

**PARALLEL OPERATION OF ELECTRIC POWER
GENERATOR ELECTRIC POWER NETWORK
PT. PERUSAHAAN LISTRIK NEGARA (PERSERO)
(Regulation of the Minister Energy and Mineral Resource of
R.I Number 1 Year 2017, dated January 3, 2017)**

WITH THE BLESSING OF THE ONE AND ONLY GOD

MINISTER OF ENERGY AND MINERAL RESOURCE
OF THE REPUBLIC OF INDONESIA

Considering:

- a. Whereas, to upgrade more effective, efficient, reliable and stable supply of electric power, it is necessary to exercise Parallel Operation of Electric Power Generator to Electric Power Network belonging to PT Perusahaan Listrik Negara (PERSERO);
- b. Whereas, based on the consideration referred to in letter a, it is necessary to stipulate Regulation of Minister Energy and Mineral Resource concerning Parallel Operation of Electric Power Generator and Electric Power Network belonging to PT Perusahaan Listrik Negara (PERSERO);

In view of:

1. Law Number 30 Year 2009, concerning Electric Power (Statute Book of the Republic of Indonesia Year 2009 Number 133, Supplement to Statute Book of the Republic of Indonesia Number 5052);
2. Government Regulation Number 23 Year 1994, concerning the Change of Status of Perusahaan Umum (Perum) Listrik Negara into Limited Liability (Persero) (Statute Book of the Republic of Indonesia Year 1994 Number 34);

3. Government Regulation Number 14 Year 2012, concerning Business Operation on Electric Power Supply (Statute Book of the Republic of Indonesia Year 2012 Number 28, Supplement to Statute Book of the Republic of Indonesia Number 5281) as amended by Government Regulation Number 23 Year 2014, concerning Amendment to Government Regulation Number 14 Year 2012 on Electric power (Statute Book of the Republic of Indonesia Year 2014 Number 75, Supplement to Statute Book of the Republic of Indonesia Number 5530);
4. Presidential Regulation Number 68 Year 2015, concerning Ministry of Energy and Mineral Resource (Statute Book of the Republic of Indonesia Year 2015 Number 132) as amended by Presidential Regulation Number 105 Year 2016, concerning Amendment to Presidential Regulation Number 68 Year 2015 on Ministry of Energy and Mineral Resource (Statute Book of the Republic of Indonesia Year 2016 Number 289);
5. Regulation of Minister of Energy and Mineral Resource Number 33 Year 2014, concerning Service Quality and Cost for diistribution of Electric Power by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (Statute Book of the Republic of Indonesia Year 2014 Number 1790) as amended by Regulation Minister Energy and Mineral Resource Number 08 Year 2016 on Amendment to Regulation of Minister of Energy and Mineral Resource Number 33 Year 2014 concerning Service Quality and Cost for diistribution of Electric Power by Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (Statute Book of the Republic of Indonesia Year 2016 Number 417);
6. Regulation of Minister of Energy and Mineral Resource Number 01 Year 2015, concerning Joint Operation on Supply of Electric Power and Joint Utilization of Electric Power Network (Statute Book of the Republic of Indonesia Year 2014 Number 3);
7. Regulation of Minister of Energy and Mineral Resource Number 13 Year 2016, concerning organization and work procedure of Ministry of Energy and Mineral Resource (Statute Book of the Republic of Indonesia Year 2016 Number 782);
8. Regulation of Minister of Energy and Mineral Resource Number 28 Year 2016, concerning Tariff of Electric Power supplied by PT Perusahaan Listrik Negara (Persero) (Statute Book of the Republic of Indonesia Year

2016 Number 1563);

DECIDES:

To stipulate:

REGULATION OF MINISTER OF ENERGY AND MINERAL RESOURCE CONCERNING PARALLEL OPERATION OF ELECTRIC POWER GENERATOR WITH THE ELECTRIC POWER NETWORK BELONGING TO PT PERUSAHAAN LISTRIK NEGARA (PERSERO).

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Regulation of Minister by:

1. PT Perusahaan Listrik Negara (Persero) hereinafter referred to as PT PLN (Persero) shall be State-owned business entity duly established by virtue of Government Regulation Number 23 Year 1994, concerning Change of Status of Perusahaan Umum (Perum) Listrik Negara to Limited Liability Company (Persero).
2. Owner of Generator of capacity up to 200 (two hundred) kVA for own interest shall be owner of generator used for own interest.
3. Holder of License for Operation shall be holder of license for electric power supply with capacity above 200 (two hundred) kVA.
4. Holder of Business License for supply of Integrated Electric Power shall be holder of Business License for supply of integrated electric power other than PT PLN (Persero).
5. Owner of Electric Power Generator hereinafter referred to as Owner of Electric Power Generator shall Owner of Electric Power Generator for own interest, Holder of License to Operate, or Holder of Business License for Integrated Electric Power supply.

6. Parallel Operation shall be operation of electric power generator or electric power supply system belonging to Generator Owner for interconnected to other system for electric power system.
7. Certificate of Operability shall be proof of official recognition of electric power generator that functions in line with the requirements in the provisions stipulated and declared ready to operate.
8. Net Capacity shall be capacity that is capable to generate megawatt unit based on the result of examination and trial test as specified in the Certificate of Operability.
9. Minister shall be Minister exercising Administration affair on electric power.
10. Director General shall be Director General assigned the duty to formulate and implement policy on management, exploitation, technical matter, occupational safety, and environment on electric power.
11. Inspector on Electric Power shall be functional official assigned the duty to exercise supervision on technical matter on electric power.

CHAPTER II

MECHANISM OF PARALLEL OPERATION

Article 2

- (1) To maintain reliability and/or better reliability, Generator Owner may initiate Parallel Operation with the supply system of electric power belonging to PT PLN (Persero).
- (2) The Parallel Operation referred to in paragraph (1) may be conducted based on the functions as cited below:
 - a. reserve (backup), in the form of Parallel Operation by purchasing electric power from PT PLN (Persero) at any time; and/or
 - b. supplement, in the form of Parallel Operation by purchasing electric power from PT PLN (Persero) as additional supply.

- (3) Parallel Operation referred to in paragraph (1) may be conducted on electric power network:
- a. high tension;
 - b. medium tension; and/or
 - c. low tension.
- (4) In exercising Parallel Operation referred to in paragraph (1), Generator Owner shall first of all register as Customer of PT PLN (Persero).
- (5) The Customer referred to in paragraph (4) shall be registered based on the terms of contract on connected power of minimum 20% (twenty percent) of capacity of the Generator installed to Parallel Operation.
- (6) Generator capacity referred to in paragraph (5) shall be Net Capacity Power in line with the Certificate of Operability of Generator to be installed to Parallel Operation.
- (7) If the Certificate of Operability referred to in paragraph (6) fails to mention the volume of Net Capacity Power of Generator, such Net Capacity Power must be declared in a document on trial test issued by the authorized Accredited Technical Inspection Institution.

Article 3

- (1) The Parallel Operation referred to in Article 2 paragraph (1) shall be operated with due consideration of the capacity of supply system of the electric power belonging to local PT PLN (Persero) and by referring to the regulation on electric power network (grid code) or regulation on distribution of electric power (distribution code) as electric power generator.
- (2) The capacity of supply system of electric power of the local PT PLN (Persero) as referred to in paragraph (1) shall be based on the result of evaluation on PT PLN (Persero).
- (3) Inspector of Electric Power may conduct verification on the result of evaluation against the result of evaluation of capacity of supply system of electric power as referred to in paragraph (2).

- (4) The Board of Directors of PT PLN (Persero) shall further govern criteria of capacity of supply system of electric power as referred to in paragraph (1).

Article 4

- (1) To be able to conduct Parallel Operation as referred to in Article 2 paragraph (1), Generator Owner shall submit application for Parallel Operation to PT PLN (Persero).
- (2) The application for Parallel Operation referred to in paragraph (1) must comply with the requirements below:
- a. copy of Report on electric power generator with capacity up to 25 (twenty-five) kVA;
 - b. copy of Statement Letter of Registration for electric power generator of capacity above 25 (twenty-five) kVA up to 200 (two hundred) kVA;
 - c. copy of Operation License for electric power generator with capacity above 200 (two hundred) kVA;
 - d. copy of Business License for supply of electric power to Holder of Business License for Integrated Supply of Electric Power;
 - e. copy of Certificate of Operability of electric power generator;
 - f. plan on Parallel Operation covering:
 1. point of interconnection;
 2. type, total number, and capacity of electric power generator to be installed Parallel Operation;
 3. capacity for subscription;
 4. type or characteristic of load;
 5. term of Parallel Operation;

6. function of Parallel Operation; and
 7. other data in line with regulation on electric power network (grid code) or regulation on distribution of electric power (distribution code).
- (3) Based on the application referred to in paragraph (1), PT PLN (Persero) shall evaluate the capacity of the local electric power supply system referred to in Article 3 paragraph (1).
 - (4) PT PLN (Persero) shall grant approval to or reject the application for installation of Parallel Operation as referred to in paragraph (1) within a period of maximum 60 (sixty) calendar days effective as of the requirements are complied with.
 - (5) If the application for Parallel Operation is rejected, PT PLN (Persero) shall notify in writing the Applicant supported by reason of rejection.
 - (6) Approval or rejection to the application for Parallel Operation referred to in paragraph (4) must be reported to the Director General supported by the result of evaluation as referred to in paragraph (3).

Article 5

- (1) The Parallel Operation referred to in Article 2 paragraph (1) shall be specified in Agreement or Contract on Parallel Operation.
- (2) The Agreement or Contract on Parallel Operation referred to in paragraph (1) must be signed within seven (7) working days at the latest as of the date the application for Parallel Operation is approved.

CHAPTER III

COST OF PARALLEL OPERATION

Article 6

- (1) In the context of Parallel Operation as referred to in Article 2 paragraph (1), the Genator Owner is subject to charges covering:

- a. connecting charge;
 - b. capacity charge (capacity charge); and
 - c. purchase of electric power (energy charge).
- (2) The connecting charge referred to in paragraph (1) letter a will be charged based on the provisions in the statutory regulation on connecting charge.
- (3) The capacity charge referred to in paragraph (1) letter b shall be determined based on the formula below:
- Capacity charge = total Net Capacity Power of Generator (MW) x 40 (forty) hours x the tariff of electric power.
- (4) Tariff of electric power as referred to in paragraph (3) shall be based on the provision in the statutory regulation on tariff of electric power supplied by PT PLN (Persero).
- (5) Power purchase cost of electric power (energy charge) as referred to in paragraph (1) letter c covers:
- a. purchase cost of electric power in normal condition (normal energy charge), namely purchase cost of electric power when Generator is installed to Parallel Operation in normal condition in line with plan of operation reported to PT PLN (Persero); and
 - b. purchase cost of electric power in emergency (emergency energy charge), namely, purchase cost of electric power in emergency where Generator Owner which Generator is installed to Parallel Operation using electric power supplied by PT PLN (Persero) in lieu of electric power that should have been supplied by the Generator which is being installed for Parallel Operation.
- (6) Purchase cost of electric power in normal condition (normal energy charge) as referred to in paragraph (5) letter a, will be charged tariff of electric power based on the provisions in statutory regulation on tariff of electric power supplied by PT PLN (Persero).

- (7) Purchase cost of electric power in emergency (emergency energy charge) as referred to in paragraph (5) letter b, will be charged tariff in special condition (L) based on the provisions in the statutory regulation on tariff of electric power supplied by PT PLN (Persero).
- (8) Computation of purchase cost of electric power in emergency (emergency energy charge) as referred to in paragraph (7) shall start at sudden conducting Parallel Operation (trip) beyond the operation plan as reported to PT PLN (Persero) caused by Generator Owner, until the Generator is installed to Parallel Operation so as operate again based on term as computed at maximum 40 (forty) hours for each occurrence.
- (9) Parallel Operation Cost is computed as referred to in paragraph (1) through paragraph (7) needs no approval of the Minister.

Article 7

- (1) PT PLN (Persero) may charge capacity lower charge (capacity charge) based on the formula (capacity charge) as referred to in Article 6 paragraph (3), without approval of the Minister.
- (2) On certain, PT PLN (Persero) may charge capacity charge (capacity charge) above the capacity charge based on the formula as referred to in Article 6 paragraph (3), based on self-estimated cost by PT PLN (Persero) and this must obtain approval of the Minister.
- (3) The approval of Minister referred to in paragraph (2) shall be granted by the Director General on behalf of the Minister.

Article 8

To accelerate process of Parallel Operation with electric power supply system of PT PLN (Persero), PT PLN (Persero) shall be obliged to compile:

- a. technical guideline on Parallel Operation; and
- b. standard agreement or contract on Parallel Operation.

Article 9

(1) PT PLN (Persero) shall be obliged to report in writing the implementation of Parallel Operation periodically one a year to the Director General.

(2) The report referred to in paragraph (1) covers, among other things:

- a. point of interconnection;
- b. type and capacity of electric power generator installed for Parallel Operation;
- c. function of Parallel Operation;
- d. party exercising Parallel Operation;
- e. total volume of electric power distributed; and
- f. Parallel Operation cost.

CHAPTER IV**TRANSITIONAL PROVISION****Article 10**

By the time this Regulation of Minister comes to force, Parallel Operation with supply system of electric power belonging to PT PLN (Persero) currently operating and which Agreement or Contract thereof has been signed, must comply with this Regulation of Minister.

CHAPTER V**CLOSING PROVISION****Article 11**

This Regulation of Minister takes effect on the date it is enacted.

For public recognition, this Regulation of Minister shall be announced by placing it in the Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

Dated January 3, 2017

MINISTER OF ENERGY AND MINERAL RESOURCE

REPUBLIC OF INDONESIA,

sgd.

IGNASIUS JONAN

Enacted in Jakarta

Dated January 6, 2017

DIRECTOR GENERAL OF STATUTORY REGULATION

MINISTRY OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

sgd.

WIDODO EKATJAHJANA

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