

LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 21 OF 2014  
ON  
GEOTHERMAL ENERGY

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that Geothermal Energy is a renewable natural resource and wealth contained within the territory of the Unitary State of the Republic of Indonesia as a gift of the Almighty God having significant role in supporting sustainable national development in order to realize the people's welfare;
  - b. that Geothermal energy is environmentally friendly energy, the potential of which is large and the utilization has not been optimum, so that it is necessary to promote and intensify its utilization by a well-planned and integrated manner in order to reduce the dependency on fossil energy;
  - c. that in order to maintain sustainability and security of national energy as well as efficiency and effectiveness of Geothermal administration for indirect use at power plant, the authority of its administration is necessary to be performed by the Government;
  - d. that Law Number 27 of 2003 on Geothermal Energy has not regulated Geothermal utilization comprehensively, so that it is necessary to be replaced;
  - e. that based on the consideration as referred to in point a, point b, point c, and point d, it is necessary to establish a Law on Geothermal energy.

Observing : Article 5 section (1), Article 20, and Article 33 section (2), section (3) and section (5) of the 1945 Constitution of the Republic of Indonesia;

With the Joint Approval of  
THE HOUSE OF REPRESENTATIVES  
and  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To enact : LAW ON GEOTHERMAL ENERGY.

CHAPTER I  
GENERAL PROVISIONS

Article 1

In this Law:

1. Geothermal energy means thermal energy sources as contained in hot water, steam, and rocks along with associated minerals and other gasses that are genetically inseparable in a Geothermal system.
2. Forest Area means certain area determined by the Government, the existence of which is maintained as permanent forest.
3. Geothermal Working Area, hereinafter referred to as Working Area, means an area with specific coordinates where Geothermal business for Indirect Use is conducted.
4. Geothermal License means the license to conduct Geothermal business for indirect use in a certain Working Area.
5. Direct Use License means the license to conduct Geothermal business for Direct Use in a certain location.
6. Preliminary Survey means activities that include collecting, analyzing, and presenting data relating to the information about geological, geophysical, and geochemical conditions, as well as thermal gradient survey if necessary, to estimate the location and existence of Geothermal resources.

7. Exploration means a series of activities that include undertaking geological, geophysical, and geochemical surveys, test drilling, and exploration drilling aimed at acquiring information about subsurface geological condition in order to discover and obtain an estimate of Geothermal reserves.
8. Feasibility Study means the study to obtain detailed information of all the relevant aspects needed to determine the technical, economical, and environmental feasibility of a Geothermal business plan and/or utilization activity proposed.
9. Exploitation means a series of activities conducted in a certain Working Area that include development and re-injection wells drilling, field facilities and infrastructure construction, and Geothermal production operation.
10. Direct Use means business activities that directly utilize Geothermal energy without the process of transforming thermal energy and/or fluid to other types of energy for non-electrical purposes.
11. Indirect Use means business activities that utilize Geothermal energy through the process of transforming thermal energy and/or fluid into electrical energy.
12. Business Entity means legal entity engaged in the Geothermal subsector in the forms of State-owned enterprises, regional-owned enterprises, cooperatives, or limited liability companies incorporated under Indonesian laws and is domiciled within the territory of the Unitary State of the Republic of Indonesia.
13. Every Person means a natural person or corporation, either legal entity or non-legal entity.
14. Central Government, hereinafter referred to as the Government, means the President of the Republic of Indonesia holding the authority of the government of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
15. Local Government means governor, regent, or mayor, and regional instruments administering local government affairs.

16. Minister means the minister administering government affairs in the Geothermal subsector.

#### Article 2

The administration of Geothermal activities apply the principles of:

- a. benefit;
- b. efficiency;
- c. justice;
- d. economic optimization in energy resource utilization;
- e. accessibility;
- f. sustainability;
- g. self-reliance;
- h. security and safety; and
- i. environmental conservation.

#### Article 3

The administration of Geothermal activities is intended to:

- a. control Geothermal business activities that promote energy security and self-reliance in order to support sustainable development and offer the maximum benefit for the welfare and prosperity of the people;
- b. improve the utilization of renewable energy in the form of Geothermal energy in order to meet the national energy demands; and
- c. improve the utilization of environmentally friendly, clean energy in order to reduce greenhouse gas emissions.

#### Article 4

- (1) Geothermal energy is a national wealth controlled by the State and used for the highest prosperity of the people.
- (2) The Geothermal energy control by the State as referred to in section (1) is conducted by the Government, provincial government, and regency/municipal government in accordance with their respective authority and under the principle of utilization.

CHAPTER II  
AUTHORITY TO ADMINISTER GEOTHERMAL ENERGY

Article 5

- (1) The administration of Geothermal energy by the Government as referred to in Article 4 section (2) is made towards:
  - a. Geothermal energy for Direct Use located in:
    1. cross-provincial areas including production Forest Areas and protected Forest Areas;
    2. conservation Forest Areas;
    3. conservation areas in the waters; and
    4. coastal waters of more than 12 (twelve) nautical miles measured from the coastline out to off-shore throughout Indonesia.
  - b. Geothermal energy for Indirect Use located in the territory of Indonesia, including production Forest Areas, protected Forest Areas, conservation Forest Areas, and coastal waters.
- (2) The administration of Geothermal energy by provincial government as referred to in Article 4 section (2) is conducted to Direct Use located in:
  - a. cross-regency/municipal areas in a province including production Forest Areas and protected Forest Areas; and
  - b. coastal waters of maximum 12 (twelve) nautical miles measured from the coastline out to off-shore and/or archipelagic waters.
- (3) The administration of Geothermal energy by regency/municipal government as referred to in Article 4 section (2) is conducted to Direct Use located in:
  - a. regency/municipal areas including production Forest Areas and protected Forest Areas; and
  - b. coastal waters of maximum 1/3 (one-third) of the territorial waters of a province.

Article 6

- (1) The Government authority to administer Geothermal energy as referred to in Article 5 section (1) includes:
  - a. formulating national policy;
  - b. regulating the Geothermal subsector;
  - c. granting Geothermal License;
  - d. granting Direct Use License in the territory under its jurisdiction;
  - e. guiding and supervising;
  - f. managing geological data and information as well as Geothermal potential;
  - g. taking inventory and preparing the balance sheet of Geothermal resources and reserves;
  - h. performing Geothermal Exploration, Exploitation, and/or utilization; and
  - i. promoting research and development activities as well as engineering capacity.
- (2) The Government authority to administer Geothermal energy as referred to in section (1) is conducted and/or coordinated by the Minister.

Article 7

The provincial government authority to administer Geothermal energy as referred to in Article 5 section (2) includes:

- a. making provincial legislation in the Geothermal subsector for Direct Use;
- b. granting Direct Use License in the territory under its jurisdiction;
- c. guiding and supervising;
- d. managing geological data and information as well as Geothermal potential in provincial territory; and
- e. taking inventory and preparing the balance sheet of Geothermal resources and reserves in provincial territory.

Article 8

The regency/municipal government authority to administer Geothermal energy as referred to in Article 5 section (3) includes:

- a. making regency/municipal legislation in the Geothermal subsector for Direct Use;

- b. granting Direct Use License in the territory under its jurisdiction;
- c. guiding and supervising;
- d. managing geological data and information as well as Geothermal potential in regency/municipal territory; and
- e. taking inventory and preparing the balance sheet of Geothermal resources and reserves in regency/municipal territory.

CHAPTER III  
GEOTHERMAL BUSINESS

Part One  
General

Article 9

- (1) Geothermal business consists of:
  - a. Geothermal business for Direct Use; and
  - b. Geothermal business for Indirect Use.
- (2) Geothermal business for Direct Use as referred to in section (1) point a is conducted for:
  - a. tour;
  - b. agribusiness;
  - c. industry; and
  - d. other activities that use Geothermal energy for Direct Use.
- (3) In the event that the Geothermal business for Direct Use as referred to in section (1) point a is located in conservation Forest Areas, the Geothermal business may only be conducted for ecotour.
- (4) The Geothermal business for Indirect Use as referred to in section (1) point b is conducted for electricity generation for own use or public use.

Article 10

The Geothermal business for Indirect Use is given main priority in Geothermal business.

Part Two  
Geothermal Business for Direct Use

Article 11

- (1) Every Person that conducts Geothermal business for Direct Use as referred to in Article 9 section (1) point a is obligated to first have a Direct Use License.
- (2) The Direct Use License as referred to in section (1) is granted by the Minister for Direct Use located in:
  - a. cross-provincial areas including production Forest Areas and protected Forest Areas;
  - b. conservation Forest Areas;
  - c. conservation areas in the waters; and
  - d. coastal waters of more than 12 (twelve) nautical miles measured from the coastline out to off-shore throughout Indonesia.
- (3) The Direct Use License as referred to in section (1) is granted by the governor for Direct Use located in:
  - a. cross-regency/municipal territory in a province including production Forest Areas and protected Forest Areas; and
  - b. coastal waters of maximum 12 (twelve) nautical miles measured from the coastline out to off-shore and/or archipelagic waters.
- (4) The Direct Use License as referred to in section (1) is granted by the regent/mayor for Direct Use located in:
  - a. regency/municipal territory including production Forest Areas and protected Forest Areas; and
  - b. coastal waters of maximum 1/3 (one-third) of territorial waters of a province.
- (5) The Direct Use License as referred to in section (2), section (3), and section (4) is granted according to the application of Every Person.
- (6) Direct Use License is granted after Every Person as referred to in section (5) obtains an environmental permit in accordance with the legislation in the environmental protection and management.



- (7) In the event the Geothermal business for Direct Use as referred to in section (2), section (3), and section (4) is conducted in Forest Areas, the Direct Use License holder is obligated to obtain a license from the minister administering government affairs in the forestry sector.

#### Article 12

- (1) In the event that the Geothermal business for Direct Use is conducted in an area determined as Working Area, the governor or regent/mayor before granting the Direct Use License as referred to in Article 11 section (3) and section (4) is obligated to obtain approval of the Minister.
- (2) In the event that the Geothermal business for Direct Use will be conducted in an area which has not been determined as Working Area, the governor or regent/mayor before granting the Direct Use License as referred to in Article 11 section (3) and section (4) must coordinate with the Minister.

#### Article 13

- (1) Every Person that holds a Direct Use License is obligated to conduct Geothermal business for Direct Use in the location determined in the license.
- (2) Every Person that holds a Direct Use License is obligated to conduct Geothermal business in accordance with the intended purpose.

#### Article 14

Geothermal energy price for Direct Use is regulated by the Government.

#### Article 15

Further provisions regarding the Geothermal business for Direct Use as referred to in Article 11 and Article 12 as well as the regulation of Geothermal energy price as referred to in Article 14 are governed in Government Regulation.

Part Three  
Geothermal Business for Indirect Use

Paragraph 1  
Working Area

Article 16

- (1) The Minister determines Working Area of Geothermal business for Indirect Use.
- (2) The Working Area as referred to in section (1) may be determined in public land, freehold estate, customary (*ulayat*) land, bodies of water, and/or Forest Areas.

Article 17

- (1) The Working Area determination by the Minister as referred to in Article 16 section (1) is conducted according to the results of Preliminary Survey or Preliminary Survey and Exploration.
- (2) The Minister conducts Preliminary Survey or Preliminary Survey and Exploration.
- (3) The Preliminary Survey as referred to in section (2) may be conducted by governor or regent/mayor.
- (4) In conducting the Preliminary Survey or Preliminary Survey and Exploration as referred to in section (2), the Minister may assign other parties.
- (5) Further provisions regarding Preliminary Survey or Exploration and assignment procedures are governed in Government Regulation.

Article 18

- (1) The Minister offers Working Area by means of bid.
- (2) The provisions regarding the procedure process, offer conditions, procedure, document preparation, and the course of the bid as referred to in section (1) are governed in Government Regulation.

Article 19

- (1) The width of Working Area is determined with due consideration of the Geothermal system.

- (2) The provisions regarding the Working Area width as referred to in section (1) are governed in Government Regulation.

#### Paragraph 2

#### Geothermal Business Activities for Indirect Use

#### Article 20

- (1) Geothermal business activities for Indirect Use include:
  - a. Exploration;
  - b. Exploitation; and
  - c. utilization.
- (2) Business Entity as the Geothermal License holder is required to conduct the Exploration, Exploitation, and utilization as referred to in section (1) in the Working Area.
- (3) The Geothermal business activities as referred to in section (1) are conducted by integrated or separate manners.
- (4) The utilization as referred to in section (1) point c is aimed at electricity generation for own use or public use and is conducted in accordance with the provisions of legislation.

#### Article 21

In conducting the Geothermal business activities for Indirect Use as referred to in Article 20, Business Entity as the Geothermal License holder must comply with the engineering, financial, and management practices that conform to the national standards and highly uphold business ethics.

#### Article 22

- (1) Geothermal energy price for Indirect Use is determined by the Government by considering the economic price.
- (2) The provisions regarding the pricing procedure as referred to in section (1) are governed in Government Regulation.

#### Paragraph 3

#### Geothermal License

#### Article 23

- (1) Business Entities that conduct Geothermal business for Indirect Use as referred to in Article 9 section (1) point b are obligated to first have Geothermal License.

- (2) The Geothermal License as referred to in section (1) is granted by the Minister to the Business Entities in accordance with the results of the Working Area offering.

#### Article 24

- (1) The Geothermal License as referred to in Article 23 section (2) must at least contain the following information:
- a. name of Business Entity;
  - b. taxpayer identification number of Business Entity;
  - c. type of business activity;
  - d. validity period of the Geothermal License;
  - e. rights and obligations of the Geothermal License holder;
  - f. Working Area; and
  - g. stages of Working Area relinquishment.
- (2) In the event that the Geothermal business activities are located in Forest Areas, the Geothermal License holder is obligated to:
- a. obtain:
    1. borrow-to-use permit to make use of production Forest Areas or protected Forest Areas; or
    2. permit to utilize conservation Forest Areas, from the minister administering the government affairs in the forestry sector; and
  - b. conduct the Geothermal business activities with due observance of the main objective of managing sustainable forest in accordance with the provisions of legislation.
- (3) The permit to utilize the area as referred to in section (2) point a point 2 is conducted with an environment service permit.

#### Article 25

In the event that the Geothermal business activities for Indirect Use are located in the conservation area in the waters, the Geothermal License holder is obligated to obtain a license from the minister administering the government affairs in the maritime sector.

Article 26

- (1) Business Entity as the Geothermal License holder is required to use the license in accordance with the specified purpose.
- (2) Business Entity as the Geothermal License holder is required to gradually return any parts or the whole parts of the Working Area to the Government.

Article 27

- (1) Geothermal License is prohibited from being transferred to other Business Entities.
- (2) The Geothermal License holder may transfer its shares in the Indonesian stock exchange after completing the Exploration.
- (3) The transfer of shares as referred to in section (2) is required to obtain an approval of the Minister.

Article 28

The Government in conducting Exploration, Exploitation, and/or utilization may assign public service agencies or State-owned enterprises that are engaged in the Geothermal subsector.

Article 29

- (1) A Geothermal License is valid for a maximum period of 37 (thirty seven) years.
- (2) The Minister may grant an extension of the Geothermal License for a maximum period of 20 (twenty) years for each extension.
- (3) A Geothermal License holder may apply for an extension of the Geothermal License as referred to in section (2) for a maximum of 5 (five) years and minimum of 3 (three) years before the expiration date of the Geothermal License.
- (4) The Minister is obligated to grant or refuse the application for the Geothermal License extension for a minimum of 1 (one) year from complete submission of the requirements.

Article 30

A Geothermal License is granted to conduct Exploration, Exploitation, and utilization.

Article 31

- (1) The Exploration as referred to in Article 30 is valid for a maximum period of 5 (five) years from the date the Geothermal License is issued and may be extended 2 (two) times, 1 (one) year each.
- (2) The period of Exploration as referred to in section (1) includes the Feasibility Study.
- (3) Before conducting Exploration drilling, the Geothermal License holder must have the environmental permits in accordance with the provisions of legislation in the environmental protection and management sector.

Article 32

- (1) The Exploitation and utilization as referred to in Article 30 is valid for a maximum period 30 (thirty) years from the date the Feasibility Study is approved by the Minister.
- (2) Before conducting Exploitation and utilization, the Geothermal License holder must:
  - a. have environmental permits in accordance with the provisions of legislation in the environmental protection and management sector which is included in the Feasibility Study; and
  - b. submit the results of the Feasibility Study to the Minister in order to obtain approval.

Article 33

A Geothermal License terminates due to:

- a. expiration of validity period;
- b. return;
- c. revocation; or
- d. annulment.

Article 34

A Geothermal License terminates due to expiration of validity period as referred to in Article 33 point a if:

- a. an application for the extension of Geothermal License is not submitted; or
- b. an application for the extension of Geothermal License is submitted but refused.

Article 35

- (1) The Geothermal License terminates due to return as referred to in Article 33 point b when a written application is made by the Geothermal License holder to the Minister along with clear reasons.
- (2) The return of Geothermal License as referred to in section (1) is declared valid after being approved by the Minister.

Article 36

- (1) The Minister may revoke a Geothermal License as referred to in Article 33 point c if the Geothermal License holder:
  - a. violates one of the provisions contained in the Geothermal License; and/or
  - b. fails to meet the provisions of legislation.
- (2) Before revoking the Geothermal License as referred to in section (1), the Minister first provides the Geothermal License holder with a 6 (six) month opportunity to meet the specified provisions.

Article 37

The Minister may annul a Geothermal License as referred to in Article 33 point d if:

- a. the Geothermal License holder provides invalid data, information, or statements in the application; or
- b. the Geothermal License is declared null and void based on a court decision.

Article 38

- (1) In the event a Geothermal License terminates due to the reasons as referred to in Article 33, the Geothermal License holder is obligated to meet and settle all of its obligations in accordance with the provisions of legislation.
- (2) The obligation of the Geothermal License holder as referred to in section (1) is declared to have been met after obtaining the approval of the Minister.
- (3) The Minister stipulates the approval for the termination of Geothermal License after the Geothermal License holder recovers the environment functions in the Working Area and meets other obligations as referred to in section (1).

Article 39

Further provisions regarding Geothermal License are governed in Government Regulation.

Paragraph 4

Administrative Sanctions

Article 40

- (1) Business Entity as the Geothermal License holder that fails to meet or violates the provisions as referred to in Article 26 section (2), Article 27 section (1) and section (3), Article 31 section (3), and/or Article 32 section (2) is subject to administrative sanctions.
- (2) The administrative sanctions as referred to in section (1) are in the forms of:
  - a. written warning;
  - b. temporary suspension of all activities of Exploration, Exploitation, or utilization; and/or
  - c. revocation of Geothermal License.
- (3) Further provisions regarding the procedures for imposing the administrative sanctions as referred to in section (1) and section (2) are governed in Government Regulation.



CHAPTER IV  
USE OF LAND

Article 41

Rights to Working Area do not include rights to surface land.

Article 42

- (1) In the event of intending to use plot of public land, freehold estate, customary (*ulayat*) land, and/or Forest Area in the Working Area, the Direct Use License holder or the Geothermal License holder must first settle the land use with the users of public land or the holders of forestry rights or permits in accordance with the provisions of legislation.
- (2) In the event the Minister conducts Exploration in order to determine a Working Area as referred to in Article 17 section (1), before conducting the Exploration, the Minister settles the land use with the users of public land or the holders of forestry rights or permits in accordance with the provisions of legislation.
- (3) The settlement as referred to in section (1) and section (2) is amicably conducted by means of sales-purchase, exchange, reasonable compensation, recognition or other compensation types to the users of public land or the holders of rights.
- (4) In the event the Geothermal business activities are performed by a State-owned enterprise which obtains a special assignment from the Government, land procurement is conducted in accordance with the provisions of legislation.

Article 43

- (1) The Direct Use License holder or the Geothermal License holder before conducting Geothermal business in public land, freehold estate, customary (*ulayat*) land, and/or Forest Areas must:

- a. show:
    1. the Direct Use License or its valid copy; or
    2. the Geothermal License or its valid copy;
  - b. provide a notice of the purpose and place of activities to be done; and
  - c. offer settlement or provide settlement guarantee approved by the users of public land and/or the holders of rights as referred to in Article 42.
- (2) If the Direct Use License holder or the Geothermal License holder has met the provisions as referred to in section (1), the users of public land and/or the holders of rights must allow the Direct Use License holder or the Geothermal License holder to conduct Geothermal business in the said land.

#### Article 44

In the event the Geothermal License holder has been granted Working Area of the plot of land it directly uses for Geothermal business and its safety area, the Geothermal License holder is granted the right to land use in accordance with the provisions of legislation.

#### Article 45

The settlement of land use of public land, freehold estate, customary (*ulayat*) land, and/or Forest Areas as referred to in Article 42 is conducted in accordance with the provisions of legislation.

#### Article 46

Every Person is prohibited from obstructing or hindering a Geothermal business which has obtained:

- a. Direct Use License; or
  - b. Geothermal License
- and one that has met the obligations as referred to in Article 42.

CHAPTER V  
RIGHTS AND OBLIGATIONS

Part One  
Rights of Direct Use License Holder

Article 47

The Direct Use License holder is entitled to conduct Geothermal business in accordance with the license granted.

Part Two  
Obligations of Direct Use License Holder

Article 48

The Direct Use License holder is obligated to:

- a. understand and abide by the legislation in occupational safety and health as well as environmental protection and management, and meet the prevailing standards;
- b. control environmental pollution and/or damage which includes prevention and mitigation of environmental pollution and/or damage, and recovery of environmental functions;
- c. submit work plan and budget to the Minister, governor, or regent/mayor in accordance with their respective authority; and
- d. submit written reports periodically for the implementation of the work plan and budget as well as the Geothermal business activities for Direct Use to the Minister, governor or regent/mayor in accordance with their respective authority.

Article 49

- (1) The Direct Use License holder is obligated to meet the obligations in the forms of:
  - a. royalties;
  - b. regional taxes; and
  - c. regional levies.

- (2) The obligations to meet regional taxes as referred to in section (1) point b and regional levies as referred to in section (1) point c are conducted in accordance with the provisions of legislation.

#### Article 50

- (1) Every Person as the Direct Use License holder that fails to meet or violates the provisions as referred to in Article 48 point b, point c, point d, and/or Article 49 section (1) is subject to administrative sanctions.
- (2) The administrative sanctions as referred to in section (1) are in the forms of:
  - a. written warning;
  - b. temporary suspension of all Geothermal business activities for Direct Use; and/or
  - c. revocation of Direct Use License.
- (3) Further provisions regarding the procedure for imposing the administrative sanctions as referred to in section (1) and section (2) are governed in Government Regulation.

### Part Three

#### Rights of Geothermal License Holder

#### Article 51

The Geothermal License holder is entitled to:

- a. conduct Geothermal business for Indirect Use in the forms of Exploration, Exploitation, and utilization in the Working Area in accordance with the Geothermal License granted;
- b. use data and information during the period of validity of Geothermal License in the Working Area.

### Part Four

#### Obligations of the Geothermal License Holder

#### Article 52

- (1) The Geothermal License holder is obligated to:
  - a. understand and abide by the legislation in occupational safety and health as well as

- environmental protection and management, and meet the prevailing standards;
- b. control environmental pollution and/or damage which includes prevention and mitigation of environmental pollution and/or damage, and recovery of environmental functions;
  - c. conduct Exploration, Exploitation, and utilization in accordance with good engineering practices;
  - d. prioritize the utilization of domestic goods, services, as well as engineering and design capacity transparently and competitively;
  - e. give support for the activities of research and development in Geothermal science and technology;
  - f. give support for the activities of creation, competency development, and advancement of human resources in the Geothermal subsector;
  - g. organize programs for the development and empowerment of local community;
  - h. submit long-term plan of the Exploration, Exploitation, and utilization to the Minister which includes activity and budget plan as well as submit the amount of reserves;
  - i. maintain the books or records in good faith so as to reflect the actual condition or business activity; and
  - j. submit written reports of the Geothermal business for Indirect Use to the Minister periodically in respect of:
    - 1. work plan and budget; and
    - 2. realization of the work plan and budget.
- (2) Further provisions regarding the obligations of the Geothermal License holder as referred to in section (1) are governed in Government Regulation.

#### Article 53

- (1) The Geothermal License holder is obligated to provide production bonus to the Local Government which administrative region includes the relevant Working Area based on a certain percentage of the gross revenues as of the date the first unit starts commercial production.

- (2) The provisions regarding the amount and procedure for providing the production bonus as referred to in section (1) are governed in Government Regulation.

#### Article 54

- (1) The Geothermal License holder is obligated to meet the obligations in the forms of State and regional revenues.
- (2) The State revenues as referred to in section (1) consist of tax and non-tax revenues.
- (3) The tax revenues as referred to in section (2) consist of Government taxes, import duties, and import taxes in accordance with the provisions of legislation.
- (4) The non-tax revenues as referred to in section (2) consist of:
  - a. landrent;
  - b. royalties; and
  - c. other State levies in accordance with the provisions of legislation.
- (5) The regional revenues as referred to in section (1) consist of:
  - a. regional taxes;
  - b. regional levies; and
  - c. other legal revenues based on the provisions of legislation.
- (6) The types and tariff on the non-tax revenues as referred to in section (4) as well as the regional revenues as referred to in section (5) point a and point b are determined in accordance with the provisions of legislation.

#### Article 55

The Government may give fiscal and non-fiscal facilities to Business Entities in order to develop and use Geothermal energy in accordance with the provisions of legislation.

#### Article 56

- (1) Business Entity as the Geothermal License holder that fails to meet or that violates the provisions as referred to in Article 52 section (1) point b, point c, point d, point g, point h, point i, and point j, Article 53 section (1), and/or Article

54 section (1) and section (4) are subject to administrative sanctions.

- (2) The administrative sanctions as referred to in section (1) are in the forms of:
  - a. written warning;
  - b. temporary suspension of all activities of Exploration, Exploitation, and utilization; and/or
  - c. revocation of Geothermal License.
- (3) Further provisions regarding the procedures for imposing the administrative sanctions as referred to in section (1) and section (2) are governed in Government Regulation.

## CHAPTER VI DATA AND INFORMATION

### Article 57

- (1) All data and information obtained from Geothermal administration activities belong to the State which utilization is regulated by the Government.
- (2) Every Person is prohibited from sending, submitting, and/or transferring the data and information as referred to in section (1) without the consent from the Government.

### Article 58

The provisions regarding the delivery, management, and utilization of data and information are governed in Government Regulation.

## CHAPTER VII GUIDING AND SUPERVISION

### Article 59

- (1) The Minister guides and supervises the Geothermal administration for Direct Use implemented by provincial government and regency/municipal government.
- (2) The Minister may delegate the governor to guide and supervise the Geothermal administration for Direct Use implemented by regency/municipal government.

Article 60

- (1) The Minister, governor or regent/mayor in accordance with their respective authority guides and supervises the implementation of Geothermal business for Direct Use conducted by the Direct Use License holder.
- (2) The governor and regent/mayor in accordance with their respective authority are obligated to report the implementation of Geothermal administration for Direct Use to the Minister annually.

Article 61

The Minister guides and supervises the implementation of Geothermal business for Indirect Use conducted by the Geothermal License holder.

Article 62

The guiding and supervision as referred to in Article 60 section (1) at least include:

- a. occupational safety and health; and
- b. environmental protection.

Article 63

The guiding and supervision as referred to in Article 61 at least include:

- a. Exploration;
- b. Feasibility Study;
- c. Exploitation and utilization;
- d. finance;
- e. Geothermal data processing;
- f. occupational safety and health;
- g. management of environmental protection and reclamation;
- h. utilization of domestic goods, services, technology, as well as engineering and design capacity;
- i. development of Indonesian workers;
- j. development and empowerment of local community;
- k. mastery, development, and application of Geothermal technology;



- l. adoption of good engineering practices; and
- m. other activities in Geothermal business to the extent that they concern public interest.

Article 64

Further provisions regarding guiding and supervision are governed in Government Regulation.

CHAPTER VIII

PUBLIC PARTICIPATION

Article 65

- (1) During the operation of Geothermal administration, the public play an active role to:
  - a. keep, protect, and maintain the environmental condition of the Geothermal business area; and
  - b. submit reports on the occurrence of environmental hazard, pollution, and/or destruction in the Geothermal business area.
- (2) During the operation of Geothermal administration, the public are entitled to:
  - a. obtain information relating to the Geothermal business through the Government or the Local Government in accordance with their respective authority;
  - b. benefit from the Geothermal business activity through the obligation of company to meet corporate social responsibility and/or local community development;
  - c. receive appropriate compensation due to default in the Geothermal business activities in accordance with the provisions of legislation; and
  - d. file lawsuits over any loss due to Geothermal business activities that violate the provisions.

CHAPTER IX

INVESTIGATION

Article 66

- (1) In addition to Investigators of the National Police of the Republic of Indonesia, certain civil servant officials whose

scope of duty and responsibility include Geothermal business are specifically authorized as civil servant investigators as referred to in law regulating code of criminal procedure in order to investigate in accordance with this Law.

- (2) The civil servant investigators as referred to in section (1) are authorized to:
  - a. examine the authenticity of report or statement received relating to criminal acts in Geothermal business;
  - b. examine individuals or entities alleged to commit criminal acts in Geothermal business;
  - c. summon individuals to be heard and examined as witnesses or suspects in criminal cases in Geothermal business;
  - d. search the place and/or facilities allegedly used to commit criminal acts in Geothermal business;
  - e. examine Geothermal facilities and infrastructure and terminate the use of equipment allegedly used to commit criminal acts;
  - f. seal and/or confiscate Geothermal equipment used to commit criminal acts as evidence;
  - g. engage the necessary experts in the context of investigating a criminal act in Geothermal business; and
  - h. stop a criminal investigation in Geothermal business.
- (3) The civil servant investigators as referred to in section (1) and section (2) in conducting the investigation are obligated to coordinate and report the investigation findings to the Officials of the National Police of the Republic of Indonesia in accordance with the provisions of legislation.
- (4) The civil servant investigators as referred to in section (1) are obligated to stop the investigation in the event there is not sufficient evidence of the situation as referred to in section (2) point a and/or the situation is not a criminal act.
- (5) Implementation of the authority as referred to in section (2) is conducted in accordance with the provisions of legislation.

CHAPTER X  
CRIMINAL PROVISIONS

Article 67

Every Person that intentionally conducts Geothermal business for Direct Use without Direct Use License as referred to in Article 11 section (1) is sentenced to imprisonment for a maximum of 2 (two) years or is fined for a maximum of Rp6,000,000,000 (six billion rupiahs).

Article 68

Every Person that holds a Direct Use License that intentionally conducts Geothermal business for Direct Use not in the location as specified in the License as referred to in Article 13 section (1) is sentenced to imprisonment for a maximum of 2 (two) years and 6 (six) months or is fined for a maximum of Rp7,000,000,000 (seven billion rupiahs).

Article 69

Every Person that holds a Direct Use License that intentionally conducts Geothermal business which does not conform to the intended purpose as referred to in Article 13 section (2) is sentenced to imprisonment for a maximum of 3 (three) years or is fined for a maximum of Rp10,000,000,000 (ten billion rupiahs).

Article 70

Business Entity as Geothermal License holder that intentionally conducts Exploration, Exploitation, and/or utilization not in the Working Area as referred to in Article 20 section (2) is sentenced to imprisonment for a maximum of 7 (seven) years or is fined for a maximum of Rp70,000,000,000 (seventy billion rupiahs).

Article 71

Business Entity which intentionally conducts Geothermal business for Indirect Use without Geothermal License as referred to in Article 23 section (1) is sentenced to imprisonment for a maximum of 6 (six) years or is fined for a maximum of Rp50,000,000,000 (fifty billion rupiahs).

Article 72

Business Entity as the Geothermal License holder that intentionally uses Geothermal License not conforming to the intended purpose as referred to in Article 26 section (1) is sentenced to imprisonment for a maximum of 10 (ten) years or is fined for a maximum of Rp100,000,000,000 (one hundred billion rupiahs).

Article 73

Every Person that intentionally obstructs or hinders Direct Use License holders from conducting Geothermal business for Direct Use as referred to in Article 46 point a is sentenced to imprisonment for a maximum of 1 (one) year or is fined for a maximum of Rp100,000,000 (one hundred million rupiahs).

Article 74

Every Person that intentionally obstructs or hinders Geothermal License holders from conducting Geothermal business for Indirect Use as referred to in Article 46 point b is sentenced to imprisonment for a maximum of 7 (seven) years or is fined for a maximum of Rp70,000,000,000 (seventy billion rupiahs).

Article 75

Every Person that intentionally delivers, submits, and/or transfers data and information without Government consent as referred to in Article 57 section (2) is sentenced to imprisonment for a maximum of 5 (five) years or is fined for a maximum of Rp25,000,000,000 (twenty five billion rupiahs).

Article 76

In the event that the criminal acts as referred to in Article 67, Article 68, Article 69, Article 74 and Article 75 are committed by Business Entity, in addition to imprisonment or fine imposed on the management, the punishment that may be imposed on the Business Entity is added  $\frac{1}{3}$  (one-third) of the fine.

Article 77

In addition to the punishment as referred to in Article 70, Article 71, Article 72, and Article 76, the perpetrators may be imposed additional punishment in the forms of:

- a. seizure of goods used to commit the criminal acts;
- b. seizure of profit gained from the criminal acts; and/or
- c. obligation to pay the costs arising from the criminal acts.

CHAPTER XI  
TRANSITIONAL PROVISIONS

Article 78

- (1) At the time when this Law comes into force:
  - a. all Geothermal resource business concessions existing before this Law comes into force, are declared to remain effective for 30 (thirty) years as of the promulgation of this Law;
  - b. all joint operation contracts of Geothermal resource business already signed before this Law comes into force, are declared to remain effective until the termination of the contracts; and
  - c. all Geothermal resource business licenses existing before this Law comes into force are declared to remain effective until the termination of the licenses,  
to the extent that Exploitation must be conducted by 31 December 2014 at the latest.
- (2) The Geothermal resource business concessions, joint operation contracts of Geothermal resource business, and Geothermal resource business licenses as referred to in section (1), after the termination of the validity period, may be extended as Geothermal Licenses and the business activities are carried out in accordance with the provisions of this Law.

Article 79

- (1) At the time when this Law comes into force, all Geothermal mining business licenses before this Law comes into force

must be converted to Geothermal Licenses as determined by the Minister, and remain in effect until the termination of the licenses.

- (2) In the context of the conversion to Geothermal License as referred to in section (1), governor or regent/mayor in accordance with their respective authority is obligated to submit the documents of Geothermal mining business license already issued before this Law comes into force to the Minister within a maximum period of 6 (six) months as of the effectiveness of this Law.

#### Article 80

At the time when this Law comes into force, all Geothermal businesses for Direct Use existing before this Law comes into force are considered to have license and within a maximum of 3 (three) year period as of the effectiveness of this Law must be converted to Direct Use License.

#### Article 81

At the time when this Law comes into force, the grant process of Geothermal License for the Business Entities already specified as successful bidders of Working Area and ones that have not yet obtained Geothermal mining business license is thereafter conducted by the Minister.

#### Article 82

The Geothermal resource business concessions, joint operation contracts of Geothermal resource business, and Geothermal resource business licenses as referred to in Article 78 and the Geothermal mining business licenses as referred to in Article 79 may undertake activities in conservation Forest Areas through environment service permit.

#### Article 83

The Geothermal resource business concessions, joint operation contracts of Geothermal resource business, and Geothermal resource business licenses as referred to in Article 78 and the

Geothermal mining business licenses as referred to in Article 79 are required to provide production bonus to the Local Government of which administrative region includes the relevant Working Area based on certain percentage from the gross revenues under the following provisions:

- a. those that have started production, as of 1 January 2015; and
- b. those that have not started production, as of the first unit starts commercial production.

#### Article 84

At the time when this Law comes into force:

- a. guiding and supervision for the implementation of Geothermal resource business concessions, joint operation contracts of Geothermal resource business, and Geothermal resource business licenses which were previously exercised by the Government remain with the Government.
- b. guiding and supervision for the implementation of Geothermal mining business licenses previously were exercised by the Local Government become the authority of the Government as of the conversion of Geothermal Mining Business License to Geothermal License.

#### Article 85

Business Entity which has performed Geothermal steam or power purchase agreement before this Law comes into force may conduct re-negotiations according to business practices with mutually beneficial principle.

### CHAPTER XII CLOSING PROVISIONS

#### Article 86

At the time when this Law comes into force, all legislation as the implementing regulations of Law Number 27 of 2003 on Geothermal Energy (State Gazette of the Republic of Indonesia of 2003 Number 115, Supplement to the State Gazette of the

Republic of Indonesia Number 4327), are declared remain in effect to the extent they are not contrary to the provisions of this Law.

Article 87

At the time when this Law comes into force, Law Number 27 of 2003 on Geothermal energy (State Gazette of the Republic of Indonesia of 2003 Number 115, Supplement to State Gazette of the Republic of Indonesia Number 4327), is repealed and declared ineffective.

Article 88

This Law comes into force on the date of its promulgation.



In order that every person may know hereof, it is ordered to promulgate this Law by its placement in State Gazette of the Republic of Indonesia.

Enacted in Jakarta  
on 17 September 2014

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta  
on 17 September 2014

MINISTER OF LAW AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,

Signed

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 217 OF 2014

Jakarta, 25 May 2018

Has been translated as an Official Translation  
on behalf of Minister of Law and Human Rights  
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

  
WIDODO EKATJAHJANA

In order that every person may know hereof, it is ordered to promulgate this Law by its placement in State Gazette of the Republic of Indonesia.

Enacted in Jakarta  
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PRESIDENT OF THE REPUBLIC OF INDONESIA,

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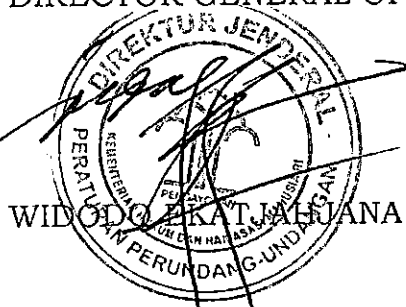
AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 217 OF 2014

Jakarta, 25 May 2018

Has been translated as an Official Translation  
on behalf of Minister of Law and Human Rights  
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF  
LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 21 OF 2014  
ON  
GEOTHERMAL ENERGY

I. GENERAL

Indonesia, as a country through which active volcanic belts run has huge Geothermal potential. Geothermal energy is environmentally friendly and is an asset that can be used to support national development. In accordance with the mandate of the 1945 Constitution of the Republic of Indonesia, natural riches contained in the earth are controlled by the State and are used for the highest prosperity of the people. Therefore, Geothermal energy is natural riches that must be controlled by the State and managed for the highest welfare of the people. The responsibility of the State to realize the welfare of the people is implemented by the Government in the form of Geothermal administration.

Geothermal energy is environmentally friendly because its utilization only slightly produces elements which impact the environment or those that are still in the limits of the prevailing provisions. Therefore, Geothermal utilization can help support the Government program of using clean energy while reducing greenhouse gas emissions.

At present, Geothermal energy as an environmentally friendly energy has not yet been optimally utilized because it is mostly located in remote areas and in Forest Areas which do not have sufficient supporting facility and infrastructures. The existence of Geothermal energy in conservation Forest Areas has not yet been used at all, therefore, Geothermal utilization needs to be increased by a well-planned and integrated manner in order to reduce dependency on fossil energy. In addition, Geothermal utilization is expected to develop centers of economic growth that will improve the people's economy.

Indonesia's energy demand keeps increasing in line with the increase in economic growth and population number, but the energy demand is not balanced by the energy supply. Meanwhile, fossil energy sources are depleting and cannot be renewed and can cause environmental issues so that the utilization of renewable energy especially that of Geothermal energy that is chiefly used for power generation needs to be intensified.

In further development, Geothermal business for indirect use or for power generation is very strategic in supporting national energy security, as the electricity generated by Geothermal power plants can be used in cross administrative borders. In the long-term, the price of electricity generated by Geothermal power plants is more competitive and reliable if compared to that produced by fossil-fueled power plants so that the Government considers it is necessary to place the authority of Geothermal administration to the Government. The Government focuses on Geothermal administration for Indirect Use deployed as power generation. In the meantime, the Geothermal administration for Direct Use is delegated to Local Governments in accordance with the authority. In order to accelerate Geothermal development to meet the national energy needs, the Government, in addition to be granted the authority to conduct Preliminary Survey and Exploration, is also granted the authority to perform Exploitation and Utilization.

The existing legal basis, namely Law Number 27 of 2003 on Geothermal energy and its implementing regulations, could not optimally respond to the challenges in Geothermal development. This, among others, relates to the term mining/mine activity used, leading to a consequence that Geothermal activities are categorized as mining/mine activities that cannot be performed in conservation Forest Areas as such activities fails to conform to Law Number 5 of 1990 on Conservation of Bio-diversity Resources and the Ecosystem and Law Number 41 of 1999 on Forestry. In addition, there has not been any comprehensive regulation on Geothermal business for Direct Use.

Based on the foregoing, it is necessary to establish a new law to replace Law Number 27 of 2003 on Geothermal energy in order to provide the legal basis for the reformation and improvement measures of Geothermal activities. It is expected that this Law can give legal certainty to Geothermal business players equally and non-discriminatively. The main materials regulated in this Law include among others: Geothermal

administration; Geothermal business for Direct Use and Indirect Use; use of land; rights and obligations; guiding and supervision; data and information; and public participation.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "principle of benefit" means that Geothermal administration must provide maximum benefit for the welfare and prosperity of the people.

Point b

The term "principle of efficiency" means that Geothermal administration must be organized in an efficient and effective manner.

Point c

The term "principle of justice" means that Geothermal administration must be proportionally enjoyed by the people.

Point d

The term "principle of economic optimization in energy resource utilization" means that Geothermal administration must be organized with due observance of the availability of energy sources that are optimally used.

Point e

The term "principle of accessibility" means that Geothermal administration may be affordable from the aspects of energy price and accessible by the people.

Point f

The term "principle of sustainability" means that Geothermal administration must be managed well in order to produce energy continuously.

Point g

The term "principle of self-reliance" means that Geothermal administration may strengthen national energy self-reliance.

Point h

The term “principle of security and safety” means that Geothermal administration must take into account security, safety, and environment.

Point i

The term “principle of environmental conservation” means that Geothermal administration must take into account and maintain the continuance of environment carrying capacity and environment purification capacity while simultaneously maintain energy continuity.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Section (1)

The term “conservation forest areas” means nature conservation and reserve areas including land and bodies of water.

The term “conservation areas in the waters” means conservation area in coastal areas and small islands in accordance with the provisions of legislation in the management of coastal areas and small islands.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 6

Section (1)

Point a

Formulating national policy, may take the forms of:

1. making and stipulating standards;
2. stipulating Geothermal utilization and conservation policy;

3. stipulating cooperation and partnership policy;
4. determining Geothermal Working Area; and
5. formulating and determining landrent and royalty tariffs.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Promotion is conducted in order to increase the production added value of geothermal administration activities.

Section (2)

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Section (1)

Sufficiently clear.

Section (2)

Point a

Geothermal Business for Direct Use for tour, among others, are in the forms of hotel, hot bathing, and medical therapy.

Point b

Geothermal Business for Direct Use for agro-business, among others, are in the forms of tea, copra and corn drying, and greenhouses.

Point c

Geothermal Business for Direct Use for industry, among others, are in the forms of wood, hide, and rattan processing.

Point d

The provision regarding other activities is intended to accommodate the technological development in Geothermal utilization.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Section (1)

Approval is intended to maintain the continuity of Geothermal system for Indirect Use in the Working Area, so that it is necessary to obtain the approval from the Minister.

Section (2)

Coordination is intended to maintain the continuity of Geothermal system for Indirect Use, so that it is necessary to give a written notice to the Minister.

Article 13

Sufficiently clear.



Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Section (1)

Exploration in this provision is conducted in order to increase the quality of data to make it attractive for development.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The term "other parties" means Business Entities, universities, or research institutes.

Section (5)

Sufficiently clear.

Article 18

Section (1)

Sufficiently clear.

Section (2)

Arrangement of the bid course also contains the rights of the recipients of Preliminary and/or Exploration Survey assignment in the bid process.

Article 19

Section (1)

The term "Geothermal system" means a system consisting of a heat source, a reservoir, an absorption area, cap rocks, and an upflow or outflow, all of which meet sufficient geological, hydrological, and heat transfer criteria, especially those concentrated in a reservoir that form an energy resource.

Section (2)

Sufficiently clear.

Article 20

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "integrated Geothermal business" means any activities that include Exploration, Exploitation, and utilization conducted by Business Entity.

The term "separate Geothermal business" means Exploration conducted by the Government.

Section (4)

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Section (1)

The Geothermal energy prices in this provision are for steam and electricity prices.

Section (2)

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sustainable forest management is conducted in accordance with the functions of forest, namely:

- a. production forest, for the conservation of forest proceeds;
- b. protected forest, for the protection of water system function; and
- c. conservation forest, for bio-diversity preservation.

Section (3)

The term "environment service permit" means a permit that is obtained in order to use environment conditions in the conservation Forest Area, for example, in the form of Geothermal ecosystem potential.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Point a

The term "validity period" means the period given for a Geothermal License including its extension.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

The Government Regulation regulates:

- a. gradual relinquishment of Working Area;
- b. Exploration, Exploitation, and/or utilization conducted by the Government;
- c. Feasibility Study and approval of Feasibility Study; and
- d. requirements and procedures for the application and delivery of Geothermal License.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

The term "obstructing or hindering a Geothermal business" means all actions using violence or the threat of violence that may cause material loss.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Section (1)

Point a

The term "royalties" means the fees paid to the State in the form of non-tax State revenues for the proceeds obtained from Geothermal business for Direct Use.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

The submission of long-term activity plan is of informative nature and is intended to align the long-term activity plan to the long-term development programs of the Government and Local Governments, as well as to the amount of investment.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 53

Section (1)

The term "the relevant Working Area" means the Working Area where Geothermal business activities occur.

Section (2)

Further provisions regulate specification of amount, procedure for paying and sharing, as well as procedure for calculating the production bonus.

The amount of production bonus is specified by considering, among other, the economies of scale.

Article 54

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Point a

The term "landrent" means the rent paid to the State to reimburse the opportunity of Exploration and Exploitation in a Working Area.

Point b

The term "royalties" means the sum of money paid to the State for the proceeds gained from Geothermal business for Indirect Use.

Point c

Other State levies are, among others, in the forms of education and training services levy as well as research and development services levy.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 55

Fiscal facilities may be in the forms of tax facility and/or import duties.

Non-fiscal facilities may be in the forms of providing guarantee of business feasibility from the Government and special treatment for Geothermal development.

Article 56

Sufficiently clear.

Article 57

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 58

Further provisions regulate data and information which must not be owned, kept, and/or delivered and transferred to other parties without the consent of the Government.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Sufficiently clear.

Article 62

Point a

Sufficiently clear.

Point b

The term "environmental protection" means systematic and integrated efforts made to prevent pollution and/or to mitigate



damage within the Geothermal working environment for Direct Use.

Article 63

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

The term "management of environmental protection" means systematic and integrated efforts made to prevent pollution and/or to mitigate damage within the Geothermal working environment caused by the Geothermal business activities, such as land clearing, infrastructure work, construction work, and drilling activities.

The term "reclamation" means any activities intended to recover or manage the land use disturbed by Geothermal business activity so that the land will function and operate in accordance with the intended purposes.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Point l

Sufficiently clear.

Point m

Other activities in Geothermal business among others include constructing road infrastructure, irrigation, managing nursery for reforestation, and undertaking activities relating to corporate social responsibility.

Article 64

Sufficiently clear.

Article 65

Sufficiently clear.

Article 66

Sufficiently clear.

Article 67

Sufficiently clear.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Sufficiently clear.

Article 72

Sufficiently clear.

Article 73

Sufficiently clear.

Article 74

Sufficiently clear.

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 77

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Section (1)

Sufficiently clear.

Section (2)

Documents of Geothermal mining business license among others include documents relating to implementation of bid, specification of successful bidders, guiding and supervision reports, financial obligations statement, and Geothermal mining business license.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear.

Article 83

Sufficiently clear.

Article 84

Sufficiently clear.

Article 85

Sufficiently clear.

Article 86

Sufficiently clear.

Article 87

Sufficiently clear.

Article 88

Sufficiently clear.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
NUMBER 5585