

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

NUMBER:01 YEAR 2017

CONCERNING

PARALLEL OPERATION OF POWER PLANTS WITH ELECTRICITY NETWORK OF PT  
PERUSAHAAN LISTRIK NEGARA (PERSERO)

BY THE GRACE OF GOD THE ALMIGHTY

THE MINISTER OF ENERGY AND MINERAL RESOURCES OF THE RI,

Considering : a. that in the ramework of improving a more effective and efficient as well as dependable and stable electricity supply, it is deemed necessary to regulate a parallel operation of power plants with the electricity network of PT Perusahaan Listrik Negara (Persero);

b. that based on considerations as referred to in letter a, it is necessary to establish the Regulation of the Minister of Energy and Mineral Resources concerning Parallel Operation of Power Plants with the Electricity Network of PT Perusahaan Listrik Negara (Persero);

In view of 1. Law No.30 Year 2009 concerning the Electricity Sector (State Gazette of the RI of 2009 No.133, State Gazette Supplement of the RI No.5052);

2. Government Regulation No.23 Year 1994 concerning the Changing Form of State Electricity Public Company (Perum) to a Corporation (Persero) (State Gazette of the RI of 1994 No.34);
3. Government Regulation No.14 Year 2012 concerning the Electricity Supply Business Activities (State Gazette of the RI of 2012 No.28, State Gazette Supplement of the RI No.5281) as amended with Government Regulation No.23 Year 2014 concerning the Amendment to Government Regulation No.14 Year 2012 concerning Electricity Supply Business Activities (State Gazette of the RI of 2014 No.75, State Gazette Supplement of the RI No.5530):
4. Presidential; Regulation No.68 Year 2015 concerning the Ministry of Energy and Mineral Resources (State Gazette of the RI of 2015 No.132) as amended with Presidential Regulation No. 105 Year 2016 concerning the Amendment to Presidential Regulation No.68 Year 2015 concerning the Ministry of Energy and Mineral Resources (State Gazette of the RI of 2016 No.289);
5. Regulation of the Minister of Energy and Mineral Resources No.33 Year 2014 concerning the Level of Service Quality and Cost Connected with Electricity Supply by PT Perusahaan Listrik Negara (Persero) (State Bulletin of the RI of 2014 No.1790) as amended with the Regulation of the Minister of Energy and Mineral Resources No.08 Year 2016 concerning the Amendment to the Regulation of the Minister of Energy and Mineral Resources No.33 year 2014 concerning the Level of Service Quality and Cost Connected with Electricity Supply by PT Perusahaan Listrik Negara (Persero) (State Bulletin of the RI of 2016 No.417);

6. Regulation of the Minister of Energy and Mineral Resources No.01 Year 2015 concerning Cooperation in the Supply of Electricity and Joint Access to Electricity Network (State Bulletin of the RI of 2014 No.3);
7. Regulation of the Minister of Energy and Mineral Resources No.13 Year 2016 concerning Organization and Work Arrangement of the Ministry of Energy and Mineral Resources (State Bulletin of the RI of 2016 No.782);
8. Regulation of the Minister of Energy and Mineral Resources No.28 Year 2016 concerning Electricity Rate Supplied by PT Perusahaan Listrik Negara (Persero) (State Bulletin of the RI of 2016 No.1563);

HAS DECIDED

To establish: THE REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES CONCERNING PARALLEL OPERATION OF POWER PLANTS WITH THE ELECTRICITY NETWORK OF PT PERUSAHAAN LISTRIK NEGARA (PERSERO).

## CHAPTER I

### GENERAL PROVISION

#### Article 1

In this Ministerial Regulation:

1. PT Perusahaan Listrik Negara (Persero) hereinafter referred to PT PLN (Persero) refers to a state-owned business entity

established based on Government Regulation No.23 Year 1994 concerning the Changing Form of State Electricity Public Company (Perum) to a Corporation.

2. The Owner of a Power Plant for Own Purpose refers to the owner of a power plant utilized for own purpose with a capacity of up to 200 (two hundred) kVA.
3. The Holder of Operational License refers to the holder of a license to supply electricity for own purpose with a capacity of over 200 (two hundred) kVA.
4. The Holder of a Business License of an Integrated Electricity Supply refers to the holder of a business license of an integrated electricity supply other than PT PLN (Persero).
5. The Owner of a Power Plant hereinafter referred to as Power Plant Owner referred to the Owner of a Power Plant for Own Purpose, Holder of Operational License or Holder of a Business License of an Integrated Electricity Supply.
6. Parallel Operation refers to an interconnection of a power plant or a system of electricity supply of the Power Plant Owner with other systems of electricity supply.
7. Operation Worthy Certificate refers to an evidence of formal acknowledgement of an electricity installation already in function in compliance with the requirements determined and is declared ready for operation.
8. Net Capacity Power refers to the power capacity of a power plant in megawatt unit based on the result of inspection and tests embodied in the Operation Worthy Certificate.
9. Minister refers to the minister administering government affairs in electricity.
10. Director General refers to the director general who has the task of organizing the formulation and implementation of policies in nurturing, business undertaking, technical,

occupational safety and environment in the electricity sector.

11. Inspector of the Electricity Sector refers to a functional official who has the task of technical supervision in the electricity sector.

## CHAPTER II

### MECHANISM OF PARALLEL OPERATION

#### Article 2

- (1) In the framework of maintaining dependability and/or to obtain a better dependability, Power Plant Owner may carry out Parallel Operation with the system of electricity supply of PT PLN (Persero).
- (2) Parallel Operation as referred to in sub-article (1) may be conducted based on function, namely as follows:
  - a. backup, in the form of Parallel Operation with the purchase of electricity from PT PLN (Persero) from time to time in nature; and/or
  - b. supplement, in the form of Parallel Operation with the purchase of electricity from PT PLN (Persero) as additional in nature.
- (3) Parallel Operation as referred to in sub-article (1) may be effected on electricity of:
  - a. high tension;
  - b. medium tension; and/or
  - c. low tension.

- (4) In the realization of Parallel Operation as referred to in sub-article (1), Power Plant Owner first of all becomes a customer of PT PLN (Persero).
- (5) Becoming a customer as referred to in sub-article (4) is realised according to the determined contract of power connection of no more than 20% (twenty percent) of the capacity of the power plant to carry out Parallel Operation.
- (6) The capacity of power plant as referred to in sub-article (5) constitutes a Net Power Capacity based on the Operation Worthy Certificate of the power plant to carry out Parallel Operation.
- (7) In the case in the Operation Worthy Certificate as referred to in sub-article (6) the size of Net Power Capacity of the power plant is not yet included, the Net Power Capacity of the power plant is declared in the test document issued by the accredited and competent Technical Inspection Institute.

### Article 3

- (1) Parallel Operation as referred to in Article 2 sub-article (1) is realized by considering the capability of the local PT PLN (Persero) electricity supply system and refers to the grid code or distribution code as a power plant.
- (2) The capability of the local PT PLN (Persero) system of electricity supply as referred to in sub-article (1) is based on the result of evaluation of PT PLN (Persero).
- (3) The Inspector of the Electricity Sector may conduct verification on the result of evaluation of the capability of the electricity supply system as referred to in sub-article (2)
- (4) The Management of PT PLN (Persero) arranges further the criteria of the capability of the electricity supply system as referred to in sub-article (1).

#### Article 4

- (1) In order to be able to carry out Parallel Operation as referred to in Article 2 sub-article (1), Power Plant Owner submits an application for Parallel Operation to PT PLN (Persero).
- (2) The application for Parallel Operation as referred to in sub-article (1) is to be completed with the following requirements:
  - a. a copy of a report for a power plant with a capacity of up to 25 (twenty-five) kVA;
  - b. a copy of a declaration of having been registered for a power plant with a capacity of over 25 (twenty-five) kVA up to 200 (two hundred) kVA;
  - c. a copy of operation license for power plant with a capacity of over 200 (two hundred) kVA.
  - d. a copy of a business license for supplying electricity for Holder of a Business License of Integrated Electricity Supply;
  - e. a copy of Operation Worthy Certificate of a power plant;
  - f. Parallel Operation plan which comprised of:
    1. interconnection point;
    2. type, number and capacity of power plant unit to carry out Parallel Operation;
    3. subscribing capacity;
    4. type or characteristic of load;
    5. period of Parallel Operation;
    6. function of Parallel Operation; and
    7. other data in accordance with grid code or distribution code.

- (3) Based on the application as referred to in sub-article (1), PT PLN (Persero) carries out evaluation in accordance with the capability of the system of the local electricity supply as referred to in Article 3 sub-article (1).
- (4) PT PLN (Persero) approves or rejects the application for Parallel Operation as referred to in sub-article (1) within a period of no longer than 60 (sixty) calendar days as of the receipt of requirements complete and correct.
- (5) In the case the application for Parallel Operation is rejected, PT PLN (Persero) informs the applicant in writing including the reason for the rejection.
- (6) Approval or rejection of application for Parallel Operation as referred to in sub-article (4) is reported to the Director General including the result of evaluation as referred to in sub-article (3).

#### Article 5

- (1) Parallel Operation as referred to in Article 2 sub-article (1) is embodied in an agreement or contract of Parallel Operation.
- (2) Agreement or contract of Parallel Operation as referred to in sub-article (1) is signed within a period of 7 (seven) working days at the longest since the approval of Parallel Operation.

### CHAPTER III

#### COST OF PARALLEL OPERATION

#### Article 6

- (1) In the framework of Parallel Operation as referred to in Article 2 sub-article (1), Power Plant Owner is charged with the following costs:



- a. cost of connecting;
  - b. capacity charge; and
  - c. energy charge.
- (2) The cost of connecting as referred to in sub-article (1) letter a is charged based on the provision of laws and regulations concerning cost of connecting.
- (3) Capacity charge as referred to in sub-article (1) letter b is determined based on the following formula:
- Capacity charge = total Net Power Capacity of power plant (MW) x 40 (forty) hours x electricity rate.
- (4) Electricity rate as referred to in sub-article (3) is electricity rate based on the provision of laws and regulations concerning the rate of electricity supplied by PT PLN (Persero).
- (5) Energy charge as referred to in sub-article (1) letter c covers:
- a. normal energy charge, namely the cost of purchasing electricity at the time the power plant in Parallel Operation is in operation under a normal condition in accordance with the operation plan reported to PT PLN (Persero); and
  - b. emergency energy charge, namely the cost of purchasing electricity in an emergency operation in which the Power Plant Owner whose power plant is carrying out Parallel Operation is using electricity from PT PLN (Persero) as a substitute to the electricity which should be produced by the Power Plant that carries out Parallel Operation.
- (6) Normal energy charge as referred to in sub-article (5) letter a, is charged with the electricity rate based on the provision of laws and regulations concerning the rate of electricity supplied by PT PLN (Persero).
- (7) Emergency energy charge, as referred to in sub-article (5) letter b, is charged with the rate of special service group (L)

based on the provision of laws and regulations concerning the rate of electricity supplied by PT PLN (Persero).

- (8) The calculation of costs of emergency energy charge as referred to in sub-article (7) starts at the time the power plant that carries out Parallel Operation suddenly tripped not according to operation plan as reported to PT PLN (Persero) caused by the Power Plant Owner until the power plant carrying out Parallel Operation resumes its operation under the condition that the calculated time is 24 (twenty-four) hours at the longest for each incident.
- (9) The cost of Parallel Operation realized based on the provision as referred to in sub-article (1) through sub-article (7) do not require the Minister's approval.

#### **Article 7**

- (1) PT PLN (Persero) may apply the capacity charge lower than the capacity charge based on the formula of capacity charge as referred to in Article 6 sub-article (3) without the Minister's approval.
- (2) In a certain case, PT PLN (Persero) may apply the capacity charge higher than the capacity charge based on the formula as referred to in Article 6 sub-article (3), based on PLN's own cost estimate and should obtain the Minister's approval.
- (3) The Minister's approval as referred to in sub-article (2) is given by the Director General on behalf of the Minister.

#### **Article 8**

In order to speed up the process of Parallel Operation with the system of electricity supply of PT PLN (Persero), PT PLN (Persero) should compile:

- a. Parallel Operation technical instructions; and

- b. agreement or contract standard of Parallel Operation.

### **Article 9**

- (1) PT PLN (Persero) should submit a report on the realization of Parallel Operation periodically every 1 (one) year in writing to the Director General.
- (2) The report as referred to in sub-article (1) contains among others:
  - a. interconnection point;
  - b. type and capacity of power plant carrying out Parallel Operation;
  - c. function of Parallel Operation;
  - d. the party carrying out Parallel Operation;
  - e. amount of electricity transmitted; and
  - f. cost of Parallel Operation.

## **CHAPTER IV**

### **TRANSITIONAL PROVISION**

#### **Article 10**

At the time this Ministerial Regulation becomes effective, the ongoing Parallel Operation with the system of electricity supply of PT PLN (Persero) for which agreement and contract had been signed, should adjust to this Ministerial Regulation.

## **CHAPTER V**

## **CONCLUDING PROVIDION**

### **Article 11**

This Ministerial Regulation becomes effective on the date of its promulgation.

In order that it may be known to all, this Ministerial Regulation is ordered to be published in the State Bulletin of the RI.

Established in Jakarta

On January 3, 2017

THE MINISTER OF ENERGY

AND MINERAL RESOURCES OF THE RI

Signed

IGNASIUS JONAN

Promulgated in Jakarta

On January 6, 2017

THE DIRECTOR GENERAL OF LAWS AND REGULATIONS

MINISTRY OF JUSTICE AND HUMAN RIGHTS OF THE RI

Signed

WIDODO EKATJAHJANA

STATE BULLETIN OF THE RI YEAR 2017 NO.40

For copy conform

THE MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Legal Affairs Bureau

Signed

Hufron Asrofi