

GEOHERMAL FOR OTHER UTILIZATION

(Government Regulation of the Republic Indonesia Number 7 Year 2017, dated February 21, 2017)

WITH THE BLESSING OF THE ONE AND ONLY GOD
PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

Whereas, to implement the provisions Article 17 paragraph (5), Article 18 paragraph (2), Article 19 paragraph (2), Article 22 paragraph (2), Article 39, Article 40 paragraph (3), Article 52 paragraph (2), Article 56 paragraph (3), Article 58, and Article 64 Law Number 21 Year 2014, concerning Geothermal, it is necessary to stipulate Govrenment Regulation on Geothermal for other Utilizations.

In view of:

1. Article 5 paragraph (2) of the 1945 Constitution of the Unitary State of the Republic of Indonesia;
2. Law Number 21 Year 2014, concerning Geothermal (Statute Book of the Republic of Indonesia Year 2014 Number 217, Supplement to Statute Book of the Republic of Indonesia Number 5585).

D E C I D E S:

To stipulate:

GOVERNMENT REGULATION CONCERNING GEOTHERMAL FOR OTHER UTILIZATIONS.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Government Regulation by:

1. Geothermal shall be source of Geothermal energy contained within hot spring water, water and rocks steam, together with mineral derivatives and other gases, by genetic is inseparable in Geothermal system.
2. Other Utilization shall be exploitation and utilization of Geothermal changing process of Geothermal energy and other fluids to electric power.
3. License for Geothermal hereinafter referred to as IPB shall be license for exploitation of Geothermal for Other Use at certain Work Area.
4. Preliminary Survey shall be activity covering collection, analysis, and presentation of data pertaining to information on geological, geophysical, geochemical survey, and slopes temperature as needed, for estimation of the location and whether there is any Geothermal resource or not.
5. Exploration shall be series of activities covering research on geology, geophysics, geochemical, drill test, and well exploration drilling, for the purpose of obtaining information on the condition of sub-surface geology for discovering and obtaining Geothermal reserve.
6. Feasibility study shall be study to obtain detailed information on all aspects pertaining to determination of feasibility on technical, economy, and environment on any business plan and/or utilization of Geothermal as proposed.
7. Exploitation shall be activity on certain Work Area covering particular well drilling, development, and well reinjection, development of field facilities and production operation of Geothermal.
8. Geothermal Work Area hereinafter referred to Work Area shall be area with certain borders coordinates utilized for Geothermal exploitation and Other Utilizations.
9. Geothermal open area shall be area alleged to contain potential Geothermal offsite the coordinates areas of any Work Area.
10. Geothermal Data and Information shall be all facts, guidelines, indications, and information pertaining to

Geothermal.

11. Other Parties shall be Business Entities, High School Institutions / Universities, or Research Institution possessing expertism, and capacity to conduct Preliminary Survey or Preliminary Survey and Exploration.
12. Business Entity shall be legal entity operating on Geothermal in the form of State, Regional, Cooperatives, and Limited Liability-owned business entity duly established under the law of Indonesia and domiciled within the territory of the Unitary State of the Republic of Indonesia.
13. Assignment on Preliminary Survey hereinafter referred to as PSP shall be assignment granted by the Minister to carry out Preliminary Survey.
14. Assignment on Preliminary Survey and Exploration hereinafter referred to as PSPE shall be assignment granted by the Minister to carry out activities on Preliminary Survey and Exploration.
15. Assignment Area shall be Geothermal Open Area with certain borders coordinates offered to Other Party for conducting PSP PSPE.
16. Exploration commitment shall be security fund for conducting exploration well drilling.
17. Work Program and Expenditure Budget hereinafter referred to as RKAB shall be work program and budget submitted periodically by Other Party and/or holder of IPB for a certain period.
18. State-owned Business Entity hereinafter referred to as BUMN shall be business entity which the entire or substantial part of its capital belongs to the State by directly participating therein, and which capital originates from State split asset.
19. Bid of Work Area hereinafter referred to as Bid shall be method for offering Work Area to obtain Bid Winner.
20. Bid Committee for Work Area hereinafter referred to as Bid Committee shall be Committee duly established

by the Minister in the implementation of Bid.

21. Bid Participants shall be Business Entities that are registered at the Bid Committee representing himself or consortium to conparticipate in Bid process.
22. Bid Document shall be document a consisting of guideline to the Bid Committee and Bid participants of the Bid.
23. Bid Document shall be collection of documents compiled according to the Bid Document submitted by Bid Participants in the Bid process to the Bid Committee for evaluation.
24. Geothermal Electric Generator hereinafter referred to as PLTP shall be electric generator utilizing Geothermal energy originating from fluid extract and hot rocks within or at the ground surface.
25. Direct utilization shall be activities in exploitation and utilization of Geothermal automatically without changing process from Geothermal energy and/or fluids to other types of energy for non-electric power.
26. Central Government shall be President of the Republic of Indonesia that holds the power of the Government of the State of the Republic of Indonesia assisted by Vice President and Ministers as referred to in the 1945 Constitution of the Unitary State of the Republic of Indonesia.
27. Minister shall be Minister exercising Administration affair on Geothermal.

CHAPTER II

AUTHORITY TO OPERATE GEOTHERMAL FOR OTHER UTILIZATION

Article 2

Geothermal operation for Other Utilization overall territories of Indonesia is authority of Central Government implemented and/or coordinated by the Minister.

Article 3

(1) Authority of Central Government in operating Geothermal for Other Utilization as referred to in Article 2 covers:

- a. formulating National policy;
- b. coordination on Geothermal matter;
- c. issue of IPB;
- d. management and supervision;
- e. management of data and Information on geology and potentiality of Geothermal;
- f. inventory and compilation of balance sheet on Geothermal resource and reserve;
- g. conducting Exploration, Exploitation, and/or utilization of Geothermal; and
- h. motivating research, human resource, technical, and engineering development capacity on Geothermal.

(2) Formulating national policy as referred to in paragraph (1) letter a at least in the form of:

- a. formulation and stipulation on standardization;
- b. stipulation of policy on utilization and preservice of Geothermal;
- c. stipulation of policy on joint operation and partnership;
- d. stipulation of Work Area;
- e. formulation and stipulation of tariff of fixed contribution and subscription of production;
- f. formulation and stipulation of tariff of Geothermal; and
- g. stipulation of policy on prioritizing utilization of local goods, services, and engineered and design and build capacity.

CHAPTER III

WORK AREA

Part One

General

Article 4

(1) Geothermal exploitation for Other Utilization is carried out in a Work Area.

- (2) Minister stipulate Work Area as referred to in paragraph (1) based on the Data and Information of Geothermal resulting from:
- a. Preliminary Survey; or
 - b. Preliminary Survey and Exploration.
- (3) Other than based on the result of Preliminary Survey and Exploration as referred to in paragraph (2), the Minister shall stipulate Work Area based on the result of evaluation of exploitation of the Geothermal Work Area.
- (4) The evaluation referred to in paragraph (3) shall be conducted by means of Preliminary Survey and Exploration as referred to in paragraph (2).

Article 5

In stipulating Work Area as referred to in Article 4 paragraph (2) and paragraph (3), the Minister shall plan and prepare Work Area.

Part Two

Planning of Work Area

Article 6

- (i) The Minister shall plan Work Area as referred to in Article 5 with due consideration of the policy on National Energy and general plan on National Electric Power.
- (2) The Work Area referred to in paragraph (1) shall be planned transparently.

Part Three

Provision of Work Area

Paragraph 1

General

Article 7

- (1) The Minister shall provide and assign a Work Area as referred to in Article 5 for the purpose of determining Geothermal reserve, area extent, and borders coordinates of Work Area based on the Data and Information on Geothermal resulting from:
 - a. Preliminary Survey; or
 - b. Preliminary Survey and Exploration.
- (2) Based on the Work Area as referred to in paragraph (1), the Minister shall coordinate with the relevant agency of Provincial Government, and Administration of Regency / Municipality concerned and involving experts.

Paragraph 2

Preliminary Survey

Article 8

- (1) The Minister shall conduct Preliminary Survey at Geothermal Open Area.
- (2) Preliminary Survey referred to in paragraph (1) shall be conducted by the Governor or Regent / Mayor.
- (3) The Preliminary Survey referred to in paragraph (2) shall be coordinated with the Minister.
- (4) The Governor or Regent / Mayor conducting Preliminary Survey as referred to in paragraph (2) shall submit Data and Information on Geothermal resulting from Preliminary Survey to the Minister.
- (5) The Preliminary Survey conducted by the Governor or Regent / Mayor as referred to in paragraph (2) shall be exercised in line with the provisions in the statutory regulation.

Paragraph 3

Preliminary Survey and Exploration

Article 9

- (1) The Minister shall conduct Preliminary Survey and Exploration at Geothermal Open Area.

- (2) In conducting Preliminary Survey and Exploration as referred to in paragraph (1), the Minister shall coordinate with the relevant agency of Provincial Administration and Regency / Municipality Administration concerned.
- (3) Prior to conducting Exploration as referred to in paragraph (1) in the form of drilling test and exploration well drilling, the Minister shall be obliged to settle all matters pertaining to the use of land in line with provisions in the statutory regulation.

Article 10

Further provision on procedure to conducting Preliminary Survey as referred to in Article 8 and Preliminary Survey on Exploration as referred to in Article 9 shall be governed in Regulation of the Minister.

Paragraph 4

Assignment to Other Party

Article 11

- (1) The Minister shall assign Other Party to conduct Preliminary Survey as referred to in Article 8 paragraph (1) or Preliminary Survey and Exploration as referred to in Article 9 paragraph (1).
- (2) The assignment referred to in paragraph (1) shall cover:
 - a. PSP; or
 - b. PSPE.
- (3) The PSP referred to in paragraph (2) letter a shall be granted to High Educational Institution or Research Institution.
- (4) The PSPE referred to in paragraph (2) letter b shall be granted to Business Entity.

Article 12

- (1) The Minister shall offer Assigned Area transparently to Other Party for exercising PSP or PSPE.

- (2) The Assigned Area referred to in paragraph (1) shall be offered within one (1) month, and this may be made several times in one (1) year.

Article 13

- (1) Any Other Party interested to obtain PSP or PSPE shall submit application to the Minister within the period of the offer as referred to in Article 12 paragraph (2).
- (2) The Minister shall evaluate the application for PSP or PSPE as referred to in paragraph (1).
- (3) If there is more than one (1) interest parties in the same Assigned Area, Business Entity that potentially will be granted PSPE for the same Assigned Area, will be selected by contest.
- (4) Based on result of evaluation referred to in paragraph (2) and selection by contest as referred to in paragraph (3), the Minister shall assign the Other Party to be granted PSP or PSPE.
- (5) Prior to granting PSPE as referred to in paragraph (4), Business Entity shall be obliged to commit to conduct Exploration.

Article 14

- (1) Prior to carrying out PSP or PSPE, the Other Party being granted assignment as referred to in Article 13 paragraph (4) shall be obliged to submit RKAB to the Minister.
- (2) The PSP or PSPE as referred to in paragraph (1) shall be conducted on account of the Other Party.

Article 15

- (1) PSP shall be granted for a period of one (1) year and may be extended for six (6) months at maximum.
- (2) PSPE shall be granted for a period of maximum three (3) years and may be extended twice for one (1) year respectively.

Article 16

In the implementation of PSPE, Business Entity may be granted fiscal facilities based on the provisions in the statutory regulation.

Article 17

- (1) Any Business Entity granted PSPE shall be obliged to conduct at least one (1) exploration well drilling within a period of three (3) years as of the issue of PSPE.
- (2) Failure of the Business Entity granted PSPE to conduct exploration well drilling within a period of three (3) years as referred to in paragraph (1), is subject to penalty of five percent (5%) of the Commitment Exploration Fee and shall constitute the State Non-Tax Income.
- (3) The three (3) years period as referred to in paragraph (1) is not included in the temporary termination of PSPE operation.

Article 18

Prior to conducting exploration well test drilling at PSPE operation Business Entity shall be granted obligatory PSPE:

- a. settle use of land in accordance with the provisions in the statutory regulation; and
- b. possessing license on environment.

Article 19

Any Business Entity granted PSPE shall be obliged to conduct Exploration based on the technical norm on Geothermal and that complies with National standard or other standard in conducting Exploration.

Article 20

- (1) Other Party granted PSP or PSPE as referred to in Article 11 paragraph (3) and paragraph (4) shall be obliged to:
 - a. report the result of PSP or PSPE once in three (3) months to the Minister;

- b. keep and secure Data and Information on Geothermal within the jurisdiction of Indonesia;
- c. keep all Data and Information on Geothermal obtained confidential; and
- d. deliver all Data and Information on Geothermal to the Minister at expiry of assignment.

(2) High Educational Institution and Research Institution granted PSP may use the Data and Information on Geothermal obtained during the PSP for the purpose of examination and development.

Article 21

(1) Any Business Entity granted PSPE shall be obliged to maintain the asset obtained from PSPE implementation until IPB on the Assigned Area is stipulated.

(2) If Business Entity returns PSPE or no longer holding IPB, such Business Entity shall be obliged to deliver such asset resulting from PSPE implementation to the Minister.

Article 22

Business Entity granted PSPE has the right to obtain first priority to be offered to participate in the Bid on Work Area as stipulated based on the Data and Information on Geothermal resulting from PSPE implementation.

Article 23

PSP and PSPE shall be declared expired if:

- a. the term of PSP or PSPE expires;
- b. Other Party declares to be incapable to continue and returns the PSP or PSPE to the Minister;
- c. PSP or PSPE is declared is completed by the Minister; and/or
- d. PSP or PSPE is revoked.

Article 24

Temporary termination of PSPE may be charged on Business Entity that is granted PSPE in the event of force majeure and/or hampering event that may cause termination of part of the entire PSPE.

Article 25

Further provision on procedure for Assignment to Other Party as referred to in Article 11, mechanism for contest as referred to in Article 13 paragraph (3), Exploration Commitment as referred to in Article 13 paragraph (5), procedure for delivering the Data and Information on Geothermal as referred to in Article 20, procedure for delivering the asset as referred to in Article 21, and temporary termination as referred to in Article 24 shall be governed in Regulation of Minister.

Part Four

Decision on Work Area and Extent of Work Area

Article 26

- (1) Decision on Work Area by the Minister as referred to in Article 4 paragraph (2) covers at least:
 - a. border and coordinates of Work Area;
 - b. volume and class of reserve;
 - c. extent of Work Area; and
 - d. border of area by administrative.
- (2) Extent of Work Area as referred to in paragraph (1) letter c shall be stipulated with due observance of Geothermal system and area extent not exceeding 200.000 (two hundred thousand) hectares.
- (3) In the event of amendment is made to allocation and function of forest zone at the Work Area, the Official exercising Administration matter on forestry shall be obliged to coordinate with the Minister.

Part Five

Amendment, Revocation, and

Consolidation of Work Area

Article 27

- (1) The Minister may amend the stipulation on the Work Area, either the holder of IPB or not yet obtain IPB.
- (2) The amendment referred to in paragraph (1) will be made in the existence of new data therein or offsite the Work Area that directly bordering with the Work Area.

- (3) if a Work Area is having IPB holder as referred to in paragraph (1), amendment to the decision on Work Area shall be issued based on application of the IPB Holder to the Minister supported by the required data.

Article 28

The Minister may revoke decision on a Work Area where no IPB Holder exists that shall:

- a. make amendment to the data at the area with prospective Geothermal within or outside the Work Area directly bordering such Work Area; or
- b. not or not yet acceptable to conduct Geothermal exploitation based on considerations on the technical, economic, and/or social matter.

Article 29

The Minister may consolidate two (2) or more Work Areas possessing no IPB Holder yet, if:

- a. based on the Data and Information on Geothermal resulting from Preliminary Survey, Preliminary Survey and Exploration, PSP, or PSPE, two (2) or more Work Area constitutes one (1) system of Geothermal; or
- b. based on technical and economic consideration of the Minister, it is better that the two (2) or more Work Areas is consolidated into one Geothermal exploitation.

Article 30

If a Work Area where no IPB holder is yet available as the result of PSPE, revocation of decision on a Work Area and consolidation of two (2) or more Work Areas may be made with due observance of technical consideration of the Business Entity that has been granted PSPE.

Article 31

Further provision on procedure to stipulating Work Area as referred to in Article 26 and amendment, revocation, and consolidation of Work Area as referred to in Article 27, Article 28, and Article 29 shall be governed in Regulation of the Minister.

Part Six

Additional Data to Work Area

Article 32

- (1) The Minister may add data to the Work Area covering:
- a. detailed survey on geology, geophysics, and geochemical;
 - b. survey of temperature gradient;
 - c. well test drilling; and/or
 - d. exploration well drilling.
- (2) In adding additional data as referred to in paragraph (1), the Minister may assign Public Service Agency or BUMN.
- (3) Provision on procedure for selection of Work Area will be governed Regulation of Minister.

Part Seven

Tariff on Data and Information on Geothermal
of Work Area

Article 33

- (1) Data and Information on Geothermal resulting from Preliminary Survey, Exploration Preliminary Survey, PSP, or PSPE shall constitute data belonging to the State.
- (2) The Minister shall fix tariff of the Data and Information on Geothermal based on the Data and Information on Geothermal as referred to in paragraph (1) for any Work Area prior to offering such Work Area.
- (3) Further provision on fixing the tariff of Data and Information on Geothermal as referred to in paragraph (2) shall be governed in Regulation of Minister.

(to be continued in A-MH-08-A

CHAPTER IV

OFFERING THE WORK AREA

PArt One

General

Article 34

(1) The Work Area offer is conducted by auction.

(2) Auctions as in paragraph (1) shall be conducted in the following two stages:

- a. First stage Auction to determine Bidder who meets the qualification of Geothermal exploitation to:
 1. Completeness of administrative requirements; and
 2. Technical and financial aspects.
- b. Auction of the second phase to select the Bidder to be awarded IPB by the Minister.

Part Two

Bid

Paragraph 1

Bid Committee

Article 35

- (1) The Minister shall establish Bid Committee to administer the Bid on Work Areas as referred to in Article 34.
- (2) Membership of Bid Committee shall be in odd number and at least totaling to seven (7) persons that must perceive the Bid procedure, object of Geothermal exploitation, including the benefits thereof from legal side, and/or other field as required
- (3) Membership of Bid Committee as referred to in paragraph (2) comprises Representative of Ministry handling Administrative matter on Geothermal and may involve other agencies of Provincial Administration, Regency / Municipality Administration.

Article 36

The Bid Committee referred to in Article 35 is assigned the duty, authority, and responsibility covering:

- a. decision on Bid Guarantee;
- b. preparation of Bid Document;

- c. preparation of data pertaining to Work Area to be Bid;
- d. announcement of Bid;
- e. evaluation of qualification of Bid Participants;
- f. evaluation of offer / bid;
- g. decision on ranking;
- h. proposal on potential Bid Winner; and
- i. drawing-up Minutes on the Bid result.

Paragraph 2

Bid Committee and Bid Document

Article 37

- (1) Bid Committee shall Bid Document as referred to in Article 36 letter b to constitute as reference for exercising Bid.
- (2) The Bid Document referred to in paragraph (1) consists of:
 - a. Bid Document Phase One; and
 - b. Bid Document Phase Two.
- (3) Bid Committee may make amendment to Bid Document at providing clarification on the Bid Document.
- (4) The amendment to Bid Document referred to in paragraph (3) will be after obtaining agreement from the Bid Participants attending the Meeting on clarification of the Bid Document.
- (5) The amendment to Bid Document referred to in paragraph (4) is set forth in Minutes of Bid Elucidation.

Article 38

- (1) Bid Document Phase I referred to in Article 37 paragraph (2) letter a shall at least state:
 - a. administrative requirement;

- b. qualification on technical and financial aspects;
- c. Data and Information on Geothermal at the Work Area to be offered;
- d. procedure for implementing qualification;
- e. guideline for compiling Bid Document Phase I;
- f. procedure for submitting Bid Document Phase I;
- g. method of evaluation; and
- h. decision on qualification result.

(2) Bid Document Phase II as referred to in Article 37 paragraph (2) letter b shall at least state:

- a. procedure for implementing Bid Phase Two;
- b. guideline for compiling Bid Document Phase II;
- c. procedure for submitting Bid Document Phase II;
- d. method of evaluation;
- e. procedure for stipulating result of Bid Phase Two; and
- f. procedure for rejecting.

Article 39

- (1) Bid Document Phase I as referred to in Article 38 paragraph (1) letter e and letter f consists of documents on administrative requirement, technical matter, and financial matter compiled into one (1) packet.
- (2) Bid Document Phase II as referred to in Article 38 paragraph (2) letter b and letter c consisting of two (2) packets:
 - a. Packet-I contains Proposal on Development Project; and
 - b. Packet-II contains Offer on Exploration Commitment.

Article 40

Proposal on Project Development as referred to in Article 39 paragraph (2) letter a, shall at least cover:

- a. study of Data and Informasi on Geothermal to evaluate feasibility of the Work Area for exercising Geothermal exploitation;

- b. strategy on implementation of Exploration and Exploitation, target of completion, and plan on expenditure budget; and
- c. commitment on commercial operation date.

Article 41

(1) The Offer on Exploration Commitment as referred to in Article 39 paragraph (2) letter b covers:

- a. Statement Letter stating commitment of Bid Participants to conduct a number of exploration well drilling; and
- b. Statement Letter stating commitment to state Exploration Commitment in the form of joint account (escrow account) at a bank which status is BUMN as guarantee for exercising a number of exploration well drilling as referred to in letter a.

(2) The Exploration Commitment referred to in paragraph (1) letter b based on the provision of at least:

- a. US\$10.000.000 (ten million US Dollars) for development of PLTP capacity of more than or equivalent to 10 MW (ten megawatt); or
- b. US\$5.000.000 (five million US Dollars) for PLTP capacity less than 10 MW (ten megawatt).

Paragraph 3

Procedure for Bid Implementation

Article 42

Procedure for Bid implementation covers:

- a. Bid announcement;
- b. registration;
- c. decision on Bid Participants;

- d. picking-up Bid Document Phase I;
- e. clarification of Bid Document Phase I;
- f. submission of Bid Document Phase I;
- g. opening Bid Document Phase I;
- h. evaluating Bid Document Phase I;
- i. decision on Bid Participants that successfully passed Bid Phase-I;
- j. announcement of Bid Participants that successfully passed Bid Phase-I;
- k. picking-up Bid Document Phase II;
- l. clarifying Bid Document Phase II;
- m. submitting Bid Document Phase II;
- n. opening Packet-1 of Bid Document Phase II;
- o. evaluating Packet-1 of Bid Document Phase II;
- p. announcing the result of of evaluation of Packet-1 of Bid Document Phase II;
- q. period for objection;
- r. clarification of objection;
- s. opening Packet-2 of Bid Document Phase II;
- t. evaluating Packet-2 of Bid Document Phase II;
- u. deciding rating of contestant bid winner by Bid Committee;
- v. submitting the rating of contestant bid winner and reporting the Bid implementation to the Minister;
- w. deciding Bid Winner by the Minister; and
- x. announcing the Bid Winner.

Article 43

- (1) Bid Committee shall make announcement on assigned Work Area as decided for offer by Bid as referred to in Article 42 letter a.
- (2) Contestant Bid Participants participating in Bid shall be obliged to possess technical and financial capacity for conducting Geothermal exploitation at the offered Work Area.

Article 44

Contestant Bid Participants may become Bid Participants after having complied with the requirements at registration by providing the following:

- a. questionnaire form for registration supported by the required document; and
- b. evidential proof of deposit as Bid Guarantee.

Article 45

- (1) The Bid Document shall be submitted in line with the term as stipulated by Bid Committee.
- (2) If Bid Document is submitted after expiry of the term as referred to in paragraph (1), Bid Committee shall be obliged to reject such Bid Document.

Article 46

- (1) Bid Committee shall open Bid Document Phase I supported by the Schedule as set forth in the Bid Document.
- (2) The Bid Document Phase I as referred to in paragraph (1) shall be evaluated to determine which Bid Participant complies with the qualification for conducting exploitation of Geothermal:
 - a. supporting administrative requirement; and
 - b. technical and financial aspects.
- (3) Bid Participant that based on evaluation fails to comply with the qualification as administratively required as referred to in paragraph (2) letter a or that fails to comply with the qualification on technical and financial aspects as referred to in paragraph (2) letter b, shall be declared failed.

Article 47

Bid Committee shall decide and announce to Bid Participant that passed evaluation for Bid Phase-.

Article 48

- (1) Bid Committee shall open Packet-1 of Bid Document Phase-II as referred to in Article 42 letter n according to the Schedule as set forth in Bid Document as witnessed by Bid Participants.
- (2) Evaluation of Packet -1 of Bid Document of Phase II shall be determined based on the result of that complies with the passing minimum point stipulated by the Bid Committee.
- (3) Bid Participants that based on evaluation that fails to comply with passing minimum point as referred to in paragraph (2), shall be declared fail.
- (4) The Bid Committee shall announce the result of evaluation of Packet-1 of Bid Document Phase II.

Article 49

- (1) Bid Participants deemed to have encountered loss, either severally or jointly with the other Bid Participants may file objection to the Bid Committee for the announcement of the result of evaluation of Packet-1 of Bid Document Phase-II.
- (2) The objection referred to in paragraph (1) may be filed if Bid Participants find out:
 - a. deviation from the terms and procedure of the bid as stipulated by the Bid Document;
 - b. certain make-believe action to create unfair competition; and/or
 - c. misuse of authority by the Bid Committee and other competent authority.
- (3) Bid Committee shall be obliged to give clarification on the objection filed by the Bid Participants.
- (4) If the objection is declared correct, the Bid Committee shall be obliged to re-evaluate Packet-1 of Bid Document Phase-II. packet
- (5) Bid Participants may file appeal of objection to the Minister if they disagree with the clarification or response of the Bid Committee as referred to in paragraph (3) or announce the result of re-evaluation as referred to in paragraph (4).

- (6) Any Bid Participant intending to file appeal objection shall be obliged to pay objection fee.
- (7) Objection fee that must be paid by Bid Participants intending to file objection as referred to in paragraph (6) shall be 10% (ten percent) of the value of Bid Guarantee constituting as State non-tax income.

Article 50

- (1) Bid Committee shall open Packet-2 of Bid Document Phase II as referred to in Article 42 letter s according to the Schedule as set forth in Bid Document witnessed by leh Bid Participants.
- (2) Bid Committee shall evaluate Packet-2 of Bid Document Phase II.
- (3) Packet-2 of Bid Document Phase-II as referred to in paragraph (2) shall be evaluated on the value of Exploration Commitment of Bid Participants to determine the rating of contestant Bid Winner.
- (4) In conducting evaluation on Bid Document referred to in paragraph (2), the Bid Committee shall make clarification to the Bid Participants and the relevant parties.

Article 51

Bid Committee shall submit the rating of contestant of Bid Winner and report on the implementation of Bid to the Minister.

Part Three

Direct Appointment

Paragraph 1

General

Article 52

- (1) If in Bid Phase-I as referred to in Article 34 paragraph (2) letter a, only one (1) Bid Participant complies with the qualification, Bid shall be repeated.

- (2) If Bid is repeated as referred to in paragraph (1) only one (1) Bid Participant that complies with the qualification, Bid shall be processed by direct appointment.

Paragraph 2

Procedure for Direct Appointment

Article 53

Procedure to direct appointment covers the following:

- a. picking-up document personally;
- b. clarification on direct appointment;
- c. submitting Packet-1 and Packet-2 of Document Phase II;
- d. opening Packet-1 of Bid Document Phase II ;
- e. evaluation of clarification of Packet-1 of Bid Document Phase-II;
- f. decision on the result of evaluation of Packet-1 of Bid Document Phase II;
- g. opening Packet-2 of Bid Document Phase-II;
- h. evaluation and clarification of Packet-2 Bid Document Phase-II;
- i. decision on contestant Winner;
- j. submitting Bid to the Minister;
- k. deciding Winner by the Minister; and
- l. announcement of Winner.

Article 54

- (1) Bid Committee shall evaluate the proposal on project development in Packet-1 of Bid Document Phase-II as referred to in Article 53 letter e.
- (2) If the proposal on project development referred to in paragraph (1) is declared is not acceptable, Bid Committee will return Packet-1 of Bid Document Phase II to the Bid Participants for revision.
- (3) If proposal on project development referred to in paragraph (1) is declared acceptable, Bid Committee shall

evaluate the offer for Exploration Commitment in Packet-2 of Bid Document Phase II as referred to in Article 53 letter h.

- (4) If based on the evaluation of offer for Exploration Commitment referred to in Packet-1 of Bid Document Phase-II as referred to in paragraph (3) fails to comply with the requirements, Bid Participant shall be declared failed.
- (5) If based on the evaluation of offer for Exploration Commitment in Packet-2 of Bid Document Phase-II referred to in paragraph (3) comply with the requirements, the Bid Committee shall propose the Bid Participant to the Minister to be stipulated as the Bid Winner.

Part Four

Bid of Designated Work Area

Based on the Result of PSPE

Article 55

- (1) If the Work Area to be offered is Work Area as stipulated based on the Data and Information on Geothermal resulting from PSPE, the Bid Committee shall offer Bid by limited offer by inviting:
 - a. Business Entity exercising PSPE at the Designated Area assigned to it is decided as Work Area; and
 - b. BUMN operating on Geothermal, to participate in the Bid.
- (2) Bid by limited offer as referred to in paragraph (1) shall be offered in two (2) phases:
 - a. Phase-I to determine qualification rating of Bid Participants; and
 - b. Phase-II to select Bid Participants to be granted IPB by the Minister.
- (3) If the Bid referred to in paragraph (1) is attended by only one (1) Bid Participant, Bid will proceed to Phase-II.
- (4) If the Business Entity exercising PSPE and BUMN operating on Geothermal as referred to in paragraph (1)

has no interest to attend the Bid, offer of Work Area must be repeated using Bid method as referred to in Article 34.

Article 56

- (1) Bid Document for Bid as stipulated based on the result of PSPE as referred to in Article 55 paragraph (1) consists of:
 - a. Bid Document Phase-I; and
 - b. Bid Document Phase-II.
- (2) Bid Document Phase-I as referred to in paragraph (1) letter a shall at least state:
 - a. administrative requirement;
 - b. Data and Informasi on Geothermal at the Work Area to be bid;
 - c. procedure for conducting Bid Phase-I;
 - d. guideline for compiling Bid Document Phase-I;
 - e. procedure for submission Bid Document Phase-I;
 - f. method of evaluation;
 - g. decision on the Bid result; and
 - h. model of Steam or Electric Power Sales and Purchase Agreement.
- (3) Bid Document Phase-II referred to in paragraph (1) letter b must at least cover:
 - a. procedure for conducting Bid Phase-II;
 - b. guideline for compiling Bid Document Phase-II;
 - c. procedure for submitting Bid Document Phase-II;
 - d. method of evaluation; and
 - e. procedure for deciding result of Bid Phase-II.

Article 57

- (1) Bid Document Phase-I as referred to in Article 56 paragraph (2) letter d contains administrative requirement.

- (2) Bid Document Phase-II as referred to in Article 56 paragraph (3) letter b contains proposal on project development.

Article 58

Procedure for Bid as referred to in Article 56 paragraph (2) letter c and paragraph (3) letter a, shall cover:

- a. invitation to attend Bid;
- b. picking-up Bid Document Phase-I;
- c. clarification of Bid Document Phase-I;
- d. submission of Bid Document Phase-I;
- e. opening Bid Document Phase-I;
- f. evaluation and clarification of Bid Document Phase-I;
- g. stipulating rating of Bid Participants;
- h. picking-up Bid Document Phase-II;
- i. clarification of Bid Document Phase-II;
- j. submission of Bid Document Phase-II;
- k. evaluation and clarification of Bid Document Phase-II;
- l. decision on contestant Winner;
- m. submitting result of Work Area offer to the Minister;
- n. decision on the Winner by the Minister; and
- o. announcement of the Winner.

Article 59

- (1) Business Entity conducting PSPE that becomes Bid Participant as referred to in Article 55 paragraph (1) letter a shall be stipulated as first rating and BUMN operating business on Geothermal as referred to in Article 55 paragraph (1) letter b constituting Bid Participant shall be stipulated as following rating based on evaluation and clarification on the Bid Document Phase-I.
- (2) Bid Participant constituting first rating in the rating stipulation as referred to in paragraph (1) shall be given the first chance to offer for the Work Area on bid by placing Bid Document Phase-II.

Article 60

- (1) Bid Committee shall evaluate and clarify the Bid Document Phase-II provided by Bid Participant with first rating as referred to in Article 59 paragraph (2).
- (2) If the Bid Participant of first rating complies with the requirements set forth in Bid Document, Bid Committee shall decide Bid Participant of first rating as the Bid Winner.
- (3) If the Bid Participant with first rating fails to comply with the requirements set forth in the Bid Document of Bid Participant of first rating fails to submit Bid Document Phase-II, the next rating shall be given the chance to submit Bid Document Phase-II.
- (4) If Bid Participant with the next rating complies with the requirements as set forth in Bid Document Phase-II, the Bid Committee shall decide Bid Participant with the next rating as the candidate Bid Winner.
- (5) If the Bid fails to obtain candidate winner, the offered Work Area shall re-offered again using the Bid method as referred to in Article 34.
- (6) Bid Committee shall notify candidate winner as referred to in paragraph (2) and paragraph (4) to the Minister.

Article 61

If the Bid Winner referred to in Article 60 is non-Business Entity exercising PSPE as referred to in Article 55 paragraph (1) letter a, no replacement will be paid for the charges expended for conducting PSPE by the Bid Winner.

Part Five

IPB

Paragraph 1

Decision on Bid Winner

Article 62

- (1) The Minister shall decide Bid Winner based on the result of Bid submitted to the Bid Committee as referred to in Article 51, Article 54, and Article 60.
- (2) The Bid Winner referred to in Article 51 and Article 54 within a period of four (4) months as of the decision on Bid Winner is made, the Bid Winner shall be obliged to:
 - a. pay for the basic price of data of the Work Area as State Non-Tax Income in accordance with the provisions in the statutory regulation; and
 - b. deposit the Exploration Commitment referred to in Article 41 paragraph (2) at the Bank with which status is BUMN.
- (3) If the Bid Winner fails to comply with its obligation within the period as referred to in paragraph (2), the Bid Winner shall be declared failed and the next rating shall be stipulated as the Bid Winner.
- (4) If the result of Bid obtains no next rating or Bid Winner fails to comply with the obligation referred to in paragraph (2), such Bid Participant will be black-listed and re-Bid will conducted for the Work Area.

Article 63

- (1) If the Bid Participant is declared failed as referred to in Article 46 paragraph (3), Article 48 paragraph (3), and Article 54 paragraph (4) the Bid Guarantee will be refunded to the Bid Participant.
- (2) If the Bid Participant is declared failed as referred to in Article 62 paragraph (3) the Bid Guarantee that has been deposited shall constitute State non-tax income.
- (3) If the Bid Participant is declared as Bid Winner as referred to in Article 62 paragraph (1) and has complied with the obligations as referred to in Article 62 paragraph (2), the Bid Guarantee shall be refunded to the Bid Participant.

- (4) If the Bid Participant resigns from the Bid process, the Bid Guarantee shall constitute State non-tax income.
- (5) If the Bid Guarantee referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) bears interest, the Bid Guarantee must be returned back to the Bid Participant.

Paragraph 2

Grant of IPB to Bid Winner

Article 64

- (1) The Bid Winner which is a form of Consortium shall be obliged to establish a new Business Entity specially allocated to manage the Work Area being won.
- (2) Bid Winner in Business Entity form but not yet specially allocated to manage Work Area it won, shall be obliged to establish a new Entity or make amendment to the Deed of Establishment of Business Entity.
- (3) The new Business Entity or Business Entity referred to in paragraph (1) and paragraph (2) shall be obliged to apply for IPB to the Minister supported by proof of compliance with the obligation as referred to in Article 62 paragraph (2).
- (4) The Minister shall grant IPB to the new Business Entity or Business Entity as soon as the application for IPB referred to in paragraph (3) is approved.

Article 65

Within a period of at least one (1) year effective as of the date the IPB is stipulated, the holder of IPB shall be obliged to commence activities as specified in the proposal on project development submitted at the Bid offer.

Article 66

- (1) The holder of IPB may cash the Exploration Commitment based on the phases of activities on Exploration

up to conducting exploration well drilling.

- (2) If the holder of IPB referred to in Article 64 paragraph (4) within a period of five (5) years effective as of the issue of IPB ignores to conduct exploration well drilling, it is subject to penalty in the form of deduction of Exploration Commitment of 5% (five percent) of the Exploration Commitment as referred to in Article 62 paragraph (2) letter b and shall constitute State non-tax income.

Paragraph 3

Assignment for Geothermal Exploitation

Article 67

- (1) The Minister may assign public service entity or BUMN operating on Geothermal to conduct Exploration, Exploitation, and Utilization of the Work Area.
- (2) The assignment referred to in paragraph (1) may be granted to Work Area with criteria:
- a. has conducted Eksplorasi by BUMN or Central Government;
 - b. has been operated by BUMN or Central Government;
 - c. Work Area that is returned by Business Entity; and/or
 - d. other criteria as stipulated in Regulation of the Minister.
- (3) Assignment of BUMN operating on Geothermal as referred to in paragraph (1) and paragraph (2) shall prevail as IPB.

Article 68

Further provision on procedure for submitting Bid Document, Evaluation Result of Bid Document, objection, direct appointment, Bid of Work Area as stipulated based on the result of PSPE, registration requirements, Exploration Commitment, Bid Guarantee, grant of IPB, and assignment for Geothermal exploitation shall be governed in Regulation of Minister.

CHAPTER V GEOTHERMAL EXPLOITATION OPERATION

General

Article 69

(1) Geothermal Exploitation operation referred to in Article 4 paragraph (1) consists of:

- a. Exploration;
- b. Exploitation; and
- c. Utilization.

(2) Geothermal exploitation operation referred to in paragraph (1) shall be conducted by the IPB Holder.

Part Two

Exploration

Article 70

(1) The IPB Holder shall be obliged to conduct Exploration at its Work Area if no Exploration has ever been conducted in such Work Area.

(2) Within the period of Exploration referred to in paragraph (1) the IPB Holder shall be obliged to conduct Feasibility Study.

(3) The Feasibility Study referred to in paragraph (2) shall at least covering plans on:

- a. study on determination of reserve at Work Area that is feasible for exploitation
- b. environmental License;
- c. well development and well reinjection;
- d. field facilities;
- e. electric power generating capacity and phases of development thereof;
- f. economic feasibility;
- g. electric power generating system and electric power transmission;
- h. Geothermal resource maintenance for exploitation activity;
- i. License for Utilizing environmental service on Geothermal, if there is plan to use preserved forest zone;
- j. occupational safety and health;
- k. protection and management of living environment; and
- l. Geothermal post exploitation.

Article 71

to be continued

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GEOHERMAL FOR OTHER UTILIZATION
(Government Regulation of the Republic Indonesia
Number 7 Year 2017, dated February 21, 2017)
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Article 71

- (1) If Exploration has been conducted in any Work Area, the IPB Holder may:
- a. automatically conduct Feasibility Study; or
 - b. conduct additional Exploration.
- (2) Within the period of the additional Exploration as referred to in paragraph (1) letter b the IPB Holder shall be obliged to conduct Feasibility Study.
- (3) The Feasibility Study referred to in paragraph (1) shall be conducted based on the provision as referred to in Article 70 paragraph (3).

Article 72

The result of Feasibility Study referred to in Article 70 and Article 71 must be submitted to the Minister for approval.

Article 73

If the outcome of Feasibility Study as referred to in Article 70 and Article 71 shows that the Work Area is not feasible for Exploitation and Utilization, the IPB Holder shall be obliged to return the IPB to the Minister.

Part Three

Exploitation

Article 74

- (1) The IPB Holder shall be obliged to conduct Exploitation based on the result of the Feasibility Study that has

obtained approval of the Minister.

- (2) If the capacity and technology on electric power generator within the period of Exploitation are amended, the IPB Holder shall be obliged to make amendment to the Feasibility Study and obtain approval of the Minister.

Part Four

Utilization

Article 75

The IPB Holder may utilize the electric power produced at the Work Area by:

- a. entering into joint operation with the Holder of Business License for integrated electric power supply as soon as the IPB Holder obtains business licence for electric power supply;
- b. selling electric power produced at the Work Area to other business entities or public as soon as the IPB Holder obtains Business License for electric power supply; and/or
- c. using electric power produced for own use or sell excess electric power as soon as the IPB Holder obtains License to operate, in line with the provisions in the statutory regulation on electric power.

Part Five

Term of Geothermal Exploitation

And IPB Extension

Article 76

- (1) The term of Exploration as referred to in Article 69 paragraph (1) letter a shall be five (5) years effective as of IPB is issued that may be extended twice, respectively for one (1) year.
- (2) Application for extended Exploration period as referred to in paragraph (1) shall be submitted in writing to the Minister within three (3) months prior to expiry of Exploration term.

- (3) Extended Exploration term referred to in paragraph (1) may be granted provided that Business Entity complies with the technical and financial requirements.

Article 77

The term of Exploitation and Utilization referred to in Article 69 paragraph (1) letter b and letter c shall be 30 (thirty) years as of the Feasibility Study is approved by the Minister.

Article 78

- (1) Term of IPB shall be maximum 37 (thirty-seven) years.
- (2) The Minister may grant extension to IPB for maximum 20 (twenty) years at each time of extension.
- (3) IPB Holder may apply for extension of IPB referred to in paragraph (2) in five (5) years at the earliest and three (3) years at the latest prior to expiry of the IPB.
- (4) The Minister shall grant approval or reject the application for extension of IPB for one (1) year at the latest as of the date the application is submitted.
- (5) In granting approval or rejecting the application for IPB extension referred to in paragraph (4), the Minister shall take into consideration all factors below:
 - a. potential reserve of Geothermal within the Work Area;
 - b. certainty or need of the market;
 - c. technical, economic, and environmental feasibility; and
 - d. benefit to the State.

Part Six

Temporary Termination due to Force Majeure

Article 79

- (1) Temporary termination of Geothermal exploitation in a certain period may be granted to IPB Holder in the

event of force majeure and hampering event causing termination of part of or the whole Geothermal exploitation.

- (2) The application for temporary termination of Geothermal exploitation must be submitted to the Minister within 14 (fourteen) days as of the event of force majeure and/or hampering event causing termination of part of or the whole Geothermal exploitation operation.
- (3) Minister shall be obliged to issue written decision or rejection to the application referred to paragraph (2) supported by reason thereof within 30 (thirty) days as of receipt of the application.
- (4) The term of temporary termination of Geothermal exploitation activity as referred to in paragraph (1) shall be granted maximum one (1) year as of receipt of the application by the Minister as referred to in paragraph (3) and may be extended one (1) time with a term of maximum one (1) year.

Article 80

The grant of temporary termination of Geothermal exploitation as referred to in Article 79 shall exclude the validity period of IPB.

Article 81

Further provision on temporary termination of Geothermal exploitation due to force majeure and/or hampering event as referred to in Article 79 and Article 80 shall be governed in Regulation of Minister.

Part Seven

Returning Back Work Area

Article 82

- (1) Returning back the Work Area by the IPB Holder shall cover:
 - a. returning back the whole Work Area; or
 - b. returning back part of the Work Area.

- (2) The whole Work Area referred to in paragraph (1) letter a shall be returned back if:
- a. IPB Holder finds out / locates Geothermal reserves that may be produced commercially prior to expiry of the IPB;
 - b. based on the result of Feasibility Study, the Work Area is not feasible for Exploitation and Utilization; or
 - c. IPB expires.
- (3) Part of the Work Area referred to in paragraph (1) letter b shall be returned back for improvement of exploitation conducted in phases, namely:
- a. at expiry of Exploration phase; and
 - b. seven (7) years after the PLTP Unit comes into operation for the first time.
- (4) Returning back the whole Work Area as referred to in paragraph (2) letter a and returning back part of the Work Area as referred to paragraph (3) must be notified to the Minister supported by technical consideration with supporting data.

Article 83

Part of the Work Area that is returned back as referred to in Article 82 paragraph (3) shall constitute Geothermal Open Area.

Article 84

- (1) The IPB Holder shall, prior to returning back the Work Area as referred to in Article 82 shall be obliged to conduct reclamation and preservance function of the living environment.
- (2) The returning back of Work Area as referred to in paragraph (1) shall be lawfully declared after having obtained approval of the Minister.

Article 85

Further provision on procedure and requirements for returning back part of or the whole Work Area as referred to in Article 82 shall be governed in Regulation of Minister.

Part Eight**Expiry of IPB****Article 86**

IPB shall expire due to:

- a. expiry of validity;
- b. returning back;
- c. annulment; or
- d. is revoked.

Article 87

(1) At expiry of IPB as referred to in Article 86, the IPB Holder shall be obliged to:

- a. pay and settle all financial obligations in line with the provisions in the statutory regulation;
- b. return back the whole Work Area and exercise all stipulated terms and conditions pertaining to returning back the whole Work Area;
- c. return back all Data and Information on Geothermal on the Work Area, either in analogue or digital form pertaining to Geothermal exploitation to the Minister; and
- d. fulfill the obligation at expiry of IPB.

(2) The payment and settlement of all financial obligations as referred to in paragraph (1) letter a covers:

- a. for IPB that expires due to expiry of validity, effective as of until expiry of IPB;
- b. for IPB that expires due to returning back, effective as of the IPB is returned back; or

- c. for IPB that expires due to revocation effective as of revocation of the IPB.

(3) Obligations after expiry of IPB as referred to in paragraph (1) letter d shall at least cover:

- a. protection of all items, construction, and condition of the surrounding land that may endanger public safety;
- b. within a period of maximum six (6) months as of the date of expiry of IPB:
 - 1. move all items, construction, and equipment belonging to it and located at former Work Area, except construction that may be used for public interest; and
 - 2. deliver or hand-over all assets obtained from Geothermal exploitation to the Minister.

CHAPTER VI

RIGHTS AND OBLIGATIONS OF IPB HOLDER

Part One

Rights of IPB Holder

Article 88

(1) IPB Holder has the rights to:

- a. conduct Geothermal exploitation in the form of Exploration, Exploitation, and Utilization at the Work Area under its control according to the Geothermal Permits granted; and
- b. use Data and Information on Geothermal from the Work Area under its control during the validity of the IPB.

(2) In conducting Geothermal Exploration, Exploitation, and Utilization as referred to in paragraph (1) letter a, the IPB Holder has the right to:

- a. enter and conduct activities on the Work Area;
- b. use public facilities and infrastructure;
- c. sell Geothermal Steam and/or Electric Power produced from PLTP;
- d. obtain extension to IPB validity from the Minister based on the consideration referred to in Article 78

paragraph (5);

- e. utilize Geothermal resource at the Work Area for direct Utilization after obtaining License for direct Utilization based on the provisions in the statutory regulation; and/or
- f. utilize Geothermal steam for electric power generator for own use based on the provisions in the statutory regulation.

Part Two

Obligation of IPB Holder

Paragraph 1

General

Article 89

IPB Holder is obliged to:

- a. perceive and obey the provisions in the statutory regulation on occupational safety and health as well as protection and management of living environment and comply with the prevailing standard;
- b. control pollution and and/or damage from living environment covering activities on prevention, control, and recover the function of living environment;
- c. conduct Exploration, Exploitation, and Utilization in accordance with proper and appropriate technical norms;
- d. prioritize utilization of goods, services, technology, and capacity of local engineering and design and build transparently and competitively;
- e. give support to research and development activities on scientific and technical knowledge on Geothermal;
- f. give support to activities on creation, competence development, and management of human resource on Geothermal;

- g. initiate program on development and empowerment of local community;
- h. exercise bookkeeping or recording with due observance of good attitude and give the true image of the condition and business activities;
- i. submit written report on Geothermal exploitation to the Minister periodically on:
 - 1. RKAB; and
 - 2. accomplished implementation of RKAB;
- j. comply with the obligations in the form of State and Regional revenues based on the provisions in the statutory regulation;
- k. submit long-term program on Exploration, Exploitation, and Utilization to the Minister covering plans on activity, budget, and the volume of reserve;
- l. prioritize utilization of Indonesian workers; and
- m. motivate development of direct utilization of Geothermal at the Work Area.

Paragraph 2

Occupational Safety and Health

Article 90

- (1) IPB Holder shall be obliged to comply with the provisions on occupational safety and health as referred to in Article 89 letter a that at least cover:
- a. available organization and personnel for occupational safety and health;
 - b. accomplished administration on management of occupational safety and health;
 - c. fulfillment of security on general safety of personnel, public safety, installation and equipment / instrument safety, and environment occupational safety ;

- d. compliance with safe, reliable occupational method, and friendly environment ; and
- e. available procedure for handling and analysing occupational accident and health.

(2) Implementation of the provision on occupational safety and health as referred to in paragraph (1) in accordance with the provisions in the statutory regulation.

Paragraph 3

Protection and Management of Living Environment

Article 91

IPB Holder shall be obliged to comply with the provisions on protection and management of living environment as referred to in Article 89 letter a and letter b that at least cover:

- a. fulfillment of feasible living environment based on Environmental License;
- b. fulfillment of environmental standard quality and standard criteria on damaged living environment;
- c. available report on the result of implementation of environmental management plan and monitoring plan, or effort on environmental management and monitoring plan;
- d. accomplished utilization of technology on friendly environment;
- e. accomplished prevention and control of pollution and damage to living environment; and
- f. accomplished arrangement, recovery, and repair to quality of living environment and ecosystem so as to function again according to the allocation thereof.

Paragraph 4

Geothermal Technical Matter

Article 92

(1) Proper and appropriate technical norms in conducting Exploration, Exploitation, and Utilization as referred to in Article 89 letter c shall at least cover:

- a. accomplished norms on technical matter on Geothermal; and

b. fulfillment of National Standard or other standard in conducting Geothermal exploitation operation.

(2) The technical matter on Geothermal as referred to in paragraph (1) letter a consists of Upstream and Downstream technical matters.

(3) Upstream technical matter as referred to in paragraph (2) covers technical matter on operation drawing up / picking up steam from the reservoir up to flowing down fluids to electric generating plant.

(4) Downstream technical matter referred to in paragraph (2) covers technical process in changing Geothermal energy and/or fluids to electric power.

(5) Coordination on Downstream technical matter shall be guided by the provisions in the statutory regulation on electric power.

Article 93

Further provisions on the terms and conditions on occupational safety and health, protection and management of living environment, and technical norms on Geothermal shall be governed in Regulation of Minister.

Paragraph 5

Utilization of Local Goods, Services, Technology, and Capacity of

Engineering and Design on Construction

Article 94

(1) IPB Holder shall be obliged to prioritize utilization local local goods, services, technology, and capacity on engineering and design construction as referred to in Article 89 letter d.

(2) If no goods, services, technology, and capacity on engineering and design construction is yet produced locally, as referred to in paragraph (1), IPB Holder may obtain facilities for importing goods and services.

(3) The goods and services as referred to in paragraph (2) must comply with the requirements on standard, quality, efficient operating cost, guarantee on time of delivery, and provide of after sale service.

- (4) Provision on the nature and procedure for granting facilities for importing goods and services as referred to in paragraph (2) shall be governed in Regulation of Minister exercising Administration matter on Finance.

Paragraph 6

Research and Development of Scientific Knowledge and Technology

Article 95

Support on activities on research and development of scientific knowledge and technology on Geothermal as referred to in Article 89 letter e shall be in the form of:

- a. allocation of a portion of IPB Holder's revenue for activities on research and development of scientific knowledge and technology;
- b. grant of facilities for research and development of to Research and Educational Institution; and
- c. comparative study.

Paragraph 7

Creation, Competence Development, and Management of Human Resource on Geothermal

Article 96

- (1) IPB Holder shall be obliged to support activities on creation, competence development, and management of human resource on Geothermal as referred to in Article 89 letter f.
- (2) The support referred to in paragraph (1) may be in the form of:
 - a. conducting occupational training on Geothermal;
 - b. compliance with worker competence on Geothermal; and
 - c. support the marking for creating and developing competence on Geothermal.

(3) The support referred to in paragraph (2) shall be provided based on the provisions in the statutory regulation.

Paragraph 8

Development and Empowerment Program

Of Local Community

Article 97

- (1) IPB Holder shall be obliged to prepare program on development and empowerment of the local community surrounding the Work Area as referred to in Article 89 letter g.
- (2) The local community referred to in paragraph (1) may submit proposal of program on development and empowerment of the community to the Regent / Mayor of local Regency / Municipality to be submitted to IPB Holder.
- (3) Development and empowerment of local community as referred to in paragraph (1) shall be prioritized to the community in the surrounding of the Work Area that directly effected from Geothermal exploitation.
- (4) Development and empowerment program of local community as referred to in paragraph (1) shall cover those participating in the development and utilization of potential capacity of the community by:
 - a. utilizing workers based on the required competence and services and local products as set forth in the specification of requirements;
 - b. support social service to the community;
 - c. support improvement of health, education, and training of the community; and/or
 - d. support development of facilities and infrastructure.
- (5) Development and empowerment program of local community as referred to in paragraph (2) must be exercised during Exploitation and Utilization phases.
- (6) In carrying out activities on development and empowerment of the local community as referred to in paragraph (1), IPB Holder shall coordinate with the Government of Province or Administration of local Regency / Municipality.

- (7) Development and empowerment program of the community as referred to in paragraph (1) will be charged to allocated costs for development and empowerment program of the community in the Budget and Expenditure of IPB Holder.
- (8) Allocation of cost for development and empowerment program of the community as referred to in paragraph (7) shall be managed by IPB Holder.

Paragraph 9

Report

Article 98

- (1) The RKAB Report referred to in Article 89 letter i figure 1 shall cover RKAB Exploration phase and RKAB Exploitation and Utilization phases.
- (2) The RKAB Report referred to in paragraph (1) must be submitted annually within three (3) months at the latest before the calendar year starts.

Article 99

Report on accomplished RKAB as referred to in Article 89 letter i figure 2 shall be implemented based on the provisions below:

- a. report on Exploration activities shall be submitted quarterly and annually; and
- b. report on Exploitation and Utilization activities shall be submitted monthly, quarterly, and annually.

Paragraph 10

State Income

Article 100

- (1) State Income as referred to in Article 89 letter j consists of Tax Income and State Non-Tax Income.
- (2) Regional Revenue as referred to in Article 89 letter j consists of:

- a. Regional Tax;
- b. Regional Contribution; and
- c. other legal revenue based on the provisions in the statutory regulation..

(3) The Tax Income referred to in paragraph (1) consists of tax constituting the authority of Central Government, import duty, and import tax based on the provisions in the statutory regulation.

(4) Non-Tax State Income referred to in paragraph (1) consists of:

- a. fixed / permanent contribution;
- b. production contribution; and
- c. other State collection based on the provisions in the statutory regulation.

(5) Types and cost of Non-Tax State Income as referred to in paragraph (4) and Regional Revenue as referred to in paragraph (2) shall be implemented based on the provisions in the statutory regulation.

Paragraph 11

Long-Term Exploration, Exploitation, and Utilization Program

Article 101

- (1) Long-Term Exploration program shall be compiled for a period of maximum five (5) years.
- (2) Long-Term Exploitation program shall be compiled for a period of maximum 30 (thirty) years.
- (3) IPB Holder shall submit Long-Term Exploration program on within three (3) months after IPB is issued.
- (4) IPB Holder shall submit Long-Term Exploitation and Utilization program within six (6) months as soon as the Feasibility Study is approved by the Minister.
- (5) Long-Term Exploration program as referred to in paragraph (3) shall at least cover:

- a. Exploration activities implementation phase
- b. Exploration Budget and Expenditure phase;
- c. Exploration program on location and total number of Exploration wells; and
- d. plan on preparation for infrastructure to support Exploration activities.

(6) Long-Term Exploitation and Utilization program as referred to in paragraph (4) shall be compiled based on the volume of reserve resulting from Exploration activities.

(7) Long-Term Exploitation and Utilization program as referred to in paragraph (5) covering:

- a. plan on location and total number of development wells and re-injection wells;
- b. plan on development of field facilities and support thereof;
- c. plan on project financement;
- d. plan on development of facilities and production operation of Geothermal; and
- e. plan on commercial operation of Geothermal.

Paragraph 12

Prioritizing Use of Indonesian Manpower

Article 102

- (1) IPB Holder shall be obliged to utilize Indonesian manpower as referred to in Article 89 letter I on Geothermal exploitation operation.
- (2) If any company intending to employ expatriates, the IPB Holder shall be obliged to submit application for License to utilize expatriate employee to the Minister that administers Administration affair on manpower.
- (3) For any utilization of expatriate, the IPB Holder shall be obliged to appoint Indonesian manpower as assisting partner based on the provision in the statutory regulation.

CHAPTER VII

GEOHERMAL SUPPORT BUSINESS

Article 103

- (1) To support Geothermal exploitation operation, the Other Party that is granted PSP and PSPE and IPB Holder may involve support business companies.
- (2) The support business companies as referred to in paragraph (1) must be registered at the Ministry exercising administration matter on Geothermal.
- (3) The support business companies referred to in paragraph (1) shall comprise support service company and support industrial company.
- (4) The support business company referred to in paragraph (1) shall be obliged to comply with the provisions below:
 - a. perceive and comply with the provisions in the statutory regulation and comply with the standard prevailing on occupational safety and health, protection and management of living environment, and technical matter on Geothermal;
 - b. prioritize utilization of local goods, services, and capacity on engineered and design construction transparently and competitively; and
 - c. prioritize use of Indonesia workers.

Article 104

Support service company as referred to in Article 103 paragraph (3) shall be obliged to comply with the provision on classification and qualification of services on Geothermal operation.

Article 105

Further provision on implementation of support business on Geothermal as referred to in 104 shall be governed in Regulation of Minister.

CHAPTER VIII

COST OF GEOTHERMAL ENERGY

Article 106

- (1) Cost of Geothermal energy for indirect utilization is fixed by the Minister with due consideration of economical price of Geothermal and the benefit to National interest.
- (2) Cost of Geothermal energy as referred to in paragraph (1) shall be cost of steam and cost of electric power.
- (3) The Minister shall fix the cost of Geothermal energy in coordination with the Minister exercising financial administration.
- (4) Economic cost of Geothermal as referred to in paragraph (1) shall at least take the following into consideration;
 - a. cost of steam and/or electric power production; and
 - b. attraction for investment.
- (5) Cost of Geothermal energy as referred to in paragraph (1) through paragraph (4) shall be reference for bid offering of Work Area and upgrade capacity of electric power generator.

Article 107

To secure available electric power for public interest, the Minister shall assign BUMN as holder of Business License for supplying electric power, to buy Geothermal steam to be integrated to the electric power originating from PLTP based on the provision in the statutory regulation.

CHAPTER IX

DATA AND INFORMATION ON GEOTHERMAL

Article 108

- (1) Geothermal Data and Information from Preliminary Survey or Preliminary Surveys and Exploration as referred to in Articles 8 and 9, PSP and PSPE results as referred to in Article 20, the results of the addition

of data as referred to in Article 32, and the results of the implementation of the Heat Concession Earth by the holder of IPB is a state owned and managed by the Minister

- (2) Data and Information on Geothermal as referred to in paragraph (1) may be in writing or in character, figure, or digital, photo or analogue, magnetic media, document, rock sample, and fluids.
- (3) Processing of Data and Information on Geothermal as referred to in paragraph (1) covers acquisition, administration, process, coordination, storage, maintenance, and destruction of data.
- (4) Utilization of Data and Information on Geothermal as referred to in paragraph (1) may be used for:
 - a. preparation of business plan on supply of electric power ;
 - b. development of scientific knowledge and technology on Geothermal;
 - c. preparation of space layout of the area; and
 - d. other utilization with permit of the Minister.

Article 109

Transmission, delivery, and/or assignment of right / transfer of Data and Information on Geothermal obtained from Preliminary Survey, Exploration, and/or Exploitation must obtain approval / permit from the Minister.

Article 110

- (1) IPB Holder and Other Party being granted PSP or PSPE may manage and utilize Data and Information on Geothermal obtained from Exploration and Exploitation of a Work Area or Assigned Area as referred to in Article 108 during the course of IPB validity or PSP or PSPE assignment, except data destruction.
- (2) IPB Holder and Other Party being granted PSP or PSPE shall be obliged to secure Data and Information on Geothermal utilized as referred to in paragraph (1) within the jurisdiction of the Republic of Indonesia.

Article 111

At expiry of IPB as referred to in Article 86, IPB Holder shall be obliged to deliver / hand-over all Data

and Information on Geothermal obtained from Exploration and Exploitation operations to the Minister.

Article 112

Further provision on processing and utilizing Data and Information on Geothermal as referred to in Article 108 shall be governed in Regulation of Minister.

CHAPTER X

MANAGEMENT AND SUPERVISION

Part One

General

Article 113

- (1) Minister shall exercise management and supervision on:
 - a. implementation of PSP or PSPE by Other Party; and
 - b. implementation of Geothermal exploitation by IPB Holder.
- (2) Minister in exercising management and supervision referred to in paragraph (1) may coordinate with the relevant agency based on the provision in the statutory regulation.

Part Two

Management and Supervision on implementation of Management and Supervision on PSP or PSPE

Article 114

Management and supervision on implementation of PSP or PSPE as referred to in Article 113 paragraph

- (1) letter a shall at least in the form of:
 - a. application of proper and appropriate technical norms;
 - b. compliance with the standard;
 - c. preparation plan on operation and expenditure budget;
 - d. implementation of occupational safety and health;

- e. management of Data and Information on Geothermal; and
- f. reporting.

Part Three

Management and Supervision on Implementation of Exploitation on Geothermal

Article 115

The management and supervision on implementation of Geothermal exploitation by IPB Holder as referred to in Article 113 paragraph (1) letter b cover:

- a. Exploration;
- b. Feasibility Study;
- c. Exploitation and Utilization;
- d. finance and investment;
- e. management of Data and Information on Geothermal;
- f. occupational safety and health;
- g. protection and management of living environment and preservice of Geothermal resource;
- h. utilization of local goods and services, technology, and capacity of engineering and design and build / construct;
- i. development of Indonesian manpower;
- j. development and empowerment local community;
- k. control, develop, and apply Geothermal technology;
- l. apply correct and appropriate technical norms;
- m. other activities on exploitation of Geothermal to the extent pertaining public interest;
- n. RKAB;
- o. fulfillment of obligatory payment of State Income and Regional income; and
- p. reporting.

Article 116

Management and supervision on implementation of occupational safety and health as referred to in

Article 114 letter d and Article 115 letter f, protection and management of living environment as referred to in Article 115 letter g, and application of correct and appropriate technical norms as referred to in Article 114 letter a and Article 115 letter l shall be conducted by the Inspector in charge of Geothermal based on the provisions in the statutory regulation.

Article 117

Provision on procedure for management and supervision of implementation of PSP or PSPE as referred to in Article 114 and procedure for management and supervision of Geothermal exploitation operation as referred to in Article 115 shall be governed in Regulation of Minister.

CHAPTER XI

ADMINISTRATIVE PENALTY

Article 118

- (1) Other Party being granted PSP or PSPE that violates the provisions referred to in Article 17 paragraph (1), Article 18, Article 19, Article 20 paragraph (1) letter b, letter c and letter d, and Article 21 is subject to administrative penalty by the Minister.
- (2) Administrative penalty as referred to in paragraph (1) shall be in the form of:
 - a. written reminder;
 - b. temporary termination of the entire activities; or
 - c. revocation of PSP or PSPE.

Article 119

- (1) Any IPB Holder violating the provisions referred to in Article 65, Article 70, Article 71 paragraph (2), Article 72, Article 73, Article 74 paragraph (1), Article 84 paragraph (1), Article 87 paragraph (1), Article 89, Article 109, Article 110 paragraph (2), and Article 111 is subject to administrative penalty by the Minister.
- (2) The administrative penalty referred to in paragraph (1) shall be in the form of:
 - a. written reminder;

- b. temporary termination of the entire activities; and
- c. revocation of IPB.

Article 120

The written reminder referred to in Article 118 paragraph (2) letter a and Article 119 paragraph (2) letter a will be submitted three (3) times maximum respectively with a period of one (1) month.

Article 121

- (1) If the Other Party granted PSP or PSPE or the IPB Holder receiving written reminder after expiry of the period of the third reminder reminder as referred to in Article 120 fails to carry out their obligations, the Minister shall charge administrative penalty in the form of temporary termination of the entire activities referred to in Article 118 paragraph (2) letter b and Article 119 paragraph (2) letter b.
- (2) The administrative penalty in the form of temporary termination of the entire activities as referred to in paragraph (1) will be charged for maximum three (3) months.
- (3) The administrative penalty referred to in paragraph (2) may be revoked at any time if Other Party or the IPB Holder being granted PSP or PSPE during the course of penalty complies their respective obligation.

Article 122

In the event that Other Party or IPB Holder being granted PSP or PSPE being charged penalty in the form of temporary termination of the entire activities that fail to fulfill their respective obligation up to expiry of the term of administrative penalty as referred to in Article 121 paragraph (2), the Minister is subject to administrative penalty in the form of revocation of PSP or PSPE or revocation of IPB.

CHAPTER XII

TRANSITIONAL PROVISION

Article 123

- (1) By the time this Government Regulation comes to force:
 - a. Business Entity that has exercised PSP and its Assigned Area is stipulated as Work Area before this

Government Regulation is granted the right to treat the best equivalent offer (right to match) at implementation of Bid offer.

- b. Business Entity that has obtained PSP but its Assigned Area is not yet stipulated as Work Area prior to this Government Regulation comes to force may be offered for implementation of PSPE within its Assigned Area.
 - c. Business Entity that has implemented PSP and its Assigned Area is stipulated as Work Area prior to this Government Regulation comes to force, additional data may be made as referred to in Article 28 letter a by cancelling the Work Area thereof, may be offered for implementation of PSPE at Assigned Area where PSP has been conducted by entity concerned.
- (2) The right to equalize the best offer (right to match) as referred to in paragraph (1) letter a shall be granted if the offer in phase two in Envelope-2 of bid offer by other participant is better from the offer by the Business Entity that has implemented PSP.

Article 124

The Bid that is in process prior this Government Regulation comes to force, shall be implemented based on the provisions in the statutory regulation prior to this Government Regulation comes to force.

Article 125

(1) By the time this Government Regulation takes effect:

- a. authority to carry out exploitation of Geothermal resource within the Work Area existing prior to Law Number 21 Year 2014 concerning Geothermal comes to force, is valid for 30 (thirty) years effective as of enactment of Law Number 21 Year 2014 concerning Geothermal;
- b. all joint operation contracts on exploitation of Geothermal resource signed prior to Law Number 21 Year 2014 concerning Geothermal comes to force, is hereby declared survives until expiry of the Contract term; and

- c. all permits for exploitation of Geothermal resource existing prior to Law Number 21 Year 2014 concerning Geothermal comes to force, is hereby declared survives until expiry of the permits.
- (2) In the event that joint operation contract for exploitation of Geothermal resource as referred to in paragraph (1) letter b exceeds / passes the validity of authority for exploitation of Geothermal resource, such authority for exploitation of Geothermal resource will be extended until expiry of the joint operation contract.
- (3) The provisions set forth in joint operation contract referred to in paragraph (2) survive until expiry of the joint operation contract.

Article 126

- (1) At expiry of the authority for exploitation of Geothermal resource, joint operation contract for exploitation of Geothermal resource, and License for exploitation of Geothermal resource may be extended and changed to IPB by the Minister with all the business operations thereof shall be conducted in accordance with this Government Regulation.
- (2) The holder of authority for exploitation of Geothermal resource, joint operation contract for exploitation of Geothermal resource, and permits for exploitation of Geothermal resource may apply for extension of IPB for maximum five (5) years and minimum three (3) years prior to the authority for exploitation of Geothermal resource, joint operation contract for exploitation of Geothermal resource, or permits for exploitation of Geothermal resource expires.

CHAPTER XIII

CLOSING PROVISION

Article 127

- (1) By the time this Government Regulation takes effect, all statutory regulations constituting regulation on implementation of Government Regulation Number 59 Year 2007 concerning Geothermal business operation (Statute Book of the Republic of Indonesia Year 2007 Number 132, Supplement to Statute Book of the Republic of Indonesia Number 4777) as amended several times and lately amended by Government Regulation

Number 75 Year 2014 concerning Second Amendment to Government Regulation Number 59 Year 2007 concerning Geothermal business operation (Statute Book of the Republic of Indonesia Year 2014 Number 261, Supplement to Statute Book of the Republic of Indonesia Number 5595), is hereby declared survives to the extent it does not conflict with the provisions in this Government Regulation.

- (2) By the time this Government Regulation takes effect, Government Regulation Number 59 Year 2007 concerning Geothermal business operation (Statute Book of the Republic of Indonesia Year 2007 Number 132, Supplement to Statute Book of the Republic of Indonesia Number 4777) as amended several times and lately amended by Government Regulation Number 75 Year 2014 concerning Second Amendment to Government Regulation Number 59 Year 2007 concerning Geothermal business operation (Statute Book of the Republic of Indonesia Year 2014 Number 261, Supplement to Statute Book of the Republic of Indonesia Number 5595), shall revoke and declared null and void.

Article 128

This Government Regulation comes to force on the date it is enacted.

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

Stipulated in Jakarta

Dated February 21, 2017

PRESIDENT OF THE REPUBLIC OF INDONESIA,

sgd.

JOKO WIDODO

Enacted in Jakarta

Dated February 21, 2017

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

sgd.

YASONNA H. LAOLY

STATUTE BOOK REPUBLIC OF INDONESIA

YEAR 2017 NUMBER 30

ELUCIDATION OF
GOVERNMENT REGULATION
OF THE REPUBLIC OF INDONESIA
NUMBER 7 YEAR 2017
CONCERNING
GEOTHERMAL FOR INDIRECT UTILIZATION

I. GENERAL

The rule in Government Regulation concerning Geothermal for Indirect Utilization is mandate of the provisions in Article 17 paragraph (5), Article 18 paragraph (2), Article 19 paragraph (2), Article 22 paragraph (2), Article 39, Article 40 paragraph (3), Article 52 paragraph (2), Article 56 paragraph (3), Article 58, and Article 64 Law Number 21 Year 2014 concerning Geothermal.

Geothermal exploitation operation for Indirect Utilization shall be conducted in any Work Area. To determine a Work Area, the Minister shall conduct Preliminary Survey or Preliminary Survey and Exploration, wherein the exploitation therewith may assign Other Party. Assignment to conduct Preliminary Survey will be granted to high education and research institutions for the purpose of research and development of scientific knowledge and academic, whereas assignment to conduct Preliminary Survey and Exploration shall be granted to Business Entity for the purpose of Geothermal exploitation.

Stipulation of Work Area shall take into consideration Geothermal system and technical and economic feasibility in any area with Geothermal prospect. To improve quality of data on Geothermal Open Area or Work Area, the Minister shall assign public service agency or BUMN operating on Geothermal to conduct Exploration.

To grant IPB for any Work Area to Business Entity, the Minister shall offer a Work Area by Bid. Bid shall be offered transparently with due consideration of technical and financial capacity of the Bid Participant. As guarantee any potential Winner shall conduct Exploration as soon as the entity concerned is granted IPB, Bid Winner shall be obliged to deposit Exploration Commitment into Joint Account of Escrow Account before receiving the IPB.

For Bid constituting the result of PSPE, Bid Participants shall be Business Entity granted PSPE and BUMN operating on Geothermal. Business Entity granted PSPE shall be granted first opportunity to make bid offer.

The Minister shall also assign BUMN operating on Geothermal to conduct Geothermal exploitation at any Work Area and such assignment is valid as IPB.

Cost of energy for Indirect Utilization shall be determined by the Minister with due consideration of economical cost and benefit to national interest. The cost of Geothermal energy shall constitute reference for making offer of any Work Area and increasing capacity of electric power generator.

IPB is valid for maximum 37 (thirty-seven) years and may be extended for 20 (twenty) years in every extension. The term for IPB Holder to exercise Exploration shall be maximum five (5) years including the period for conducting Feasibility Study and may be extended twice or 2 times, respectively for maximum one (1) year. While validity of Exploitation and Utilization is maximum 30 (thirty) years effective as of the Feasibility Study is approved by the Minister. Expired IPB must be returned back to the issuer, revoked, or cancelled.

IPB Holder and Other Party being granted PSP and PSPE are assigned the rights and obligations based on the provisions in the statutory regulation. The Minister shall oversee / control and supervise the IPB Holder and Other Party that are granted PSP and PSPE. Control and supervision shall be exercised to oversee that IPB Holder and PSP and PSPE operators obtain the rights and fulfill and comply with all their obligations. To support Geothermal exploitation operation, IPB Holder, PSP and PSPE operators may involve support business company operating in the field of Geothermal.

Data and Information on Geothermal are State property which management and utilization thereof are stipulated by the Minister. IPB Holder and Other Party being granted the right to conduct PSP and PSPE may manage and utilize data obtained from exercising their activities during the term of IPB or assignment.

This Government Regulation contains the principal ruling covering authority to carry out Geothermal operation for Indirect Utilization of Work Area, offer of Work Area, exploitation of Geothermal, the rights and obligations of IPB Holder, support business company on Geothermal, cost of Geothermal energy, Data and Information on Geothermal, management and supervision, and administrative penalty.

II. ARTICLE BY ARTICLE

Article 1 and Article 2

Self-explanatory.

Article 3

Paragraph (1)

Letter a and Letter b

Self-explanatory.

Letter c

What is meant by "grant of IPB" shall be issue, extension, and revocation of IPB.

Letter d through Letter h

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 4 and Article 5

Self-explanatory.

Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

What is meant by "transparent" shall be bid offer made transparently but not confidentially.

What is meant by "participation" shall be process of bidding by involving relevant agency.

Article 7

Paragraph (1)

Self-explanatory.

Paragraph (2)

What is meant by "expert" shall be any person possessing extensive capacity and expertise on Geothermal, such as, expert on Geothermal energy.

Article 8 through Article 15

Self-explanatory.

Article 16

Fiscal facilities shall be, among other things, facilities on Import Duty on goods and facilities on Income Tax (PPH).

Article 17 through Article 20

Self-explanatory.

Article 21**Paragraph (1)**

Asset shall asset acquired from implementation of PSPE, such as, well testing, Exploration well, and the land used as wellpad. Wellpad shall be area with limit on land surface constituting land to place a number of wellheads.

Paragraph (2)

Self-explanatory.

Article 22 through Article 27

Self-explanatory.

Article 28**Letter a**

What is meant by "prospective Geothermal area" shall be area considered as one (1) Geothermal system.

Letter b

Self-explanatory.

Article 29 through Article 34

to be continued

(MA)

GEOHERMAL FOR OTHER UTILIZATION

(Government Regulation of the Republic Indonesia Number 7 Year 2017, dated February 21, 2017)

[Continued from Business News No. 9009 pages 18-48]

Article 29 through Article 34

Self-explanatory.

Article 35

Paragraph (1)

Self-explanatory.

Paragraph (2)

Other fields as required, such as, field of economy, finance, environment.

Paragraph (3)

Self-explanatory.

Article 36 through Article 45

Self-explanatory.

Article 46

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

What is meant by "comply with qualification on technical and financial, shall be comply with minimum standard on technical and financial evaluation as stipulated by the Bid Committee.

Paragraph (3)

Self-explanatory.

Article 47 through Article 49

Self-explanatory.

Article 50

Paragraph (1) through Paragraph (3)

Self-explanatory

Paragraph (4)

Relevant party, namely Issuer of Document submitted in the Offer Document.

Article 51 through Article 63

Self-explanatory.

Article 64

Paragraph (1)

What is meant by "new Business Entity" shall be Business Entity which share is 100% (one hundred percent) belong to Bid Winner Consortium.

Paragraph (2)

What is meant by "amendment to Deed of Establishment of Business Entity" shall be stating the type of Geothermal exploitation operation for Indirect Utilization.

Paragraph (3) and Paragraph (4)

Self-explanatory.

Article 65 through Article 74

Self-explanatory.

Article 75**Letter a**

Self-explanatory.

Letter b

What is meant by "other business entity" shall be State-owned business entity, Regional-owned business entity, Indonesia-owned private legal entity, and cooperatives exercising business on electric power.

Letter c

Self-explanatory.

Article 76 through Article 78

Self-explanatory.

Article 79**Paragraph (1)**

Event of force majeure, such as, war, civil commotion, rebellion, epidemic, earthquake, floods, fire, and other natural disaster beyond control of human being. Condition of impediment, such as, blockade, strike, labor dispute not involving IPB Holder, and/or statutory regulation issued by Central Government, that hampers operation of Geothermal exploitation in process.

Paragraph (2) through Paragraph (4)

Self-explanatory.

Article 80 through Article 86

Self-explanatory.

Article 87**Paragraph (1) and Paragraph (2)**

Self-explanatory.

Paragraph (3)**Letter a**

Self-explanatory.

Letter b**Figure 1**

Self-explanatory.

Figure 2

Asset acquired from exploitation of Geothermal, such as, Geothermal Well and Wellpad.

Article 88

Self-explanatory.

Article 89**Letter a through Letter d**

Self-explanatory.

Letter e

Supports in this provision shall not meant for the direct interest of the relevant companies.

Letter f through Letter m

Self-explanatory.

Article 90

Paragraph (1)

Letter a

Organization and personnel of Occupational Safety and Health shall be led/ managed by Head of Technology on Geothermal.

Letter b through Letter e

Self-explanatory.

Paragraph (2)

Provisions in this statutory regulation are among other things, provision on occupational safety and coordination and supervision of occupational safety on Mining sector.

Article 91 through Article 99

Self-explanatory.

Article 100

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a and Letter b

Self-explanatory.

Letter c

Other legal revenue based on the provisions in the statutory regulation shall be, among other things, Bonus from Geothermal production.

Paragraph (3) through Paragraph (5)

Self-explanatory.

Article 101 through Article 105

Self-explanatory.

Article 106

Paragraph (1) and Paragraph (2)

Self-explanatory.

Paragraph (3)

Stipulates cost for Geothermal energy, such as, stipulation of cost in the form of fixed highest price and feed-in tariff.

Paragraph (4) and Paragraph (5)

Self-explanatory.

Article 107 through Article 128

Self-explanatory.

SUPPLEMENT TO STATUTE BOOK
OF THE REPUBLIC OF INDONESIA
NUMBER 6023

(BN)