



GOVERNMENT REGULATIONS

ELECTRICITY

(Law No. 30/2009 dated September 23, 2009)

BY THE GRACE OF GOD ALMIGHTY
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

f. that based on the considerations in letters a, b, c, d, and e, it is necessary to enact Law on Electricity;

Considering :

- a. that the national development aims to create a just and prosperous community, either materially or spiritually, based on the state ideology Pancasila and the 1945 Constitution of the Republic of Indonesia;
- b. that electrical power plays a very important and strategic role in achieving the goals of the national development and therefore, the supply of electrical power is controlled by the state and must constantly be increased in line with development growth to ensure that electrical power will be evenly available in adequate quantities with high quality;
- c. that the supply of electrical power is capital-and technology-intensive business and is in line with the principles of regional autonomy and democratization in the communityhood, nationhood and statehood order and therefore, the role of regional governments and communities in the supply of electrical power needs to be intensified;
- d. that besides being useful, electrical power may be dangerous and therefore, the supply and use of electrical power must observe provisions on electricity safety;
- e. that Law No. 15/1985 on Electricity is no longer relevant to developments and changes in the life of the community and therefore, it must be replaced with the new one;

In view of :

Article 5 paragraph (1), Article 18, Article 20, and Article 33 of the 1945 Constitution of the Republic of Indonesia (*BN No. 7152 page 14A*);

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES OF
THE REPUBLIC OF INDONESIA
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

DECIDES :

To stipulate :
LAW ON ELECTRICITY.

CHAPTER I GENERAL PROVISIONS

Article 1

Referred to in this Law as:

1. Electricity is every thing related to the supply and use of electrical power as well as to the running of electrical power-supporting businesses.
2. Electrical power is a form of secondary energy generated, transmitted and distributed for all types of needs

- but excluding electricity used for communications, electronics or signals.
3. The supply of electrical power is the procurement of electrical power covering the generation, transmission, distribution and sales of electrical power to consumers.
 4. The generation of electrical power is the activity to produce electrical power.
 5. The transmission of electrical power is the distribution of electrical power from the generation of electrical power to the distribution system or consumers or the distribution of electrical power from one system to another.
 6. The distribution of electrical power is the distribution of electrical power from the transmission system or the generation of electrical power to consumers.
 7. Consumer is every individual or body buying electrical power from the holder of permit engaged in the supply of electrical power.
 8. The sales of electrical power is the sales of electrical power to consumers.
 9. General plan for electricity is a plan to develop an electrical power supplying system covering the generation, transmission, and distribution of electrical power needed to meet demand for electrical power.
 10. Business permit for the supply of electrical power is the permit to engage in the supply of electrical power for public interests.
 11. Operation permit is a permit to engage in the supply of electrical power for personal interests.
 12. Business area is an area set by the Government as a place of corporate body engaged in the distribution and/or sales of electrical power to conduct the supply of electrical power.
 13. Land compensation is compensation for the release or transfer of rights to land, along with buildings, plants and/or other objects found on the land.
 14. Compensation is a sum of money paid to the holders of rights to land, along with buildings, plants and/or other objects found on the land because the land is indirectly used for the development of electricity facilities without the release or transfer of land titles.
 15. Central Government, hereinafter referred to as the Government, is the President of the Republic of Indonesia holding the government authority of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
 16. Regional Government is a governor, regent, or mayor and regional apparatuses as the operator of Regional Government.
 17. Minister is the minister responsible for electricity affairs.
 18. Everybody is an individual or body, either that taking the form of legal entity or not.

CHAPTER II

PRINCIPLES AND AIMS

Article 2

- (1) The development of electricity shall adhere to the principles of :
 - a. benefit;
 - b. justice-based efficiency;
 - c. sustainability;
 - d. optimizing the economy in the use of energy resources;
 - e. relying on own capacity;
 - f. sound business practice;
 - g. security and safety;
 - h. environmental conservation; and
 - i. regional autonomy.

- (2) The development of electricity shall be aimed at ensuring the availability of electrical power in adequate quantities, with good quality, and at reasonable prices as part of efforts to improve the welfare and prosperity of the people in a just and even manner as well as to create sustainable development.

CHAPTER III

CONTROL AND OPERATION

Part One

Control

Article 3

- (1) The supply of electrical power shall be controlled by the state and conducted by the Government and regional governments based on the principles of regional autonomy.
- (2) To conduct the supply of electrical power as referred to in paragraph (1), the Government and regional governments shall, according to their respective authority, set policies on, regulate, supervise and conduct the supply of electrical power.

Part Two

Operation

Article 4

- (1) The supply of electrical power by the Government and regional governments shall be conducted by a state-owned company and regional government-owned companies.
- (2) Private corporate bodies, cooperatives, and self-supporting communities can participate in the supply of electrical power.
- (3) To conduct the supply of electrical power as referred to in Article 3 paragraph (1), the Government and regional governments shall provide funds for :

- a. groups of low-income people;
- b. development of facilities for the supply of electrical power in least developed regions;
- c. development of electrical power in remote and border areas; and
- d. development of rural electricity.

CHAPTER IV

AUTHORITY OF OPERATION

Article 5

- (1) The authority of the Government in the field of electricity shall cover:
- a. setting national electricity policies;
 - b. making regulations in the field of electricity;
 - c. setting guidance, standards and criteria in the field of electricity;
 - d. issuing guidance to set tariffs of electrical power for consumers;
 - e. making general plan for national electricity;
 - f. setting business areas;
 - g. issuing permits for the sales and purchase of electrical power with other countries;
 - h. issuing business permits for the supply of electrical power to corporate bodies :
 1. whose business areas involve more than one provinces;
 2. which are run by a state-owned company; and
 3. which sell electrical power and/or lease electricity networks to the holders of business permits engaged in the supply of electrical power set by the Government;
 - i. issuing operation permits whose installation facilities cover more than one provinces;
 - j. setting the tariffs of electrical power for the customers of the holders of business permits engaged

in the supply of electrical power set by the Government;

- k. approving the selling prices of electrical power and rents of electricity networks owned by the holders of business permits engaged in the supply of electrical power set by the Government;
- l. approving the sales of electrical power surplus from the holders of operation permits set by the Government;
- m. issuing business permits for electrical power-supporting services conducted by a state-owned company or foreign investor/company whose the majority of shares is owned by foreign investors;
- n. issuing permits to use electricity networks in the interests of telecommunication, multimedia and informatics on the network owned by the holders of business permits engaged in the supply of electrical power set by the Government;
- o. nurturing and supervising corporate bodies engaged in the field of electricity whose permits are issued by the Government;
- p. appointing electricity inspectors;
- q. developing the functional posts of electricity inspectors for all levels of government; and
- r. determining administrative sanctions on corporate bodies whose business permits are issued by the Government.

(2) The authority of provincial government in the field of electricity shall cover:

- a. issuing provincial regulations in the field of electricity;
- b. making general plans for electricity at a provincial level;
- c. issuing business permits for the supply of electrical power to corporate bodies whose business areas involve more than one regencies/municipalities;

d. issuing operation permits whose installation facilities cover more than one regencies/municipalities;

e. setting the tariffs of electrical power for customers of the holders of business permits engaged in the supply of electrical power set by the provincial government;

f. approving the selling prices of electrical power and rents of electricity networks for corporate bodies selling electrical power and/or leasing electricity networks to corporate bodies whose permits are set by the provincial government;

g. approving the sales of electrical power surplus from the holders of operation permits whose permits are issued by the provincial government;

h. issuing permits to use electricity networks in the interests of telecommunications, multimedia, and informatics on the networks owned by the holders of business permits engaged in the supply of electrical power or operation permits issued by the provincial government;

i. nurturing and supervising corporate bodies engaged in the field of electricity whose permits are issued by the provincial government;

j. appointing electricity inspectors at a provincial level; and

k. determining administrative sanctions on corporate bodies whose business permits are issued by the provincial government.

(3) The authority of regency/municipal government in the field of electricity shall cover:

a. issuing regency/municipal regulations in the field of electricity;

b. making general plans for electricity at a regency/municipal level;

- c. Issuing business permits for the supply of electrical power to corporate bodies whose business areas are located in the regency/municipality;
- d. Issuing operation permits whose installation facilities are located in the regency/municipality;
- e. setting the tariffs of electrical power for the customers of the holders of business permits engaged in the supply of electrical power set by the regency/municipal government;
- f. approving the selling prices of electrical power and rents of electricity networks for corporate bodies selling electrical power and/or leasing electricity networks to corporate bodies whose permits are set by the regency/municipal government;
- g. Issuing permits for electrical power-supporting services to corporate bodies whose the majority of shares is owned by domestic investors;
- h. approving the sales of electrical power surplus from the holders of operation permits whose permits are issued by the regency/municipal government;
- i. issuing permits to use electricity networks in the interests of telecommunications, multimedia and Informatics on the networks owned by the holders of business permits engaged in the supply of electrical power or operation permits issued by the regency/municipal government;
- j. nurturing and supervising corporate bodies engaged in the field of electricity whose permits are issued by the regency/municipal government;
- k. appointing electricity inspectors at a regency/municipal level; and
- l. determining administrative sanctions on corporate bodies whose permits are issued by the regency/municipal government.

CHAPTER V

THE USE OF PRIMARY ENERGY SOURCES

Article 6

- (1) Primary energy sources found at home and/or originating from abroad shall optimally be taken advantage of according to the national energy policies to ensure the supply of electrical power in a sustainable way.
- (2) The use of primary energy sources as referred to in paragraph (1) shall be done by prioritizing new energy and renewable energy sources.
- (3) The use of primary energy sources found at home as referred to in paragraph (1) shall prioritize the interests of national electricity.

CHAPTER VI

GENERAL PLAN FOR ELECTRICITY

Article 7

- (1) The general plan for national electricity shall be drawn up based on the national energy policies and endorsed by the Government after consulting the House of Representatives of the Republic of Indonesia.
- (2) The general plan for national electricity as referred to in paragraph (1) shall be drawn up by involving regional governments.
- (3) The general plan for regional electricity shall be drawn up based on the general plan for national electricity and endorsed by the regional government after consulting the Regional Legislative Council.
- (4) The guidance to draw up the general plan for electricity as referred to in paragraph (1) and paragraph (3) is to be set by the Minister.

CHAPTER VII
ELECTRICITY BUSINESS

Part One

General

Article 8

Electricity business consists of :

- a. the supply of electrical power; and
- b. electrical power-supporting business.

Part Two

The Supply of Electrical Power

Article 9

The supply of electrical power as referred to in Article 8 letter a consists of :

- a. the supply of electrical power for public interests; and
- b. the supply of electrical power for own interests.

Article 10

- (1) The supply of electrical power for public interests as referred to in Article 9 letter a covers the types of business:
 - a. generation of electrical power;
 - b. transmission of electrical power;
 - c. distribution of electrical power; and/or
 - d. sales of electrical power.
- (2) The supply of electrical power for public interests as referred to in paragraph (1) can be conducted in an integrated way.
- (3) The supply of electrical power for public interests as referred to in paragraph (2) shall be conducted by 1 (one) corporate body in 1 (one) business area.
- (4) The restriction on business area as referred to in paragraph (3) shall also apply to the supply of electrical power for public interests covering only the distribution of elec-

trical power and/or the sales of electrical power.

- (5) The business area as referred to in paragraph (3) and paragraph (4) shall be set by the Government.

Article 11

- (1) The supply of electrical power for public interests as referred to in Article 10 paragraph (1) shall be conducted by state-owned company, regional government-owned companies, private corporate bodies, cooperatives, and self-supporting communities engaged in the supply of electrical power.
- (2) The state-owned company as referred to in paragraph (1) shall be given the first priority to conduct the supply of electrical power for public interests.
- (3) For the areas which have not enjoyed electricity, the Government or regional governments shall, according to their respective authority, give a chance to regional government-owned companies, private corporate bodies, or cooperatives as the operator of business in the supply of electrical power in an integrated way.
- (4) In the absence of regional government-owned company, private corporate body, or cooperative capable of supplying electrical power in the areas, the Government shall assign the state-owned company to supply electrical power.

Article 12

The supply of electrical power for own interests as referred to in Article 9 letter b covers :

- a. generation of electrical power;
- b. generation of electrical power and distribution of electrical power; or
- c. generation of electrical power, transmission of electrical power and distribution of electrical power.

Article 13

The supply of electrical power for own interests as referred to in Article 12 can be conducted by government agencies, regional governments, state-owned companies, regional government-owned companies, private corporate bodies, cooperatives, individuals, and other institutes/bodies.

Article 14

Further provisions on the supply of electrical power as referred to in Article 9 up to Article 13 are to be provided for in a Government Regulation.

Part Three

Electrical Power Supporting Businesses

Article 15

The electrical power-supporting businesses as referred to in Article 8 letter b consist of :

- a. electrical power-supporting service business; and
- b. electrical power-supporting industrial business.

Article 16

- (1) The electrical power-supporting service businesses as referred to in Article 15 letter a cover :
 - a. consulting services in the field of installations for the supply of electrical power;
 - b. construction of installations for the supply of electrical power;
 - c. inspection and test of electrical power installations;
 - d. operation of electrical power installations;
 - e. maintenance of electrical power installations;
 - f. research and development;
 - g. education and training;
 - h. laboratory to test equipment and use of electrical power;

- i. certification of equipment and use of electrical power;
- j. certification of the competency of electricity technicians; or
- k. other service businesses directly related to the supply of electrical power.

- (2) The electrical power-supporting service businesses as referred to in paragraph (1) shall be conducted by state-owned companies, regional government-owned companies, private corporate bodies, and cooperatives having certificates, classifications and qualifications according to the law.
- (3) In conducting the electrical power supporting service businesses, state-owned companies, regional government-owned companies, private corporate bodies and cooperatives shall prioritize domestic products and potentials.
- (4) Further provisions on certification, classification and qualifications of electrical power-supporting service businesses are to be provided for in a Government Regulation.

Article 17

- (1) The electrical power-supporting industrial businesses as referred to in Article 15 letter b cover :
 - a. electrical power instrument industry; and/or
 - b. electrical power user industry.
- (2) The electrical power-supporting industrial business as referred to in paragraph (1) shall be conducted by state-owned companies, regional government-owned companies, private corporate bodies and cooperatives.
- (3) In conducting the electrical power-supporting Industrial business, state-owned companies, regional government-owned companies, private corporate bodies and cooperatives shall prioritize domestic products and potentials.

- (4) The electrical power-supporting industrial business as referred to in paragraph (1) shall be conducted according to the law.

CHAPTER VIII

LICENCING

Part One

General

Article 18

The supply of electrical power and the running of electrical power-supporting business as referred to in Article 8 shall be conducted after securing business permits.

Part Two

Business Permits for the Supply of Electrical Power and Operation Permits

Article 19

- (1) Business permits for the supply of electrical power consist of:
- a. Business permit for the supply of electrical power; and
 - b. Operation permit.
- (2) Anybody wishing to conduct the supply of electrical power for public interests shall hold a business permit for the supply of electrical power.

Article 20

The business permits for the supply of electrical power as referred to in Article 19 paragraph (1) letter a shall be set according to the types of their business as referred to in Article 10 paragraph (1).

Article 21

The Government or regional governments shall, according to their respective authority, set

business permits for the supply of electrical power.

Article 22

The operation permits as referred to in Article 19 paragraph (1) letter b shall be required for electrical power plants with certain capacities to be provided for in a Ministerial Regulation.

Article 23

- (1) The operation permits as referred to in Article 20 shall be set by the Government or regional governments according to their respective authority.
- (2) The operation permits as referred to in paragraph (1) shall be set after administrative, technical and environmental requirements have been met.
- (3) The holders of operation permits can sell electrical power surplus for use in the interests of the public after securing approval from the Government or regional governments according to their respective authority.

Article 24

Further provisions on business permit for the supply of electrical power and operation permit are to be provided for in a Government Regulation.

Part Three

Permit for Electrical Power-Supporting Business

Article 25

- (1) Electrical power-supporting service businesses as referred to in Article 15 letter a and Article 16 paragraph (2) shall be conducted after securing permits for electrical power-supporting service business from the Government or regional government according to their respective authority.

- (2) Permits for electrical power-supporting service business and permits for electrical power-supporting industrial business shall be set according to the law.

Article 26

Further provisions on permits for electrical power-supporting service business are to be provided for in a Government Regulation.

Part Four

The Rights and Obligations of the Holders of Permits for the Supply of Electrical Power

Article 27

- (1) In the interests of the public, the holders of permits for the supply of electrical power which conduct the supply of electrical power as referred to in Article 10 paragraph (1) shall have the right to :
- a. cross rivers or lakes, either above or beneath the surface;
 - b. cross the sea, either above or beneath the surface;
 - c. cross public roads and railway tracks;
 - d. enter public or personal places for temporary use;
 - e. use land and cross above or beneath the land;
 - f. cross above or below buildings built on or beneath the land; and
 - g. cut and/or fell hindering trees.
- (2) In carrying out the activities as referred to in paragraph (1), the holders of permits for the supply of electrical power shall do so according to the law.

Article 28

The holders of permits for the supply of electrical power shall:

- a. provide electrical power which meets quality standard and reliability;
- b. provide as good services as possible to consumers and the public;
- c. meet electricity safety conditions; and
- d. prioritize domestic products and potentials.

Part Five

The Rights and Obligations of Consumers

Article 29

- (1) Consumers shall have the right to :
- a. receive good services;
 - b. get continuous electrical power of good quality and reliability;
 - c. receive electrical power to which they are entitled at reasonable prices;
 - d. get repair services in case of electrical power disturbance; and
 - e. receive compensation in case of blackout caused by errors and/or carelessness on the part of the holders of permits for the supply of electrical power according to the conditions set in the electrical power sales purchase agreement.
- (2) Consumers shall be obliged to :
- a. take security measures to prevent danger that may arise from the use of electrical power;
 - b. safeguard electrical power installations owned by consumers;
 - c. use electrical power according to its appropriation;
 - d. pay electricity bills; and
 - e. abide by technical requirements in the electricity field.
- (3) Consumers shall be held responsible if because of their negligence they inflict losses to the holder of permit for the supply of electrical power.

- (4) Further provisions on the responsibilities of consumers as referred to in paragraph (3) are to be provided for in a Ministerial Regulation.

CHAPTER IX
THE USE OF LAND

Article 30

- (1) The use of land to exercise their right as referred to in Article 27 shall require the holders of permit for the supply of electrical power to provide land compensation or compensation to the holders of rights to the land, buildings, and plants according to the law.
- (2) Land compensation as referred to in paragraph (1) shall be given to the direct use of land by the holders of permit for the supply of electrical power as well as to buildings and plants on the land.
- (3) Compensation as referred to in paragraph (1) shall be given to the indirect use of land by the holders of permit for the supply of electrical power which leads to a decline in the economic value of land, buildings and plants crossed by electrical power transmission.
- (4) Further provisions on compensation as referred to in paragraph (3) are to be provided for in a Government Regulation.
- (5) If the land used by the holders of permit for the supply of electrical power includes parts of land controlled by the holders of land titles or the users of state land, before starting their activities the holders of permit for the supply of electrical power shall settle the land problem according to the law on agrarian affairs.
- (6) If the land used by the holders of permit for the supply of electrical power includes communal land the land problem shall be settled according to the law on agrarian affairs by taking account of the customary law.

Article 31

The obligation to ~~give land~~ compensation or compensation as referred to in Article 30 paragraph (1) shall not apply to anybody who ~~deliberately~~ sets up a building, grows plants and carries out other activities on the land already granted a location permit for the supply of electrical power and who has received land compensation or compensation.

Article 32

- (1) The procedures of setting and paying land compensation or compensation as referred to in Article 30 shall be based on the law.
- (2) Land compensation or compensation as referred to in Article 30 shall be borne by the holders of permit for the supply of electrical power.

CHAPTER X
SELLING PRICES, NETWORK RENTS AND ELECTRICAL
POWER TARIFFS

Part One

The Selling Prices of Electrical Power and the Rents of
Electrical Power
Networks

Article 33

- (1) The selling prices of electrical power and the rents of electrical power networks shall be set under the principles of sound business.
- (2) The Government or regional governments shall, according to their respective authority, approve the selling prices of electrical power and the rents of electrical power networks.
- (3) The holders of permit for the supply of electrical power shall be banned from applying the selling prices of electrical power and the rents of electrical power networks

without any approval from the Government or regional governments.

Part Two

The Tariffs of Electrical Power

Article 34

- (1) The Government shall, according to its authority, set the tariffs of electrical power for consumers with the approval of the House of Representatives of the Republic of Indonesia.
- (2) Regional governments shall, according to their authority, set the tariffs of electrical power for consumers with the approval of the Regional Legislative Councils based on the guidance set by the Government.
- (3) If a regional government cannot set the tariffs of electrical power as referred to in paragraph (2), the Government shall set the tariffs of electrical power for the region with the approval of the House of Representatives of the Republic of Indonesia.
- (4) The tariffs of electrical power for consumers as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be set by observing the balance between the interests of the nation, regions, consumers and business agents engaged in the supply of electrical power.
- (5) The tariffs of electrical power for consumers as referred to in paragraph (1) and paragraph (2) can be set differently for each region in one business area.

Article 35

The holders of permit for the supply of electrical power shall be banned from applying the tariffs of electrical power for consumers which are not the same as those set by the Government or regional governments as referred to in Article 34.

Article 36

The procedures of setting the selling prices, rents and electrical power tariffs as referred to in Article 33 and Article 34 are to be provided for in a Government Regulation.

Part Three

The Sales and Purchase of Electrical Power with Other Countries

Article 37

The sales and purchase of electrical power with other countries shall be conducted by the holders of permit for the supply of electrical power based on a permit from the Government.

Article 38

The sales and purchase of electrical power with other countries can be conducted through the purchase or sales of electrical power.

Article 39

The purchase of electrical power from other countries as referred to as referred to in Article 38 can be conducted on condition:

- a. the local demand for electrical power has not been met;
- b. the purchase of electrical power is merely to support the fulfillment of the local demand for electrical power;
- c. the purchase of electrical power does not harm the interests of the state and nation related to sovereignty, security and economic development;
- d. the purchase of electrical power is to improve the quality and reliability in the supply of local electrical power;
- e. the purchase of electrical power does not ignore the development of the domestic capacity in the supply of electrical power; and

- f. the purchase of electrical power does not cause dependence on the foreign supply of electrical power.

Article 40

The sales of electrical power to other countries as referred to in Article 38 can be conducted on condition:

- a. the demand for electrical power in the region and environs has been met;
- b. the selling prices of electrical power are not subsidized; and
- c. the sales of electrical power does not disrupt quality and reliability in the supply of electrical power in the region.

Article 41

Further provisions on the sales and purchase of electrical power with other countries as referred to in Article 37 up to Article 40 are to be provided for in a Government Regulation.

CHAPTER XI

ENVIRONMENTAL AND TECHNICAL AFFAIRS

Part One

Environmental Affairs

Article 42

Any electricity business activity shall meet provisions required in the environment law.

Part Two

Technical Affairs

Article 43

Technical affairs in electricity consist of :

- a. electricity safety; and
- b. the use of electrical power networks in the interests of telecommunication, multimedia and informatics.

Article 44

- (1) Any electricity business activity shall meet provisions on electricity safety.
- (2) The provisions on electricity safety as referred to in paragraph (1) are aimed at creating :
 - a. reliable and secure condition for installations;
 - b. danger-free condition for human beings and other creatures; and
 - c. environment-friendly condition.
- (3) The provisions on electricity safety as referred to in paragraph (1) cover :
 - a. fulfilling the standardization of electrical power instruments and users;
 - b. safeguarding electrical power installations; and
 - c. safeguarding electrical power users.
- (4) Any electrical power installation in operation shall have an operation worthy certificate.
- (5) Any electrical power instrument and user shall meet the Indonesian national standard.
- (6) Any technician employed in electricity business shall hold a competency certificate.
- (7) The provisions on electricity safety, operation worthy certificate, Indonesian national standard, and competency certificate as referred to in paragraph (1) up to paragraph (6) are to be provided for in a Government Regulation.

Article 45

- (1) The use of electrical power networks in the interests of telecommunication, multimedia and informatics can be done only if it does not disrupt the continued supply of electrical power.
- (2) The use of electrical power networks as referred to in paragraph (1) can be done only with approval from the owner of networks.

- (3) The use of electrical power networks as referred to in paragraph (1) shall be done based on a network usage permit issued by the Government or regional government according to their respective authority.
- (4) Further provisions on the use of electrical power networks as referred to in paragraph (1) and paragraph (2) are to be provided for in a Government Regulation.

CHAPTER XII

DEVELOPMENT AND CONTROL

Article 46

- (1) The Government or regional governments shall, according to their respective authority, develop and control the supply of electrical power when it comes to :
- a. the supply and use of energy sources for electrical power generators;
 - b. the fulfillment of requirements for adequate supply of electrical power;
 - c. the fulfillment of technical terms;
 - d. the fulfillment of environmental protection aspects;
 - e. the priority to use locally-made goods and services;
 - f. the use of expatriates;
 - g. the fulfillment of quality and reliability standards in the supply of electrical power;
 - h. the fulfillment of licensing requirements;
 - i. the application of electrical power tariffs; and
 - j. the fulfillment of the quality of services provided by electrical power-supporting businesses.
- (2) In conducting the control as referred to in paragraph (1), the Government and regional governments can :
- a. make field inspections;
 - b. ask for reports on the realization of businesses in the electricity field;
 - c. conduct a research and evaluation of reports on the realization of businesses in the electricity field; and

d. impose administrative sanctions on any violator of licensing provisions.

- (3) In conducting the technical control as referred to in paragraph (1), the Government and regional governments shall be assisted by electricity inspectors and/or civil servant investigators.
- (4) Further provisions on development and control are to be provided for in a Government Regulation.

CHAPTER XIII

INVESTIGATION

Article 47

- (1) Besides investigators from the Indonesian Police, certain civil servants whose scope of tasks and responsibilities covers the electricity field shall be given special authority to serve as investigators as referred to in the Penal Code to investigate criminal offences in the electricity field.
- (2) The civil servant investigators as referred to in paragraph (1) shall have the authority to :
- a. check the truth of reports or information related to criminal offences in electricity business;
 - b. investigate anybody suspected of committing a criminal offence in electricity business;
 - c. summon people to be heard and investigated as witnesses or suspects in criminal offences related to electricity business;
 - d. search places believed to have been used to commit criminal offences related to electricity business;
 - e. check facilities and infrastructures used to carry out electricity business and stop the use of instruments believed to have been used to commit criminal offences;
 - f. seal and/or confiscate instruments of electricity business used to commit criminal offences as evidence;

g. employ necessary experts in connection with the investigation of criminal offences in electricity business; and

h. arrest and detain the perpetrators of criminal offences in electricity business based on the law.

- (3) The civil servant investigators as referred to in paragraph (1) shall notify officials of the Indonesian Police about the start of investigation of criminal cases according to the law.
- (4) The authority as referred to in paragraph (2) shall be exercised according to the law.

CHAPTER XIV

ADMINISTRATIVE SANCTIONS

Article 48

- (1) Anybody found violating provisions in Article 16 paragraph (3), Article 17 paragraph (3), Article 27 paragraph (2), Article 28, Article 33 paragraph (3), Article 35, Article 37, Article 42, or Article 45 paragraph (3) shall be liable to administrative sanctions in the form of :
- a. written warning;
 - b. having his/her activity frozen temporarily; and/or
 - c. having his/her business permit revoked.
- (2) The administrative sanctions as referred to in paragraph (1) shall be set by the Minister, governors, or regents/mayors according to their respective authority.
- (3) The procedure of imposing the administrative sanctions as referred to in paragraph (1) is to be provided for in a Government Regulation.

CHAPTER XV

CRIMINAL PROVISIONS

Article 49

- (1) Anybody engaged in the supply of electrical power for public interests without a permit as referred to in Article 9 paragraph (2) shall be sentenced to a maximum of 3 (three) years in jail and fined a maximum of Rp2,000,000,000 (two billion rupiahs).
- (2) Anybody engaged in the supply of electrical power without an operation permit as referred to in Article 22 shall be sentenced to a maximum of 5 (five) years in jail and fined a maximum of Rp4,000,000,000 (four billion rupiahs).
- (3) Anybody selling electrical power surplus for use in the interests of the public without approval from the Government or regional government as referred to in Article 23 paragraph (3) shall be sentenced to a maximum of 2 (two) years in jail and fined a maximum of Rp2,000,000,000 (two billion rupiahs).

Article 50

- (1) Anybody failing to meet the electricity safety as referred to in Article 44 paragraph (1) leading to the death of a person because of electrical power shall be sentenced to a maximum of 10 (ten) years in jail and fined a maximum of Rp500,000,000 (five hundred million rupiahs).
- (2) If the misdeed as referred to in paragraph (1) is committed by the holder of permit for the supply of electrical power or the holder of operation permit, he/she shall be sentenced to a maximum of 10 (ten) years in jail and fined a maximum of Rp1,000,000,000 (one billion rupiahs).

- (3) Besides the criminal sanctions as referred to in paragraph (2) the holder of permit for the supply of electrical power or the holder of operation permit is also obliged to compensate the victim.
- (4) The amount and procedure of paying compensation as referred to in paragraph (3) shall follow the law.

Article 51

- (1) Anybody failing to meet electricity safety as referred to in Article 44 paragraph (1), thereby affecting the sustained supply of electrical power shall be sentenced to a maximum of 3 (three) years in jail and fined a maximum of Rp500,000,000 (five hundred million rupiahs).
- (2) If the misdeed as referred to in paragraph (1) leads to power cut so that it harms the public, he/she shall be sentenced to a maximum of 5 (five) years in jail and fined a maximum of Rp2,500,000,000 (two billion, five hundred million rupiahs).
- (3) Anybody using electrical power to which he/she is not entitled in breach of the law shall be sentenced to a maximum of 7 (seven) years in jail and fined a maximum of Rp2,500,000,000 (two billion, five hundred million rupiahs).

Article 52

- (1) Anybody engaged in the supply of electrical power who does not fulfill the obligation to those entitled to land, buildings and plants as referred to in Article 30 paragraph (1) shall be sentenced to a maximum of 5 (five) years in jail and fined a maximum of Rp3,000,000,000 (three billion rupiahs).

- (2) Besides the criminal sanctions as referred to in paragraph (1) he/she may be liable to additional sanction in the form of having his/her permit for the supply of electrical power or operation permit revoked.

Article 53

Anybody engaged in electrical power-supporting service business without a permit as referred to in Article 25 paragraph (1) shall be sentenced to a maximum of 5 (five) years in jail and fined a maximum of Rp2,000,000,000 (two billion rupiahs).

Article 54

- (1) Anybody operating electrical power installations without an operation worthy certificate as referred to in Article 44 paragraph (4) shall be sentenced to 5 (five) years in jail and fined a maximum of Rp500,000,000 (five hundred million rupiahs).
- (2) Anybody producing, circulating or trading electrical power instrument and user which do not meet the Indonesian national standard as referred to in Article 44 paragraph (5) shall be sentenced to a maximum of 5 (five) years in jail and fined a maximum of Rp5,000,000,000 (five billion rupiahs).

Article 55

- (1) If the criminal offences as referred to in Article 49 up to Article 54 are committed by corporate body, the criminal sanctions shall be imposed on the corporate body and/or its management.
- (2) If the criminal sanctions as referred to in paragraph (1) are imposed on the corporate body, the criminal sanctions imposed shall be equal to the maximum fine plus one-third of it.

CHAPTER XVI
TRANSITIONAL PROVISIONS

Article 56

When this Law begins to take effect:

1. PT Perusahaan Listrik Negara (Persero) as a state-owned company formed under Government Regulation No. 23/1994 on the change in the status of public service electricity company (Perum) into a state limited liability company (Persero) shall be considered holding a permit for the supply of electrical power.
2. In the period of no more than 2 (two) years, the Government shall have arranged and set a permit for the supply of electrical power to the state-owned company as referred to in point 1 according to the law.
3. Electricity business permits for public interests, electricity business permit for own interests and electrical power-supporting business permits issued based on Law No. 15/1985 on Electricity shall remain valid until their date of expiry.
4. In the period of no more than 2 (two) years, electricity business permits for public interests, electricity business permits for own interests, and electrical power-supporting business permits issued based on Law No. 15/1985 on Electricity as referred to in point 3 shall be adjusted to this Law.

CHAPTER XVII

CONCLUSION

Article 57

- (1) When this Law begins to take effect, Law No. 15/1985 on Electricity (Statute Book of 1985 No. 74, Supplement

to Statute Book No. 3317) shall be declared null and void.

- (2) Regulations on electricity issued based on Law No. 15/1985 on Electricity shall remain valid, provided they do not contradict or have not been replaced based on this Law.
- (3) Regulations needed to implement this Law shall be issued no later than 1 (one) year after this Law is promulgated.

Article 58

This Law shall come into force as from the date of promulgation.

For public cognizance, this Law shall be promulgated by placing it in the Statute Book of the Republic of Indonesia.

Endorsed in Jakarta

on September 23, 2009

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

sgd.

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta

on September 23, 2009

THE MINISTER OF LAW AND HUMAN RIGHTS,

sgd.

ANDI MATTALATTA

STATUTE BOOK OF THE REPUBLIC OF INDONESIA OF

2009 NO. 133

ELUCIDATION
OF
LAW NO. 30/2009
ON
ELECTRICITY

I. GENERAL

The development of the electricity sector is aimed at promoting public welfare and intellectualizing the nation to achieve the goals of national development, namely to create a just and prosperous community, either materially or spiritually, based on the state ideology Pancasila and the 1945 Constitution of the Republic of Indonesia. Electrical power, as one of the results of the exploitation of natural resources, plays an important role for the state to achieve the goals of national development.

Realizing that electrical power is important for the state to create public welfare in all aspects and in line with Article 33 paragraph (2) of the 1945 Constitution of the Republic of Indonesia, this Law stipulates that the supply of electrical power is controlled by the state and used for the greatest possible prosperity of the people and therefore, it is organized by the Government and regional governments.

The Government and regional governments, according to their respective authority, set policies on, regulate, supervise and conduct the supply of electrical power.

The Government and regional governments conduct the supply of electrical power by assigning state-owned company and regional government-owned companies. To improve further the state capacity in the supply of electrical power, this Law gives a chance to

private corporate bodies, cooperatives, self-supporting communities to participate in the supply of electrical power.

In line with the principles of regional autonomy, the Government or regional governments according to their respective authority set permits for the supply of electrical power.

A wide range of electricity problems being faced by the nation and state have been anticipated in this Law which deals among others with the distribution of business areas for the supply of electrical power in an integrated way, the application of regional tariffs limited to a certain business area, the use of electrical power networks in the interests of telecommunications, multimedia and informatics and the sale and purchase of electrical power with other countries which are not covered by Law No. 15/1985 on Electricity.

To improve the supply of electrical power to the public, law enforcement measures in the field of electricity are needed. The Government and regional governments have the authority to nurture and control electricity businesses, including control in the technical field.

Besides being useful, electrical power may also be dangerous. Therefore, to ensure public safety, occupational safety, installation security and environmental conservation in the supply and use of electrical power, electrical power installations must use instrument and equipment which meet standards in the field of electricity.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Paragraph (1)

Letter a

Referred to as "the principle of benefit" is that the results of electricity development must be used for the greatest possible welfare and prosperity of the people.

Letter b

Referred to as "the principle of justice-based efficiency" is that the electricity development must be conducted at as minimum cost as possible but the results of the electricity development can be evenly enjoyed by the entire nation.

Letter c

Referred to as "the principle of sustainability" is that the supply of electrical power must be managed properly so that it can proceed in a sustainable way.

Letter d

Referred to as "the principle of optimizing the economy in the use of energy sources" is that the use of energy sources for the generation of electrical power must be conducted by observing the availability of energy sources.

Letter e

Referred to as "the principle of relying on own capacity" is that the electricity development must be conducted by prioritizing domestic capacity.

Letter f

Referred to as "the principle of sound business practices" is that electricity businesses must be carried out by applying the principles of transparency, accountability, responsibility and fairness.

Letter g

Referred to as "the principle of security and safety" is that the supply and use of electrical power must pay attention to installation security, human safety, and the environment around the installations.

Letter h

Referred to as "the principle of environmental conservation" is that the supply of electrical power must pay attention to the conservation of the environment in and around installations.

Letter i

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Article 3

Paragraph (1)

Since electrical power is one of the important and strategic production branches in the national life, the supply of electrical power is controlled by the state and is conducted for the greatest possible interest and prosperity of the people.

Paragraph (2)

Sufficiently clear.

Article 4

Paragraph (1)

State-owned company and regional government-owned companies referred to herein are those engaged in the supply of electrical power.

Paragraph (2)

The participation of private corporate bodies, co-operatives and self-supporting communities is done to support the effort to fulfill the need for electrical power. Self-supporting communities may come in the form of legal entity.

Paragraph (3)

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Paragraph (1)

Sufficiently clear.

Paragraph (2)

New energy and renewable energy sources are used by constantly paying attention to their economic value.

Paragraph (3)

Sufficiently clear.

Article 7

Paragraph (1)

Referred to as "national energy policies" are those provided for in the Law on Energy.

Paragraph (2) up to Paragraph (4)

Sufficiently clear.

Article 8 and Article 9

Sufficiently clear.

Article 10

Paragraph (1) up to Paragraph (4)

Sufficiently clear.

Paragraph (5)

Business areas are not the administrative areas of the Government.

Article 11

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Prioritizing the state-owned company is a manifestation of the state control over the supply of electrical power.

The state-owned company referred to herein is a corporate body merely engaged in the supply of electrical power.

Paragraph (3) and Paragraph (4)

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Referred to as "own interest" is the supply of electrical power for own use and not for sale.

Referred to as "other institutes/bodies" are representatives of foreign institutes or foreign corporate bodies.

Article 14 and Article 15
Sufficiently clear.

Article 16
Paragraph (1) and Paragraph (2)
Sufficiently clear.

Paragraph (3)
Foreign products and potentials can be used if domestic products and potentials are not available.

Paragraph (4)
Sufficiently clear.

Article 17
Paragraph (1) and Paragraph (2)
Sufficiently clear.

Paragraph (3)
Foreign products and potentials can be used if domestic products and potentials are not available.

Paragraph (4)
Sufficiently clear.

Article 18 up to Article 20
Sufficiently clear.

Article 21
In setting permits, the Government or regional governments pay attention to the capacity of the holders of permits for the supply of electrical power which have local business areas.

The permits for the supply of electrical power contain among others the names and addresses of corporate

bodies, types of businesses, obligations in carrying out businesses, technical terms, and sanctions.

Article 22 up to Article 27
Sufficiently clear.

Article 28
Letter a up to Letter c
Sufficiently clear.

Letter d
Foreign products and potentials can be use if domestic products and potentials are not available.

Article 29
Paragraph (1)
Sufficiently clear.

Paragraph (2)
Letter a
Sufficiently clear.

Letter b
Referred to as "electrical power installations owned by consumers" are electrical power installations after electrical power consumption gauges or restriction instruments.

Letter c up to Letter e
Sufficiently clear.

Paragraph (3) and Paragraph (4)
Sufficiently clear.

Article 30
Paragraph (1)
Sufficiently clear.

Paragraph (2)

Land compensation includes compensation for the remaining land which cannot be used by the land title holders due to the use of part of their land by the holders of permits for the supply of electrical power.

Referred to as "directly" is the use of land for the construction of electrical power installations, including generators, power house and transmission tower sites.

Paragraph (3)

Referred to as "indirectly" is among others the use of land for transmission network line.

Paragraph (4) up to Paragraph (6)

Sufficiently clear.

Article 31 and Article 32

Sufficiently clear.

Article 33

Paragraph (1)

The selling prices of electrical power cover all expenses related to the sales of electrical power from electrical power generators.

The rents of electrical power networks cover all expenses related to the lease of electrical power transmission and/or distribution networks.

Paragraph (2)

In approving the selling prices of electrical power and the rents of electrical power networks, the Government or regional governments must pay attention to agreements among corporate bodies.

Paragraph (3)

Sufficiently clear.

Article 34

Paragraph (1)

The tariffs of electrical power for consumers include all expenses related to the use of electrical power by consumers, including charge cost (Rp/kVA) and usage cost (Rp/kWh), reactive power usage cost (Rp/kVAh), and/or maximum kVA cost paid based on the subscription price (Rp/month) according to the maximum power used or other forms.

Paragraph (2) and Paragraph (3)

Sufficiently clear.

Paragraph (4)

Regional interests cover economic and industrial development in the region.

Paragraph (5)

Sufficiently clear.

Article 35 up to Article 38

Sufficiently clear.

Article 39

Letter a up to Letter d

Sufficiently clear.

Letter e

Referred to as "the development of the domestic capacity in the supply of electrical power" is the development of energy sources, human resources and technology.

22A

Letter f

Sufficiently clear.

in providing electrical power to the community.

~~Point 3 and Point 4~~

Article 40 up to Article 55

Sufficiently clear.

Sufficiently clear.

Article 56

Point 1

Sufficiently clear.

Article 57 and Article 58

Sufficiently clear.

Point 2

Arrangement is intended to enable the state-owned company to become more efficient and effective

SUPPLEMENT TO STATUTE BOOK OF
THE REPUBLIC OF INDONESIA NO. 5052

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