

**AMENDMENT TO REGULATION OF THE MINISTER
OF ENERGY AND MINERAL RESOURCE NUMBER
32 YEAR 2008 CONCERNING SUPPLY, UTILIZATION,
AND BIOFUEL COMMERCIAL SYSTEM
CONSTITUTING OTHER TYPES OF FUEL
(Regulation of the Minister of Energy and Mineral Resource
of R.I Number 25 Year 2013, dated August 28, 2013)**

WITH THE BLESSING OF THE ONE AND ONLY GOD
MINISTER OF ENERGY AND MINERAL RESOURCE
OF THE REPUBLIC OF INDONESIA,

Considering:

- a. to support policy on micro economy and to minimize import of oil fuel, it is necessary to accelerate improvement and expanded utilization of biofuel by improving Regulation of the Minister of Energy and Mineral Resource Number 32 Year 2008 concerning Provision, Utilization, and Biofuel Commercial System constituting other type of Fuel;
- b. based on the consideration referred to in letter a, it is necessary to stipulate Regulation of the Minister of Energy and Mineral Resource concerning Amendment to Regulation of the Minister of Energy and Mineral Resource Number 32 Year 2008 concerning Provision, Utilization, Biofuel Commercial System constituting Other type of Fuel;

In view of:

1. Law Number 22 Year 2001 concerning Natural Oil and Gas (Statute Book Republic of Indonesia Year 2001 Number 136, Supplement to Statute Book of the Republic of Indonesia Number 4152);
2. Law Number 30 Year 2007 tentang Energi (Statute Book Republic of the Republic of Indonesia Year 2007 Number 96, Supplement to Statute Book of the Republic of Indonesia Number 4746);
3. Government Regulation Number 36 Year 2004, concerning Downstream Natural Oil and Gas Business activity (Statute Book of the Republic of Indonesia Year 2004 Number 124, Supplement to Statute Book of the Republic of Indonesia Number 4436) as amended by Government Regulation Number 30 Year 2009 (Statute Book Republic of Indonesia Year 2009 Number 59, Supplement to Statute Book Republic of Indonesia Number 4996);

4. Presidential Decree Number 71 Year 2005, dated November 16, 2005 concerning Provision and Distribution of Particular Type of Oil Fuel as amended by Presidential Regulation Number 45 Year 2009, dated October 23, 2009;
5. Presidential Decree Number 5 Year 2006, dated January 25, 2006, concerning National Policy on Energy;
6. Presidential Decree Number 15 Year 2012, dated February 7, 2012, concerning Retail Sales Price and Consumer of Particular Type of Oil Fuel;
7. Presidential Decree Number 59/P Year 2011, dated October 18, 2011;
8. Regulation of the Minister of Energy and Mineral Resource Number 0007 Year 2005, dated April 21, April 2005, concerning Requirements and Guideline for Implementation of Business License on Natural Oil and Gas Business Activity;
9. Regulation of the Minister of Energy and Mineral Resource Number 32 Year 2008 dated September 26, 2008, concerning Provision, Utilization, and Commercial System of Biofuel constituting as Other Type of Fuel;
10. Regulation of the Minister of Energy and Mineral Resource Number 18 Year 2010 concerning Organization and Work Procedure of the Ministry

of Energy and Mineral Resource (State Gazette of the Republic of Indonesia Year 2010 Number 552) as amended by Regulation of the Minister of Energy and Mineral Resource Number 22 Year 2013 (State Gazette Republic of Indonesia Year 2013 Number 1022);

DECIDES:

To stipulate:

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCE CONCERNING REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCE NUMBER 32 YEAR 2008, ON PROVISION, UTILIZATION, AND COMMERCIAL SYSTEM OF BIO-FUEL CONSTITUTING AS OTHER TYPE OF FUEL.

Article I

Some provisions and Regulation of the Minister of Energy and Mineral Resource Number 32 Year 2008, concerning Provision, Utilization, and Commercial System of Biofuel constituting as other type of fuel (Biofuel), were amended as follows:

1. The provision in Article 1 has been amended so as to read as follows:

Article 1

What is meant in this Regulation of the Minister by:

1. Other Fuel shall be fuel in liquid or gas form originating from other than Natural Oil and Gas, and Processed Products.

2. Biofuel (Biofuel) as Other Type of Fuel shall be fuel originating from biofuel and/or produced from other organic material, commercialized as Other Fuel.
3. Biodiesel (B100) shall be Fatty Acid Methyl Ester (FAME) product or Mono Alkyl Ester produced from bio and other mass bio processed by means of esterifikasi.
4. Bioetanol (E100) shall be etanol produced from bio and other mass bio basic material processed by means of biotechnology.
5. Pure Biofuel Oil Minyak Nabati (O100) shall be product produced from biofuel basis material processed mechanically and by fermentation.
6. Retail Sales Price of Biofuel (Biofuel) as Other Type of Fuel shall be Bio Fuel constituting as Other Type of Fuel at the point of delivery, including margin and taxes.
7. Biofuel Business Activity (Biofuel) as Other Tye of Fuel shall be business activity for provision and/or distribution of Biofuel (Biofuel) as Other Type of Fuel covers purchase, sale, process, export, and/or transportation and storage up to order of Biofuel Biofuel) as Other Type of Fuel to final consumer.
8. Business Entity shall be any legal entity that may be in the form of State-owned Business Entity, Regional-owned Business Entity, Co-operatives, or Private duly established in accordance with the provisions in the statutory regulation.
9. Direct User of Oil Fuel shall be private business entity using Oil Fuel for own interest and not for commercial purpose.
10. Direct User of Biofuel as Other Type of Fuel shall be private or business entity utilizing or using Biofuel as Other Type of Fuel for own interest and not for commercial use.
11. Final Consumer shall be ultimate user or utilizer of Biofuel in the form of Other Type of Fuel.
12. Energy Independent Rural that may produce New Energy and Renewable Energy, including Biofuel as Other Type of Fuel for fulfillment and supply of at least 60% (sixty percent) of the need for energy for the Rural own requirement.
13. Biofuel Commercial Business Permit as Other Type of Fuel shall of Biofuel as Other Type of Fuel.

14. Minister shall be minister that handles Administration affairs on natural oil and gas as well as new energy, renewable energy and preserved energy.

15. Director General shall be Director General carrying out the duty and responsibility on formulating and implementation of policy and technical standardization on new energy, renewable energy, and preserved energy.

16. Director General of Natural Oil and Gas hereinafter referred to as Director General of Oil and Gas shall be Director General carrying out the duty and responsibility on formulation, implementation, and supervision of policy and technical standardization on natural oil and gas.

17. Director General of Electric Power hereinafter referred to as Director General of Electric Power shall be Director General carrying out the duty and responsibility on formulation, implementation, and supervision of policy and technical standardization on Electric Power.

18. Director General of Mineral and Coal hereinafter referred to as Director General of Mineral shall be Director General carrying out the duty and responsibility on formulation, implementation and technical standardization on mineral and coal.

19. Governing Agency shall be agency duly established to govern and supervise supply and distribution of Natural Oil Fuel and Gas and transportation of Natural Gas through Pipeline in Downstream Business Activity.

20. Governor shall be Head of Provincial Region.

21. Regent shall be Head of Regency Region.

22. Mayor shall be Head of City Region.

2. The provision in Article 3 has been amended so as to read as follows:

Article 13

(1) To improve utilization of Biofuel as Other Type of Fuel in the context of national defense on energy as referred to in Article 2, the Holder of Commercial Business Permit for Oil Fuel, Direct User of Oil Fuel, and Holder of Business Permit for Supply of Electric Power still using Oil Fuel shall be obliged to use Biofuel as Other Type of Fuel in phases.

(2) The utilization in Phases of Biofuel as Other Type of Fuel as referred to paragraph (1) shall be implemented in accordance with the provisions as specified in the Attachment that constitutes inseparable part of this Regulation of the Minister.

(3) To facilitate Ultimate Consumer in obtaining Biofuel constituting as Other Type of Fuel that has been mixed with Oil Fuel, the Business Entity as Holder of Business Permit for Commercial Oil Fuel must be mixed with Biofuel as Other Type of Fuel and provide mixing facilities and guarantee local distribution.

(4) The Direct User of Oil Fuel must be mixed with Biofuel as Other Type of Fuel from local product.

3. The provision in Article 4 has been amended so as to read as follows:

Article 4

Business Entity constituting Holder of Commercial Business Permit for Oil Fuel, Direct User of Oil Fuel, and Holder of Business Permit for Supply of Electric Power still using oil fuel and also using Biofuel as Other Type of Fuel as referred to in Article 3 is obliged to utilize Biofuel as Other Type of Fuel from local product.

4. The provision in Article 5 has been amended so as to read as follows

Article 5

Business Entity operating Biofuel Business Activity as Other Type of Fuel shall be obliged to:

a. guarantee available Biofuel as Other Type of Fuel for fulfillment of continuous local needs;

b. guarantee the standard and quality of (specification) of Biofuel as Other Type of Fuel in accordance with the provisions in the statutory regulation; and

c. utilize and prioritize use of Biofuel as Other Type of Fuel from local product.

5. The provision in Article 25 has been amended so as to read as follows:

Article 25

(1) Utilizing and carrying out Biofuel Business Activity as Other Type of Fuel, the Director General shall exercise management and supervision on:

a. Biofuel Business Activity (Biofuel) as Other Type of Fuel ;

b. the standard and quality (specification) of Biofuel as Other Type of Fuel being commercialized by Business Entity Holding Business Permit for Commercial Biofuel as Other Type of Fuel locally;

c. exercising occupational safety and health as well as management of living environment;

d. implementation of the obligation to utilize Biofuel as Other Type of Fuel.

(2) The Director General and Director General of Oil and Gas shall exercise management on the obligatory implementation of Biofuel as Other Type of Fuel that has been mixed with Oil Fuel.

(3) The Director General and Director General of Electric Power shall exercise management on the obligatory utilization of Biofuel as Other Type of Fuel in electric power generator.

(4) The Director General and Director General of Mineral shall exercise management on obligatory utilization of Biofuel as Other Type of Fuel in mineral and coal mining.

(5) The Director General, Director General of Oil and Gas, Director General of Electric Power, Director General of Mineral and Head of Governing Agency shall exercise supervision on implementation of Biofuel as Other Type of Fuel according to their respective authority.

6. The provision in Article 26 has been amended so as to read as follows:

Article 26

(1) The Director General on behalf of the Minister shall charge administrative penalty on Business Entity as Holder of Business License for Commercial Biofuel as Other Type of Fuel committing violation of the provision referred

to in Article 5, Article 18, Article 19, Article 20, Article 22 paragraph (2), of Article 23, or violation on either of the requirements in the in the Business License for Commercial Biofuel as Other Type of Fuel.

(2) The administrative penalty referred to paragraph (1) shall in the form of:

- a. written reminder;
- b. postponement of Biofuel Business Activity as Other Type of Fuel;
- c. freezing of Business Activity on Commercial Biofuel as Other Type of Fuel;
- d. revocation of Business License for Commercial Biofuel as Other Type of Fuel.

(3) The written reminder referred to paragraph (2) letter a must be submitted twice at maximum.

(4) If the Holder of Business License for utilizing Commercial Biofuel as Other Type of Fuel up to expiry of the written reminder referred to paragraph (3) still fails to exercised its obligation, the Director General on behalf of the Minister shall charge administrative penalty in the form of postponed Business Activity as operator of Other Type of Fuel.

(5) Administrative penalty in the form of postponed Biofuel Business Activity as Other

Type of Fuel as referred to paragraph (4) shall be charged for maximum period of three (3) months.

(6) If Biofuel Commercial Business Activity exercised as Other Type of Fuel fails to comply with the provisions referred to paragraph (5), the Director General on behalf of the Minister may freeze the Biofuel Business Activity as Other Type of Fuel.

7. Insert in between Article 26 and Article 27 one (1) new Article, namely Article 26A so as to read as follows:

Article 26A

(1) If after issuing written reminder, the postponed and freezing activity referred to in Article 26, the Holder of Business License for conducting Biofuel Commercial as Other Type of Fuel is given opportunity to eliminate the violation committed or comply with the requirements to be complied within 60 (sixty) days at the longest effective as of the freezing action takes effect.

(2) If after expiry of the 60 (sixty) days referred to paragraph (1), the Holder of Business License for Commercial Biofuel as Other Fuel fails to eliminate the violation and comply with the stipulated requirements, the Director General on behalf of the Minister shall revoke

the Business License for conducting the Commercial Biofuel as Other Type of Fuel.

8. The provision in Article 27 has been amended so as to read:

Article 27

(1) As proposed by the Director General, Director General of Oil and Gas on behalf of the Minister shall charge administrative penalty on the Holder of Business License for conducting Biofuel Commercial Business Activity that violates the provisions in Article 3 paragraph (1) or paragraph (3).

(2) The administrative penalty referred to paragraph (1) will be charged in accordance with the provisions in the statutory regulation.

Article II

This Regulation of the Minister comes to force on September 1, 2013.

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

Stipulated di Jakarta

Dated August 28, 2013

MINISTER OF ENERGY AND MINERAL RESOURCE
REPUBLIC OF INDONESIA

sgd.

JERO WACIK

Enacted di Jakarta

Dated August 29, 2013

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA

sgd.

AMIR SYAMSUDIN

STATE GAZETTE REPUBLIC OF INDONESIA

YEAR 2013 NUMBER 1067

ATTACHMENT

A. PHASES OF MAXIMUM OBLIGATORY UTILIZATION OF BIODIESEL (B100) AS OIL FUEL MIXTURE.

Types	Sept 2013	Jan 2014	Jan 2015	Jan 2016	Jan 2020	Jan 2025	Remark
Household	-	-	-	-	-	-	Indefinite Term
PSO Transportation	10%	10%	10%	20%	20%	25%	against needs total
No. PSO Transportation	3%	10%	10%	20%	20%	25%	against needs total
Commercial and Industry	5%	10%	10%	20%	20%	25%	against needs total
Electric Power Generator	7,5%	20%	25%	30%	30%	30%	against needs total

B. PHASES OF MINIMUM OBLIGATORY UTILIZATION OF BIOETANOL (E100) AS OIL FUELD MIXTURE

Types	Sept 2013	Jan 2014	Jan 2015	Jan 2016	Jan 2020	Jan 2025	Remark
Household	-	-	-	-	-	-	indefinite Term
PSO Transportation	-	0,5%	1%	2%	5%	20%	against needs total
Non PSO Transportation	1%	1%	2%	5%	10%	20%	against needs total
Industry and Commercial	-	1%	2%	5%	10%	20%	againsts needs total
Electric Power Generator	-	-	-	-	-	-	againsts needs total

C. PHASES OF MINIMUM OBLIGATORY UTILIZATION OF PURE BIOFUEL (O100) AS OIL FUEL MIXTURE

Types	Type of Sector	Sept 2013	Jan 2014	Jan 2015	Jan 2016	Jan 2020	Jan 2025	Remark
Household		-	-	-	-	-	-	Indefinite Term
Industry & Tansportation (Low and medium speed engine)	Industry	1%	5%	10%	20%	20%	20%	againsts needs total
	Sea Transportation	-	5%	10%	20%	20%	20%	against needs total
	Air Transportation	-	-	-	2%	3%	5%	against needs total
Electric Power Generator		1%	6%	15%	20%	20%	20%	against needs total

MINISTER OF ENERGY AND MINERAL RESOURCE

REPUBLIC OF INDONESIA

Sgd.

JERO WACIIK

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