the Base Supply Price (BPP) of Electricity for 2008 supplied by the Limited Liability Company PT PLN,

are repealed and declared to be no longer in effect.

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Section 11

This Ministerial Regulation shall take effect upon the date of its enactment.

In order that it be made known to every person, it is ordered that this Ministerial Regulation be passed into law by its placement in the Republic of Indonesia State Gazette.

Enacted in Jakarta
on 24 March 2009

MINISTER OF ENERGY AND
MINERAL RESOURCES,

Signed

PURNOMO YUSGIANTORO

Passed into law in Jakarta
on 24 March 2009

MINISTER OF LAW AND HUMAN RIGHTS,
REPUBLIC OF INDONESIA,

Signed

ANDI MATTALATTA

REPUBLIC OF INDONESIA STATE GAZETTE NUMBER 46 OF 2009

Certified true copy of the original
DEPARTMENT OF ENERGY AND MINERAL RESOURCES
Head of Law and Human Relations Bureau,
(signed)

[DEPARTMENT OF ENERGY
AND MINERAL RESOURCES
STAMP]

Sutisna Prawira

TRANSLATION INFORMATION

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