

**PRESIDENTIAL DECREE OF THE REPUBLIC OF INDONESIA  
NUMBER 4 YEAR 2016  
CONCERNING  
THE ACCELERATION OF DEVELOPMENT OF ELECTRICITY  
INFRASTRUCTURES**

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

Considering

- a. that in order to meet or fulfill the people's electricity needs on a fair and equitable basis, and to encourage the economic growth it shall be necessary to accelerate the development of electricity infrastructures including the development of 35,000-MW power generation and transmission lines along a 46,000-km distance by prioritizing the use of new and renewable energy sources in order to support the efforts to reduce the emission of greenhouse gas;
- b. that in line with the implementation of the development of electricity infrastructures as cited in letter a, the central government of Indonesia is to assign PT PLN (Persero) by giving supports in form of guarantees, quick issuance of permits and non-permits, supply of primary energy, spatial plan, acquisition of land, solving problems, obstacles and legal issues that might be encountered;
- c. Based on the considerations as cited in letters a and b, it shall be necessary to enact a Presidential Decree on the Acceleration of Development of Electricity Infrastructures.

Referring to in

1. Article 4 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 19 Year 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 4297);
3. Law Number 30 Year 2009 on Electricity (State Gazette of the Republic of Indonesia Year 2009 Number 133, Supplement to State Gazette of the Republic of Indonesia Number 5052);
4. Government Regulation Number 14 Year 2012 on Activity of Electricity Supplies (State Gazette of the Republic of Indonesia Year 2012 Number 28, Supplement to State Gazette of the Republic of Indonesia Number 5281) as having been amended by Government Regulation Number 23 Year 2014 on Amendment of Government Regulation Number 14 Year 2012 on Activity of Electricity Supplies (State Gazette of the Republic of Indonesia Year 2014 Number 75, Supplement to State Gazette of the Republic of Indonesia Number 5530);
5. Government Regulation Number 79 Year 2014 on National Energy Policy (State Gazette of the Republic of Indonesia Year 2014 Number 300, Supplement to State Gazette of the Republic of Indonesia Number 5609).

**DECIDES:**

To Enact

PRESIDENTIAL DECREE OF THE REPUBLIC OF INDONESIA  
CONCERNING THE ACCELERATION OF DEVELOPMENT OF ELECTRICITY  
INFRASTRUCTURES.

## **CHAPTER I GENERAL PROVISION**

### **Article 1**

In this Presidential Decree what is meant by:

1. Electricity Infrastructure is everything related to power generation, power transmission, power distribution, substation, and other supporting facilities.
2. Electricity Infrastructure Development hereinafter referring to PIK is the activity of planning, procurement, and implementation for the sake of the availability of Electricity Infrastructure.
3. PT Perusahaan Listrik Negara (Persero) hereinafter referring to PT PLN (Persero) is a State-owned company namely PT Perusahaan Listrik Negara (Persero).
4. Permit is anything about the approvals from the Central Government of Indonesia and the Local Government based on the authorities as in compliance with the prevailing laws and regulations.
5. Non-permit is any form of services, fiscal facilities, data, and information as in compliance with the prevailing laws and regulations.
6. The Central Government is President of the Republic of Indonesia who holds the power in governing the State of the Republic of Indonesia as assisted by Vice President and Ministers as cited in the 1945 Constitution of the Republic of Indonesia.
7. Local Government is Regional Head who is in charge of governmental affairs in region and in the implementation of governmental affairs based on the authority of autonomy in the region.
8. Self-management is an activity of PIK, of which the work is planned, conducted and / or supervised by PT PLN (Persero).
9. Developer of Power Generation hereinafter referring to PPL is a business entity of power supplies in form of State-owned Enterprise (SOE), Region-owned Enterprise (BUMD), cooperative, and private company in cooperation with PT PLN (Persero) by signing any of the agreement of purchases and sales/ lease of power networks.
10. Primary Energy of Electricity is a source of energy from either fossil or new and renewable energy sources that are needed to produce power supplies.
11. Integrated One-Door Service (One-Stop Service) hereinafter referring to PTSP is an integrated service in one integrated process starting from a stage of proposing up to the stage of completing the services through one door.
12. Board of Capital Investment and Integrated One-Door Services of Province hereinafter referring to BPMPTSP Province is an organizer of PTSP in Province.
13. Board of Capital Investment and Integrated One-Door Services of Regency/ Municipality hereinafter referring to BPMPTSP Regency/ Municipality is an organizer of PTSP in Regency/ Municipality.

## **CHAPTER II ORGANIZING PIK**

### **Part One General**

#### **Article 2**

- (1) PIK is organized on an effective, efficient, transparent, fair, and accountable basis.
- (2) PIK is conducted in accordance with the Plan on Electricity Supplies as made by Minister who is in charge of governmental affairs in the sector of energy and mineral resources.

#### **Article 3**

- (1) The Central Government is to assign PT PLN (Persero) to organize PIK.
- (2) The technical guidance on the implementation of PIK by PT PLN (Persero) as cited in paragraph (1) shall be conducted by Minister who is in charge of governmental affairs in the sector of energy and mineral resources.
- (3) The corporate and managerial guidance of PIK by PT PLN (Persero) as cited in paragraph (1) shall be conducted by Minister who is in charge of governmental affairs of State-owned Enterprises.

#### **Article 4**

- (1) The implementation of PIK by PT PLN (Persero) as cited in Article 3 paragraph (1) shall be conducted by ways as follows:
  - a. self-management; and
  - b. cooperation in power supplies.
- (2) The implementation of PIK by PT PLN (Persero) by way of cooperation in power supplies as cited in paragraph (1) letter b, shall be conducted with the business entity of powers supplies, such as:
  - a. subsidiary of PT PLN (Persero); or
  - b. PPL.

### **Part Two Implementation of PIK in self-management**

#### **Article 5**

- (1) The implementation of PIK in self-management as cited in Article 4 paragraph (1) shall be conducted in case that:
  - a. PT PLN (Persero) has the capability of funding for the equity from inexpensive source of funding;

- b. the construction risk is low;
- c. there is the availability of fuel supplies;
- d. the power generation is the peak load bearer (peaker) that has the function to control the operational reliability; and/or
- e. the development is of the isolated system.

(2) The Implementation of PIK in self-management shall include:

- a. the power generation; and/or
- b. the transmission.

### **Article 6**

(1) In order to improve the financing capability of PT PLN (Persero) as cited in Article 5 paragraph (1) letter a, the central government shall give a support for the availability of funding by ways of:

- a. State's equity participation;
- b. forwarding the loans of the Central Government from overseas and/or domestic sources;
- c. loan of PT PLN (Persero) from financial institution;
- d. granting exemption of income tax in regard of revaluation of assets; and / or
- e. other funding as in compliance with the prevailing laws and regulations.

(2) PT PLN (Persero) in effort to increase its funding capability shall do as follows:

- a. restructuring the funding by optimizing the financial assets of PT PLN (Persero);
- b. hedging based on the profile of risk exposures of liabilities in foreign currency of PT PLN (Persero);
- c. refinancing; and / or
- d. utilizing the company's operating profit by minimizing the ratio of dividend payout.

### **Article 7**

(1) In realizing the loan of PT PLN (Persero) as cited in Article 6 paragraph (1) letter c the Central Government shall provide a governmental guarantee over the repayment of loan by PT PLN (Persero).

(2) The governmental guarantee as cited in paragraph (1) shall be a full guarantee on the repayment of loan by PT PLN (Persero) to the lender.

- (3) The governmental guarantee as cited in paragraph (1) shall be requested by President Director of PT PLN (Persero) to Minister who is in charge of governmental affairs of State's finance.
- (4) In regard of the request for the governmental guarantee as cited in paragraph (3), Minister who is in charge of governmental affairs of State's finance shall provide a principle approval within a period of 25 (twenty five) working days as of the date of receiving the request, of which should have already been considered and declared fully complete.
- (5) Further provision on the procedure of providing a governmental guarantee as cited in paragraph (1) shall be regulated by Minister who is in charge of governmental affairs of State's finance.

#### **Article 8**

In regard of the loan of PT PLN (Persero) from financial institution as cited in Article 6 paragraph (1) letter c, of which is in form of loan from State-owned bank, Minister who is in charge of governmental affairs of SOEs shall be allowed to facilitate the formation of bank syndication.

### **Part Three Implementation of PIK in cooperation with Power Supplier and Subsidiary of PT PLN (Persero)**

#### **Article 9**

- (1) The implementation of PIK in cooperation with power supplier and subsidiary of PT PLN (Persero) as cited in Article 4 paragraph (2) letter a shall be conducted providing there is cooperation between PT PLN (Persero) and foreign State-owned Enterprise.
- (2) The cooperation with foreign State-owned Enterprise as cited in paragraph (1) shall be conducted in considering that the foreign State-owned enterprise has a strategic value for PT PLN (Persero) in regard of PIK, of which shall, among others, include:
  - a. the availability of funding as needed by PT PLN (Persero); and/or
  - b. the availability of energy that will be used by PT PLN (Persero) for the implementation of PIK.
- (3) The subsidiary of PT PLN (Persero) as cited in paragraph (1) is a subsidiary of PT PLN (Persero) that is owned by PT PLN (Persero) for at least 51 (fifty one) percent of direct ownership and/or through another subsidiary of PT PLN (Persero).

#### **Article 10**

- (1) In regard of the implementation of PIK in cooperation for power supplies from the subsidiary of PT PLN (Persero) the Government of Indonesia shall also be allowed to provide a governmental guarantee.
- (2) The governmental guarantee as cited in paragraph (1) shall be a guarantee of business feasibility of PT PLN (Persero) in regard of the financial obligation based on the agreement of sales and purchases of electricity.

- (3) The request for governmental guarantee as cited in paragraph (1) shall be submitted by President Director of PTPLN (Persero) to Minister who is in charge of governmental affairs of State's finance.
- (4) The request for governmental guarantee as cited in paragraph (3) shall be conducted (submitted) before the implementation of the process of procurement of PIK.
- (5) In regard of the request for governmental guarantee as cited in paragraph (3) Minister who is in charge of governmental affairs of State's finance shall provide a principle approval in a period of 25 (twenty five) working days after the request is received and declared complete.
- (6) Further provision concerning the procedure of providing governmental guarantee as cited in paragraph (1) shall be regulated by Ministers who is in charge of governmental affairs of State's Finance.

**Part Four**  
**Implementation of PIK in cooperation of power supplies with PPL**

**Article 11**

The implementation of PIK in cooperation of power supplies with PPL as cited in Article 4 paragraph (2) letter b shall be conducted in considering as follows:

- a. there is a need of enormous funding;
- b. the construction risk is quite large, especially for a new location that requires a process of releasing land rights;
- c. the risk of fuel supply is high enough or there has yet to be a secure supply of gas and/or infrastructure;
- d. it is about power generation from new and renewable energy sources;
- e. it is the expansion of the existing power generation of PPL; and/or
- f. There are several PPLs that will develop power generation in a certain region.

**Article 12**

- (1) In regard of the implementation of PIK in cooperation of power supplies from PPL the Government of Indonesia shall be allowed to provide a governmental guarantee.
- (2) The governmental guarantee as cited in paragraph (1) shall be a guarantee of business feasibility of PT PLN (Persero) in regard of the financial obligation based on the agreement of sales and purchases of electricity.
- (3) The request for governmental guarantee as cited in paragraph (1) shall be submitted by President Director of PTPLN (Persero) to Minister who is in charge of governmental affairs of State's finance.
- (4) The request for governmental guarantee as cited in paragraph (3) shall be

conducted (submitted) before the implementation of the process of procurement of PIK.

- (5) In regard of the request for governmental guarantee as cited in paragraph (3) Minister who is in charge of governmental affairs of State's finance shall provide a principle approval in a period of 25 (twenty five) working days after the request is received and declared complete.
- (6) Further provision concerning the procedure of providing governmental guarantee as cited in paragraph (1) shall be regulated by Minister who is in charge of governmental affairs of State's Finance.

### **CHAPTER III PRIMARY ENERGY SUPPLY OF ELECTRICITY AND UTILIZATION OF NEW AND RENEWABLE ENERGY SOURCES**

#### **Article 13**

In order to accelerate the implementation of PIK, Minister who is in charge of governmental affairs in the sector of energy and mineral resources shall:

- a. give priority of the allocation of primary energy sources for the operation of PIK; and
- b. set up the selling price of Primary Energy sources for the operation of power generation.

#### **Article 14**

- (1) The implementation of PIK shall be conducted by prioritizing the utilization of new and renewable energy sources in order to reach a target of proportion of new and renewable energy sources in energy mix as in compliance with the laws and regulations in the energy sector.
- (2) In order to make a good use of new and renewable energy sources as cited in paragraph (1) the Central Government of Indonesia and/or local governments shall provide supports in form of:
  - a. fiscal incentives;
  - b. simplification of obtaining permits and non-permits;
  - c. determination of the purchasing prices of power supplies from any of the new and renewable energy sources;
  - d. the creation of a separate business entity in order to provide power supplies that can be sold to PT PLN (Persero); and/or
  - e. the availability of subsidies.
- (3) The supports from the Central Government of Indonesia and/or the local governments as cited in paragraph (2) shall be given by considering the economic feasibility of PIK.

### **HAPTER IV THE USE OF DOMESTIC GOODS/ SERVICES**

### **Article 15**

- (1) The implementation of PIK shall be subject to the priority of the use of goods/services from the country in regard of the availability and the best interest of the business of PT PLN (Persero), and/or the technical and financial feasibilities.
- (2) The use of goods/services from the country as cited in paragraph (1) shall be based on as follows:
  - a. the application of open book system;
  - b. the determination of preference price; or
  - c. the application of reverse engineering.
- (3) The use of goods/services from the country as cited in paragraph (2) shall be implemented as in compliance with the prevailing laws and regulations.

### **Article 16**

- (1) In order to increase the use of the goods/services from the country, PT PLN (Persero), the subsidiary of PT PLN (Persero), and/or PPL shall be allowed to cooperate with foreign entities that have commitments to the development of equipment and components of electricity, national human resources, and transfer of technology in the country as required for the implementation of PIK.
- (2) The development of equipment and components of electricity as cited in paragraph (1) shall be conducted in the country.
- (3) The implementation of cooperation as cited in paragraph (1) shall be conducted under a scheme of cooperation between the governments of countries.

### **Article 17**

In order to increase the use of goods/services from the country, Minister who is in charge of governmental affairs in the sector of industries shall set up the standard of specifications and the standard of prices of the components of infrastructures of electricity that are produced in the country.

## **CHAPTER V PERMIT AND NON-PERMIT**

### **Article 18**

Minister /Head of Institution, Governor and Regent/ Mayor shall provide any of the permits and non-permits as required for the implementation of PIK.

### **Article 19**

- (1) PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall submit a request for the completion of permits and non-permits as required for the implementation of PIK to the Central Office of PTSP (PTSP Center) of the Capital Investment Coordinating Board (BKPM).



- (2) Permits and non-permits as cited in paragraph (1) as required to start the implementation of PIK as requested to the Central Office of PTSP (PTSP Center) shall include as follows:
  - a. business permit of power supplies;
  - b. determination of location;
  - c. environmental permit;
  - d. permit of borrow-to-use area of forest; and / or
  - e. permit to develop buildings.
- (3) Head of the Capital Investment Coordinating Board (BKPM) shall issue the permits and non-permits as cited in paragraph (2), of which should have been delegated or granted by Ministers or Heads of Institution (Agencies) to the Head of Capital Investment Coordinating Board, in a period of no later than 3 (three) working days as of the receipt of the complete and appropriate documents of permits except the time has already been regulated under a certain Law or Government Regulation.
- (4) In regard that the permits and non-permits as cited in paragraph (2) are under the authority of Minister or Head of Institution and it has yet to be delegated to the Head of Capital Investment Coordinating Board , PTSP Center shall forward the issues on the permits and non-permits to Minister or Head of Institution.
- (5) In regard that the permits and non-permits as cited in paragraph (2) are under the authority of Local Government, Head of Capital Investment Coordinating Board through PTSP Center shall forward the issues on the permits and non-permits to Governor through Provincial BPMPTSP, or Regent/ Mayor through BPMPTSP of Regency/Municipality.
- (6) Minister, Head of Institution, Governor, and/or Regent/Mayor shall make recommendations as required for the permits and non-permits as cited in paragraph (2) in a period of no later than 5 (five) working days as of the receipt of the complete and appropriate documents.
- (7) PTSP Centre shall conclude the Permits and Non-permits as cited in paragraph (2) in a period of no later than 5 (five) working days after the submission of the complete and appropriate documents to PTSP Centre.
- (8) In case that the documents of request for the completion of Permits and Non-permits as cited in paragraph (2) are incomplete and inappropriate, PTSP Center shall return the documents of request for the permits and non-permits to PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL in a period of no later than 3 (three) working days as of the receipt.
- (9) The time of completion of the permits and non-permits as cited in paragraph (7) shall be excluded for:
  - a. environmental permit that is completed no later than 60 (sixty) working days;
  - b. permit of borrow-to-use area of forest in a period of no later than 30 (thirty) working days;

- c. non-permit for facility of taxation (income tax and/or Value Added Tax) in a period of no later than 28 (twenty eight) working days; or as regulated under certain laws and/ or government regulations.

#### **Article 20**

- (1) Minister/ Head of Institution, Governor and Regent/ Mayor based on the authority shall determine (issue) permits and non-permits that are not harmful to the environment, of which shall be in form of permits and non-permits for the completion of checklist.
- (2) Permits and non-permits that are granted in form of permits and non-permits for the completion of checklist as cited in paragraph (1), shall at least include:
  - a. permit to develop buildings;
  - b. permit of certain disturbances; and
  - c. technical approval of plan to develop buildings.
- (3) Permits and non-permits that are granted in form of permits and non-permits for the completion of checklist as cited in paragraph (1) shall include the list of technical requirements that have to be self-fulfilled and the commitment of the applicant for the permits and non-permits to fulfilling the technical requirements.
- (4) The applicant's commitment as cited in paragraph (3) shall be submitted to and recorded (registered) at PTSP Center, BPMPTSP Province, or BPMPTSP Regency/ Municipality based on the authority.
- (5) The applicant's commitment that has been recorded or registered as cited in paragraph (4) shall be refer to the permits that have been approved by PTSP Center, BPMPTSP Province, or BPMPTSP Regency/ Municipality based on the authority.
- (6) The Central Government or Local Government shall monitor or supervise the implementation of permits and non-permits for the completion of checklist and in case there is violation of the implementation there will be sanctions to be imposed upon as in compliance with the prevailing laws and regulations.
- (7) Minister/ Head of Institution, Governor and Regent/ Mayor shall provide the implementing regulations or technical instructions for the sake of the implementation of checklist of requirements based on the respective tasks and authorities in a period of no later than 30 (thirty) days as of the date of enactment of this Presidential Decree.

#### **Article 21**

- (1) Determination of location or permit of location for PIK shall be provided by PTSP Center, BPMPTSP Province, or BPMPTSP Regency/ Municipality based on the authority and the technical considerations of land issues.
- (2) In case that PT PLN (Persero) or PPL has obtained the land rights and/or the permit of borrow-to-use area of forest, PT PLN (Persero) or the business entity shall not be required to obtain a permit of location.

- (3) Technical consideration of land issues as cited in paragraph (1) shall be provided by the Office of Land/ Agrarian Affairs based on the location of project.

#### **Article 22**

- (1) In case that the technical consideration of land issues as cited in Article 21 paragraph (3) has already been provided, the process of determining the location or the permit of location shall be conducted after PT PLN (Persero) or PPL has submitted the applicant's commitment to fulfilling the technical requirements of permits and non-permits as cited in Article 20 paragraph (5).
- (2) In case that the technical consideration of land issues as cited in Article 21 paragraph (3) has already been provided but Minister/ Head of Institution, Governor and Regent/ Mayor has yet to make determination on the permits and non-permits in form of permits and non-permits for the completion of checklist as cited in Article 20 paragraph (1), the process of determining the location or the permit of location shall be simultaneously processed with the process of the issuance of environmental permit, permit to develop buildings, permit of certain disturbances, and approval of technical plan on the development of buildings by using data sharing.

#### **Article 23**

- (1) In case that the PIK is scattered in several locations in Regency/Municipality but the PIK is wholly in integral, the permits and non-permits shall be given only 1 (one) time for all the locations by BPMPTSP Regency/ Municipality.
- (2) In case that the PIK is scattered in several regencies/ municipalities in a province, but the PIK is wholly integral, the permits and non-permits shall be given only 1 (one) time for all the locations by BPMPTSP Province.
- (3) In case that the PIK is in inter-provinces but the PIK is wholly integral, the permits and non-permits shall be given only 1 (one) time for all the locations of PIK by PTSP Center.

#### **Article 24**

- (1) In case that the requirements of permits and non-permits as submitted to Regent/ Mayor have been fulfilled but the permits and non-permits have not been issued for a predetermined time, Head of Capital Investment Coordinating Board through PTSP Center shall inform the Governor to impose administrative sanction as in compliance with the prevailing laws and regulations concerning regional government.
- (2) In case that the administrative sanction has been imposed upon and the permits and non-permits have yet to be issued by Regent/ Mayor as cited in paragraph (1), Governor shall take over the authority to issue the permits and non-permits.

#### **Article 25**

- (1) In case that the requirements of permits and non-permits as submitted to Governor have been fulfilled but the permits and non-permits have not been issued for a predetermined time, Head of Capital Investment Coordinating Board through PTSP Center shall inform Minister to impose administrative sanction as in compliance with the prevailing laws and regulations concerning regional

government.

(2) In case that the administrative sanction has been imposed upon and the permits and non-permits have yet to be issued by Governor as cited in paragraph (1), Minister in charge of governmental and home affairs shall take over the authority to issue the permits and non-permits.

#### **Article 26**

- (1) Development/ construction of PIK can be started after obtaining the permits at least:
  - a. the determination of location or the permit of location;
  - b. the environmental permit; and
  - c. the permit to develop buildings.
- (2) In case that PIK is located in an area of forest, in addition to the permits as cited in Paragraph (1) there is also a need of permit of borrow-to-use area of forest.
- (3) PTSP Center shall issue a principle permit of development/ construction to PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL that has obtained the permits as cited in paragraph (1).

#### **Article 27**

- (1) In case that the acceleration of the implementation of PIK requires an extended time for the development, the process of requesting for the extension of the permits and non-permits shall not impact the progress of implementation of the development.
- (2) The extension of permits and non-permits as cited in paragraph (1) shall be submitted to PTSP Center, BPMPTSP Province, or BPMPTSP Regency/ Municipality based on the authority.
- (3) PTSP Centre, BPMPTSP Province, or BPMPTSP Regency/ Municipality as cited in paragraph (2) shall provide the extension of permits and non-permits in a period of no later than 5 (five) working days as of the receipt of complete and appropriate documents.
- (4) In case that PTSP Centre, BPMPTSP Province, or BPMPTSP Regency/ Municipality fails to issue the permits and non-permits in a period of time as cited in paragraph (3), it shall be taken for granted that the permits and non-permits have already been extended.

#### **Article 28**

- (1) Minister/ Head of Institution shall be obliged to delegate the authority to provide (issue) the permits and non-permits for the implementation of PIK to PTSP Center through the Capital Investment Coordinating Board (BKPM).
- (2) Governor or Regent/ Mayor shall be obliged to delegate the authority to provide (issue) permits and non-permits for the acceleration of the implementation of PIK to Head of BPMPTSP Province or Head of BPMPTSP Regency/ Municipality.

- (3) Permits and non-permits as cited in paragraphs (1) and (2) shall be neither allowed to be granted nor the authority to be delegated in case that the prevailing laws and regulations and/or the technical considerations cite that it shall be impossible for such a delegation or grant.
- (4) Head of Capital Investment Coordinating Board shall conduct the implementation of permits and non-permits as cited in paragraph (1) based on the procedure, criteria, and time of completion of permits and non-permits as determined by Minister/ Head of Institution.
- (5) Head of BPMPTSP Province or Head of BPMPTSP Regency/ Municipality shall conduct the implementation of permits and non-permits as cited in paragraph (2) based on the procedure, criteria and time of completion of permits and non-permits as determined by Governor or Regent/ Mayor.
- (6) The technical considerations as cited in paragraph (3) shall include:
  - a. the complexity;
  - b. the specific expertise; and
  - c. the efficiency and effectivenessof providing the permits and non-permits.
- (7) In regard of the authority of providing permits and non-permits that cannot be delegated or transferred as cited in paragraph (3), Minister / Head of Institution and Governor or Regent/ Mayor shall do as follows:
  - a. determine the procedure, criteria, and time of completion of the permits and non-permits; and
  - b. assign an official at PTSP.
- (8) In regard of the determination of procedure and criteria of permits and non-permits as cited in paragraphs (4), (5), and (7), Minister/ Head of Institution, Governor and Regent/ Mayor shall combine the permits, reduce the procedure, and / or requirements of permits and non-permits.
- (9) The period of completion of permits and non-permits, of which the authority is delegated as cited in paragraphs (4) and (5), shall be in a maximum period of 3 (three) working days as of the receipt of complete and appropriate documents of permits and non-permits.
- (10) The period of completion of permits and non-permits, of which the authority cannot be delegated as cited in paragraph (7), shall be in a maximum period of 30 (thirty) working days as of the receipt of complete and appropriate documents of permits and non-permits

## **Article 29**

- (1) The permits that were granted prior to the enactment of this Presidential Decree shall remain valid as long as the activities are carried out in accordance with the permits.
- (2) Monitoring of the implementation of the permits as cited in paragraph (1) shall be

conducted as in compliance with the prevailing laws and regulations.

#### **Article 30**

Head of the Capital Investment Coordinating Board (BKPM) shall report the progress of the implementation of permits and non-permits for the sake of the acceleration of the implementation of PIK to Minister, who is in charge of governmental affairs in economy coordination, every 3 (three) months and at any time when required.

### **CHAPTER VI SPATIAL PLAN**

#### **Article 31**

- (1) The implementation of PIK shall be conducted in accordance with the Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands.
- (2) In case that the location of PIK is not in accordance with the Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands, and technically it is impossible for relocation from the previous location as planned, there have to be technical steps taken by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL together with other Ministries/ Governmental Institutions and/or local governments.
- (3) The technical steps as cited in paragraph (2) can be in form of revision of the Regional Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands as in compliance with the prevailing laws and regulations.
- (4) In regard of the revision of the Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands as cited in paragraph (3), PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall request for such a revision to Ministry/ Governmental Agency and/or local government in the region.
- (5) Ministry/ Governmental Agency and/or local government in the region as cited in paragraph (4) shall be allowed to revise the Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands as in compliance with the prevailing laws and regulations.

#### **Article 32**

- (1) In order to accelerate the implementation of PIK, the Central Government and Local Government shall conclude the determination on the Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands.
- (2) In case that the determination on the Spatial Plan, the detailed Spatial Plan, or the Zoning Plan of Coastal Areas and Small Islands as cited in paragraph (1) cannot be concluded because of no approval yet for any changes of the use and function of forest area from Minister who is in charge of governmental affairs in the sector of environment and forestry, it can be solved by making a good use of the holding zone.
- (3) PIK which had originally been located in an area of non-forest but later on the area was converted into an area of forest; the implementation of PIK can still

proceed by providing a permit of borrow-to-use area of forest.

- (4) PIK for the utilization of hydro energy, heat, and wind can be conducted in Natural Reserve Area and Natural Conservation Area as in compliance with the prevailing laws and regulations.
- (5) PIK as cited in paragraph (4) shall include transmissions.

## **CHAPTER VII AVAILABILITY OF LAND AREA**

### **Article 33**

- (1) The land area shall be made available for the implementation of PIK as conducted by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL.
- (2) The land area as cited in paragraph (1) shall be made available based on the prevailing laws and regulations concerning land acquisition for the development of public facilities in a minimum period of time.
- (3) The land title of area for PIK of which the location has been predetermined by Governor cannot be transferred by the land owner to another party except to the National Land Agency (BPN).

### **Article 34**

- (1) For the purpose of efficiency and effectiveness, the land area for PIK of no more than 5 (five) hectares can be directly acquired by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL from the owner of land title by way of purchase and sale, exchange, or another means of transaction as agreed by both parties.
- (2) Determination on the value of purchase and sale, exchange, or another means of transaction as agreed by both parties and cited in paragraph (1) shall be based on the result of appraisal by an Appraiser or a Public Appraiser.
- (3) In regard that the owner of land title as cited in paragraph (1) disagrees at the value as appraised by the Appraiser of the Public Appraiser as cited in paragraph (2), PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall be allowed to set up a value of purchase and sale, exchange, or another means of transaction as agreed by both parties based on a scheme of analysis of cost benefit by taking into account good governance.

### **Article 35**

In case that the land area for transmission and/or substations cannot be made available as cited in Article 34, the land area for PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL can be made available by a means of rental, borrow-to-use, or cooperation with the holder of land title as agreed by both parties.

### **Article 36**

- (1) In case that the land area for PIK owned by local people is located in area of forest, PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall ask for information from the National Land Agency concerning the legitimacy of land ownership.

- (2) The National Land Agency in regard of giving information about the legitimacy of land ownership as cited in paragraph (1) shall coordinate with Minister who is in charge of governmental affairs in the sector of environment and forestry.
- (3) In regard that the National Land Agency declares that the local people do not have the rights over the land area in the forest, PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall occupy the land area by previously obtaining a permit of borrow-to-use area of forest.
- (4) For the local people who live in the area of forest as cited in paragraph (2), of which the area of land will be used for PIK, there shall be a technical solution to be tackled by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL together with Minister/ Governmental Agency and Local Government by taking into account the needs and social impacts to the people.
- (5) The provision on technical solution as cited in paragraph (4) shall be regulated by Minister who is in charge of governmental affairs in the sector of energy and mineral resources.

#### **Article 37**

- (1) The Central Government and/or Local Government shall give supports to PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL in regard of the process of land acquisition as in compliance with the prevailing laws and regulations.
- (2) The supports as cited in paragraph (1) can be in form of:
  - a. priority for the occupation of land area;
  - b. cooperation for the utilization of State/Region's land assets; and/or
  - c. cooperation in providing infrastructures on State/Region's land areas as in compliance with the prevailing laws and regulations.

### **CHAPTER VIII TO OVERCOME PROBLEM AND OBSTACLE**

#### **Article 38**

- (1) Minister/ Head of Institution (Agency) or Local Government shall overcome the barriers (obstacles) and problems in the field when implementing PIK.
- (2) In case that it is quite urgent to overcome the barriers (obstacles) and problems as cited in paragraph (1) for the sake of public interests and public services, Minister/Head of Institution or Local Government shall make discretion based on General Principles of Good Governance and objective reasons without raising some conflicts of interests and with good intention as in compliance with the laws and regulations in governmental administration.
- (3) In making discretion as cited in paragraph (2) it shall be intended for the sake of overcoming social impacts arising from the implementation of PIK.
- (4) In certain case the discretion as cited in paragraph (2) shall be made in coordination and discussion with Minister/ Agency and/ or Local Government.



- (5) When making discretion as cited in paragraph (2) there might be a legal issue in regard of governmental administration, it shall be overcome as in compliance with the prevailing laws and regulations in governmental or public administration.

#### **Article 39**

In case that the prevailing laws and regulations have yet to clearly regulate about the authority on how to overcome the obstacles and problems when implementing PIK, Minister/ Head of Institution and/or Local Government shall be authorized to determine and/or make decisions and/or take actions as required in order to overcome such obstacles and problems as long as it is in compliance with the principles of Good Governance.

#### **Article 40**

- (1) Management of PT PLN (Persero), management of the subsidiary of PT PLN (Persero), or Head of PPL based on the authority shall make efforts to resolve the problematic issues of PIK and take steps to overcome the obstacles and problems for the sake of the acceleration of PIK.
- (2) In overcoming the obstacles and problems by the management of PT PLN (Persero) as cited in paragraph (1) it shall include the effort to resolve the constrains in implementing the contract.
- (3) In case that when resolving the constrains of the implementation of contract as cited in paragraph (2) there will be additional costs, the management of PT PLN (Persero) shall be allowed to ask the Agency for Supervision of Finance and Development to calculate the amount of such additional costs.
- (4) In regard that when taking steps to resolve the obstacles and problems as cited in paragraph (1) there might be a legal issue, it shall be solved by prioritizing the use of provisions of laws and regulations on limited liability companies.

### **CHAPTER IX SOLVING LEGAL ISSUES WHEN IMPLEMENTING PIK**

#### **Article 41**

- (1) The Management of PT PLN (Persero), the management of the subsidiary of PT PLN (Persero), or Head of PPL shall be obliged to inspect and follow up the reports and/or complaints from the public in regard of the implementation of PIK.
- (2) In case that the reports and/or complaints from the public as cited in paragraph (1) are related to the administrative authority of the government, the management of PT PLN (Persero), the management of the subsidiary of PT PLN (Persero), the Head of PPL shall forward or submit such reports from the public to:
- a. Minister who is in charge of government affairs in the sector of energy and mineral resources and also becoming the technical adviser for the implementation of PIK as cited in Article 3 paragraph (2) in regard that the reports are connected with the technical implementation of PIK; or
  - b. Minister who is in charge of government affairs of State-owned Enterprises and also becoming a corporate and managerial adviser for the implementation of PIK as cited in Article 3 paragraph (3) in regard

that the reports are connected with the corporate and managerial implementation of PIK.

#### **Article 42**

- (1) In case that there are reports and/or complaints from the public to the Attorney General or the Police of the Republic of Indonesia concerning irregularities or abuses of authority when implementing PIK, they shall be previously processed administratively as in compliance with the prevailing laws and regulations in governmental or public administration.
- (2) In case that of the reports and/or complaints from the public to the Attorney General or the Police of the Republic of Indonesia as cited in paragraph (1) the Attorney General or the Police of the Republic of Indonesia shall forward/ submit such public reports to:
  - a. Minister who is in charge of government affairs in the sector of energy and mineral resources and also becoming a technical adviser for the implementation of PIK as cited in Article 3 paragraph (2) in regard that the reports are connected with the technical implementation of PIK; or
  - b. Minister who is in charge of government affairs of State-owned Enterprises and also becoming a corporate and managerial adviser for the implementation of PIK as cited in Article 3 paragraph (3) in regard that the reports are connected with the corporate and managerial implementation of PIK

#### **Article 43**

- (1) Minister who is in charge of government affairs in the sector of energy and mineral resources or Minister who is in charge of government affairs of State-owned Enterprises shall inspect and follow up the reports and/ or complaints from the public as cited in Article 40 paragraph (2) and Article 41 paragraph (2) in a maximal period of 5 (five) working days after receiving the reports and/or complaints from the public.
- (2) In case that from the initial inspection as cited in paragraph (1) are found indications of abuse of authority, Minister who is in charge of government affairs in the sector of energy and mineral resources or Minister who is in charge of government affairs of State-owned Enterprises shall ask the governmental apparatus of internal supervision to conduct further inspection/ audit in a period of no longer than 30 (thirty) working days.
- (3) The results of inspection by the Governmental Apparatus of Internal Supervision as cited in paragraph (2) can be in form of:
  - a. administrative mistakes that do not cause a loss to the State;
  - b. administrative mistakes that cause a loss to the State; or
  - c. Criminal offense that is not considered as an administrative mistake.
- (4) In case that the result of inspection by the Governmental Apparatus of Internal Supervision is in form of administrative mistakes that do not cause a loss to the State as cited in paragraph (3) letter a, any of the mistakes shall be administratively corrected in a period of no later 10 (ten) working days after the

submission of the result of inspection by Governmental Apparatus of Internal Supervision.

- (5) In case that the result of inspection by the Governmental Apparatus of Internal Supervision is in form of administrative mistakes that cause a loss to the State as cited in paragraph (3) letter b, any of the mistakes shall be administratively corrected and the amount of loss is returned to the State in a period of no later 10 (ten) working days after the submission of the result of inspection by Governmental Apparatus of Internal Supervision.
- (6) The result of inspection by the Governmental Apparatus of Internal Supervision as cited in Paragraphs (4) and (5) shall be submitted by Minister who is in charge of government affairs in the sector of energy and mineral resources or Minister who is in charge of government affairs of State-owned Enterprises to the Attorney General or the Police of the Republic of Indonesia as cited in paragraph (2) in a period of not later than 5 (five) working days.
- (7) In case that the result of inspection by the Governmental Apparatus of Internal Supervision is in form of criminal offense that is not considered as an administrative mistake as cited in paragraph (3) letter c, Minister who is in charge of governmental affairs in the sector of energy and mineral resources or Minister who is in charge of governmental affairs of State-owned Enterprises shall submit the result to the Attorney General or the Police of the Republic of Indonesia as cited in paragraph (2) in a period of not later than 5 (five) working days, of which has to be followed up as in compliance with the prevailing laws and regulations.

## **CHAPTER X OTHER PROVISION**

### **Article 44**

- (1) With the effectiveness of this Presidential Decree:
  - a. Presidential Decree Number 59 Year 1972 on Obtaining Overseas Loans, and/or
  - b. Presidential Decree Number 39 Year 1991 on Coordination and Management of Overseas Commercial Loans shall be exempted for the loans of PT PLN (Persero) in regard of the assignment as cited in Article 3.
- (2) In regard of overseas commercial loans PT PLN (Persero) shall submit its report to Minister who is in charge of governmental affairs in economy coordination and Minister who is in charge of governmental affairs of SOEs.

### **Article 45**

- (1) To support the implementation of PIK, a Team of Coordination for the Implementation of PIK hereinafter referring to the Team of Coordination shall be created.
- (2) The Team of Coordination as cited in paragraph (1) shall be created by Minister who is in charge of governmental affairs in economy coordination, with membership consisting of representatives from the Ministry in charge of governmental affairs in the sector of maritime, Ministry in charge of governmental affairs in national development planning, Ministry in charge of governmental and

home affairs, Ministry in charge of government affairs of State Finance, Ministry in charge of governmental affairs in the sector of energy and mineral resources, Ministry in charge of governmental affairs of SOEs, Ministry in charge of governmental affairs in industry, Ministry in charge of governmental affairs in the sector of agrarian and spatial planning, Ministry in charge of governmental affairs in the sector of environment and forestry, Institution (Agency) in charge of governmental affairs in capital investment coordination, Institution (Agency) in charge of governmental affairs in financial supervision and development, and Cabinet Secretariat, as well as other relevant agencies.

- (3) The Team of Coordination as cited in paragraph (1) shall have the tasks of coordinating and providing necessary assistance for the success of the implementation of PIK.
- (4) Further provisions on the Team of Coordination as cited in paragraph (1) shall be determined by Minister who is in charge of governmental affairs in economy coordination.

#### **Article 46**

PT PLN (Persero) shall be obliged to submit its periodic reports on the implementation of PIK to the Team of Coordination in every six (6) months and at any time when required.

### **CHAPTER XI CLOSING**

#### **Article 47**

This Presidential Decree shall be effective as of the date of enactment.

That everybody shall be made aware of, and the enactment of this Presidential Decree shall be published in the State Gazette of the Republic of Indonesia

Enacted in Jakarta,  
Dated January 8, 2016  
PRESIDENT  
OF THE REPUBLIC OF INDONESIA,

Signed.

JOKO WIDODO

Stipulated in Jakarta,  
Dated January 19, 2016  
MINISTER OF JUSTICE AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,

Signed.

YASONNA H. LAOLY

