



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA  
NUMBER 77/PMK.01/2011

CONCERNING

IMPLEMENTATION GUIDELINES FOR BUSINESS FEASIBILITY WARRANTY OF PT  
PERUSAHAAN LISTRIK NEGARA(PERSERO) FOR DEVELOPMENT OF ELECTRIC  
POWER PLANTS AND/OR TRANSMISSION USING RENEWABLE ENERGY, COAL,  
AND GAS PERFORMED IN COOPERATION WITH PRIVATE ELECTRIC  
DEVELOPERS

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE OF REPUBLIC OF INDONESIA,

Considering : that in order to conduct the provisions of Article 7 paragraph (2) of Presidential Decree Number 4 of 2010 concerning the Assignment to PT Perusahaan Listrik Negara (Persero) (PT PLN) to Perform Accelerated Development of Power Plants Using Renewable Energy, Coal, and Gas, it is necessary to stipulate a Regulation of the Minister of Finance concerning Implementation Guidelines of Business Feasibility Warranty of PT Perusahaan Listrik Negara (Persero) for Development of Electric PowerPlants and / or Transmission Using Renewable Energy, Coal, and Gas Performed in Cooperation with Private Electric Developers;

In View of : 1. [Act Number 17 of 2003](#) concerning State Finance (State Gazette of the Republic of Indonesia of 2003 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4268);  
2. [Act Number 19 of 2003](#) concerning State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297);  
3. [Act Number 1 of 2004](#) concerning State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);



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4. [Act Number 30 of 2009](#) concerning Electricity (State Gazette of the Republic of Indonesia of 2009 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5052);
5. [Presidential Decree Number 4 of 2010](#) concerning the Assignment to PT Perusahaan Listrik Negara (Persero) to Perform Accelerated Development of Power Plants Using Renewable Energy, Coal, and Gas Performed in Cooperation with Private Electric Developers;
6. [Presidential Decree Number 56/P of 2010](#);

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING IMPLEMENTATION GUIDELINES FOR BUSINESS FEASIBILITY WARRANTY OF PT PERUSAHAAN LISTRIK NEGARA (PERSERO) FOR DEVELOPMENT OF ELECTRIC POWER PLANTS AND / OR TRANSMISSION USING RENEWABLE ENERGY, COAL, AND GAS PERFORMED IN COOPERATION WITH PRIVATE ELECTRIC DEVELOPERS

## CHAPTER 1

### GENERAL PROVISIONS

#### Article 1

In this Regulation of The Minister of Finance:

1. Business Feasibility Warranty, hereinafter referred to as Feasibility Warranty, shall refer to the affirmation that the Government in this case the Minister of Finance guarantees the feasibility of PT PLN (Persero) based on the authority given to the Minister of Finance.
2. Development of Electric Power Plants and / or Transmission Using Renewable Energy, Coal, and Gas, hereinafter referred to as Development of Electric Power Plants and / or Transmission, shall be the development of electric power Plants and / or transmission project as stipulated by the Minister of Energy and Mineral Resources based on mandate in Article 6 paragraph (3) of Presidential Decree Number 4 of 2010 concerning the



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Assignment to PT Perusahaan Listrik Negara (Persero) To Perform Accelerated Development of Power Plants Using Renewable Energy, Coal, and Gas.

3. Private Electric Developers shall refer to Private Electric Providers that enter into a cooperation agreement with PT PLN (Persero) to purchase electricity under the scheme of Power Purchase Agreement (PPA).
4. Power Purchase Agreement, hereinafter referred to as PPA, is an electricity purchasing agreement that is conducted by PT PLN (Persero) with Private Electric Developers.
5. Shortfall is the fund condition of PT PLN (Persero) that is not sufficient to meet its payment obligation in accordance with the PPA caused by any Government actions/decisions that significantly harm the Development of an Electric Power Plant and / or Transmission Project.

## CHAPTER II

### OBJECTIVE AND SCOPE OF WARRANTY

#### Article 2

Feasibility Warranty is given by the Government in this case the Minister of Finance to PT PLN (Persero) in the context of Development of Electric Power Plants and / or Transmission that is Performed in Cooperation with Private Electric Developers as referred to in Presidential Decree Number 4 of 2010 concerning the Assignment to PT Perusahaan Listrik Negara (Persero) to Perform Accelerated Development of Power Plants Using Renewable Energy, Coal, and Gas.

## CHAPTER III

### TERMS OF GRANTING OF BUSINESS FEASIBILITY WARRANTY

#### Article 3

- 1) The Minister of Finance on behalf of the Government gives the Feasibility Warranty to PT PLN (Persero) in the context of Development of Electric Power Plants and / or Transmission as



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referred to in Article 2.

- 2) PT PLN (Persero) may deliver the existence of a Feasibility Warranty as referred to in paragraph (1) to the Private Electric Developers.
- 3) Feasibility Warranty as referred to in paragraph (1) can be given to PT PLN (Persero) as long as it meets all the following requirements:
  - a. In accordance with laws and regulations in force;
  - b. Having obtained a recommendation from the Ministry of Energy and Mineral Resources related to the feasibility of Private Power Developers and project technical feasibility;
  - c. The proposed project meets the financial feasibility (financially viable);
  - d. Not raising costs and fiscal risks beyond the ability of the State Budget.

#### CHAPTER IV FORM OF FEASIBILITY WARRANTY

##### Article 4

Feasibility Warranty is given to PT PLN (Persero) in the form of a letter stating that the Government ensures the ability of PT PLN (Persero) to meet its payment obligation in accordance with PPA in the event of shortfall.

##### Article 5

- 1) The Feasibility Warranty given to PT PLN (Persero) as referred to in Article 4, can be conducted by giving:
  - a. Financial compensation to PT PLN (Persero) in the framework of the Public Service Obligation (PSO) through electricity subsidy, or
  - b. Liquidity facility, which is a government fund set up to ensure the feasibility of PT PLN (Persero) due to actions / decisions of the Government that cause:
    1. A default condition to PT PLN (Persero), or



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2. An indemnity obligation of the Private Power Developers.
- 2) The provision of liquidity facilities as referred to in paragraph (1) letter b shall be at a maximum of investment that has been issued by the Private Power Developers plus loan interest expense that has not been paid if the investment of the Private Power Developers is financed by loan.

#### Article 6

- 1) The mechanism of financial compensation as referred to in Article 5 paragraph (1) shall be conducted based on the Regulation of the Minister of Finance regulating budgetary procedures, calculation, payment, and accountability of electricity subsidy.
- 2) The mechanism of liquidity facility provision as referred to in Article 5 paragraph (1) letter b shall be carried out through the preparation and implementation of the State Revenue and Expenditure Budget (APBN).

### CHAPTER V

#### PROCEDURES FOR GRANTING OF FEASIBILITY WARRANTY

#### Article 7

- 1) To obtain Feasibility Warranty from the Government in this case the Minister of Finance, PT PLN (Persero) shall file an application to the Minister of Finance by attaching supporting documents consisting of:
- a. A recommendation of the Minister of Energy and Mineral resources related to feasibility aspects of Private Power Developer and project technical feasibility;
  - b. Feasibility study;
  - c. Funding commitment, including terms and conditions of loan from a prospective creditor;
  - d. PPA;
  - e. Integrity Statement of the President Director of PT PLN (Persero), which states that the procedures of agreement



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on Power Plant Development and / or Transmission have complied with laws and regulations in force.

- 2) Funding commitment as referred to in paragraph (1) letter c is an agreement draft, the terms and conditions of which require a prior approval of the Minister of Finance.
- 3) The terms and condition as referred to in paragraph (2) may be approved by the Minister of Finance upon recommendation of the Directorate General of Debt Management, Fiscal Policy Agency and the Secretariat General.

## CHAPTER VI

### FUND BUDGETING OF BUSINESS FEASIBILITY WARRANTY

#### Article 8

- 1) The Minister of Finance as the Budget User shall appoint the Director General of Budget to act as a Proxy of Budget User (*Kuasa Pengguna Anggaran* – KPA) for the payment of financial compensation to PT PLN (Persero) as governed in the Regulation of the Minister of Finance regulating budgetary procedures, calculation, payment, and accountability of electricity subsidy.
- 2) The budgeting mechanism of financial compensation as referred to in paragraph (1) shall be conducted under the Regulation of the Minister of Finance regulating budgetary procedures, calculation, payment, and accountability of electricity subsidy.

#### Article 9

- 1) The Minister of Finance as the Budget User shall appoint the Director General of Debt Management as a Proxy of Budget User (*Kuasa Pengguna Anggaran* – KPA) for the payment of liquidity facility of PT PLN (Persero).
- 2) KPA as referred to in paragraph (1) proposes the provision of budget for the relevant year to the Director General of Budget with respect to the calculation of Fiscal Policy Agency and DJPU as referred to in Article 16.
- 3) Upon request of KPA as referred to in paragraph (2), the Director



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General of the Budget provides the government warranty fund through the issuance of Determination Letter of Budget Unit per Work Unit (*Surat Penetapan Satuan Anggaran per Satuan Kerja – SP-SAPSK*).

- 4) Based on SP-SAPSK as referred to in paragraph (3), the Director General of Debt Management as KPA compiles the Budget Implementation Checklist (*Daftar Isian Pelaksanaan Anggaran – DIPA*) and delivers the said DIPA to the Director General of Treasury as the Proxy of the State General Treasurer for Approval.
- 5) Director General of Debt Management as KPA appoints:
  - a. Authorized officers to perform action that result in budget expenditure/person in charge of an activity/commitment maker/Payment Request Letter (*Surat Permintaan Pembayaran – SPP*) maker;
  - b. Authorized officers to sign the Payment Order (*Surat Permintaan Membayar – SPM*)/test the SPP, and
  - c. A copy of an officer appointing decree as referred to in paragraph (5) letter a shall be submitted to the Director General of Treasury in this case the Director of State Treasury Management.

## CHAPTER VII

### SUBMISSION AND PAYMENT OF CLAIMS OF BUSINESS FEASIBILITY WARRANTY

#### Article 10

- 1) PT PLN (Persero) submits an invoice and a written notice of inability to fulfill the obligation to the Private Power Developers to the Minister of Finance in this case the Director General of Debt Management no later than 60 (sixty) days prior to the due date.
- 2) Directorate General of Debt Management together with the Fiscal Policy Agency verify a notice of default of PT PLN (Persero) as referred to in paragraph (1).
- 3) The verification result as referred to in paragraph (2) shall be



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stated in the Minutes of verification result no later than 5 working days.

#### Article 11

In case the verification result as referred to in Article 10 paragraph (3) states that:

- a. PT PLN (Persero) is in a shortfall condition / default to pay a portion or all of the obligation due in accordance with the PPA as referred to in Article 5 paragraph (1) letter b number 1, or
- b. Indemnity obligation as referred to in Article 5 paragraph (1) letter b number 2,

anSPP making officer shall submit SPP to the SPM issuing officer.

#### Article 12

- 1) Based on the SPP as referred to in Article 11, the SPM issuing officer issues and delivers SPM to the Director General of Treasury in this casethe Director of State Treasury Management, accompanied by:
  - a. Receipt;
  - b. A Letter of Business Feasibility Warrantyfrom the Minister of Finance, and
  - c. Verification news events and / or Statement of Use of Funds Summary.
- 2) Based on the SPM issuance as referred to in paragraph (1), the Director General of Treasury in this casethe Director of State Treasury Management issues anOrder Letter for Fund Disbursement in favor of PT PLN (Persero) account.
- 3) The government pays the Government warranty to PT PLN (Persero) at the latest of 45 working days from the receipt date of invoice and written notice as referred to in Article 10 paragraph (1).

#### Article 13





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- 1) The realization of liquidity facility by the Government as referred to in Article 12 may be a debt of PT PLN (Persero) to the Government stated in a Debt Agreement between PT PLN (Persero) and the Directorate General of Treasury.
- 2) Repayment of debt as referred to in paragraph (1) shall be conducted by PT PLN (Persero) at the first opportunity upon billing or directly cut from PT PLN (Persero) right on the amount of electricity price subsidy borne by the government in a particular time period.

#### Article 14

Repayment and refund of debt of PT PLN (Persero) to the Government shall be directly deposited into the State Treasury Account and recorded as revenue in the financing post on the State Revenue and expenditure Budget (APBN) in the current year.

### CHAPTER VIII RISK MONITORING AND MITIGATION

#### Article 15

The Fiscal Policy Agency in this case Fiscal Risk Management Center may monitor the risk of default of PT PLN (Persero) with the involvement of relevant technical unit in the Ministry of Finance.

#### Article 16

- 1) PT PLN (Persero) must report of shortfall possibility for the period of 1 (one) year ahead to the Minister of Finance.
- 2) Report of shortfall possibility as referred to in paragraph (1) shall be submitted before the preparation of Budget in the current year.
- 3) Fiscal Policy Agency and the Directorate General of Debt Management shall conduct an analysis on the report of shortfall possibility as referred to in paragraph (1)
- 4) Based on the analysis as referred to in paragraph (3), the Fiscal



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Policy Agency and the Directorate General of Debt Management delivers a risk mitigation recommendation to the Minister of Finance, as well as to ensure that the financial compensation has been taken into account in the PSO component through electricity subsidy in the RAPBN / RAPBN-P in the current year.

CHAPTER IX  
CLOSING PROVISIONS

Article 17

This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta  
on April 6, 2011  
MINISTER OF FINANCE  
Signed,  
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta  
On April 6, 2011  
MINISTER OF LAW AND HUMAN RIGHTS  
Signed  
PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2011 NUMBER 208