

PROVISION AND DISTRIBUTION OF FUEL GAS FOR LAND TRANSPORTATION

(Regulation of the Minister of Energy and Mineral Resources Number 08 Year 2014 dated March 27, 2014)

BY GRACE OF GOD THE ALMIGHTY
THE MINISTER OF ENERGY AND MINERAL
RESOURCES OF THE REPUBLIC OF INDONESIA,

Considering:

That in order to implement the provision of Article 6 and Article 16 of Presidential Regulation Number 64 Year 2012 on Provision, Distribution and Pricing of Fuel Gas for Land Transportation, it is necessary to stipulate a regulation of of the Minister of Energy and Mineral Resources on Provision and Distribution of Fuel Gas for Land Transportation;

In view of:

1. Law Number 22 Year 2001 on Oil and Natural Gas (Statute Book of the Republic of Indonesia Year 2001 Number 136, Supplement to Statute Book of the Republic of Indonesia Number 4152);
2. Law Number 30 Year 2007 on Energy (Statute Book of the Republic of Indonesia Year 2001 Number 96, Supplement to Statute Book of the Republic of Indonesia Number 4746);
3. Government Regulation Number 36 Year 2004 on Downstream Oil and Natural Gas Business Ac-

tivities (Statute Book of the Republic of Indonesia Year 2004 Number 124, Supplement to Statute Book of the Republic of Indonesia Number 4436) as already amended by Government Regulation Number 30 Year 2009 (Statute Book of the Republic of Indonesia Year 2009 Number 59, Supplement to Statute Book of the Republic of Indonesia Number 4996);

4. Presidential Regulation Number 64 Year 2012 on Provision, Distribution and Pricing of Fuel Gas for Land Transportation (Statute Book of the Republic of Indonesia Year 2012 Number 137);
5. Presidential Decree Number 59/P Year 2011 dated October 18, 2011;
6. Regulation of the Minister of Energy and Mineral Resources Number 8 Year 2010 on Organization and Working Mechanism of the Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2010 Number 552) as already amended by Regulation of the Minister of Energy and Mineral Resources Number 22 Year 2013 (State Gazette of the Republic of Indonesia Year 2013 Number 1022);

DECIDES :

To stipulate:

THE REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES ON PROVISION AND DISTRIBUTION OF FUEL GAS FOR LAND TRANSPORTATION.

Article 1

1. Fuel gas shall be fuel used in transportation activity, which results from natural gas and/or processed product of oil and natural gas.
2. Compressed Natural Gas hereinafter abbreviated to CNG shall be fuel gas resulting from natural gas with the main substance being methane (C1), which has been compressed and preserved as well as saved at specially pressure vessel to facilitate the transportation and storage that can be used as fuel for vehicle.
3. Business Entity shall be a company in the form of legal entity undertaking business permanently, continuously and established in accordance with the provision of legislation and domiciled in the territory of the Unitary State of the Republic of Indonesia.
4. Fuel Gas Filling Station hereinafter abbreviated to SPBG shall be every place used to provide and distribute fuel gas, which is owned or controlled by business entity.
5. Natural Gas shall be a result of natural process in the form of hydrocarbon, which in pressure con-

dition and atmosphere temperature is in the form of gas obtained from the mining of oil and natural gas.

6. Minister shall be the minister in charge of public administration affairs in the energy and mineral resources sector.
7. Director General shall be the director general assigned and responsible for the formulation of technical policy and standardization in the oil and natural gas sector.

Article 2

- (1) The Minister shall assign business entity to provide and distribute fuel gas in the form of CNG.
- (2) The assignment to provide and distribute fuel gas in the form of CNG as meant in paragraph (1) shall be accompanied by the granting of natural gas allocation and pricing of natural gas.
- (3) The assignment to the business entity as meant in paragraph (1) shall be done with the assignment period 5 (five) years and shall be extendable.
- (4) In the event that the business entity already receiving the assignment has not been able to utilize natural gas allocation already agreed, other business entity securing the assignment may utilize the natural gas allocation.
- (5) In the case of the assignment to provide and distribute fuel gas in the form of CNG as meant in paragraph (2) being granted to state business entity, it may be accompanied by the financing by

the state in accordance with the mechanism as governed in the provision of legislation.

Article 3

Business entity which is to secure the assignment as meant in Article 2 shall be obliged to meet the following requirements:

- a. having fuel gas trading business license;
- b. having and/or controlling fuel gas distribution and provision facilities and infrastructure;
- c. already operating or executing the provision and distribution of fuel gas in a region;
- d. having and/or controlling distribution network as far as specified consumers;
- e. having funding capability in accordance with the investment plan; and
- f. having technical and operational capability of managing SPBG.

Article 4

- (1) In order to secure the assignment as meant in Article 2 paragraph (1), business entity shall submit application for the assignment to provide and distribute fuel oil in the form of CNG to the Minister through the Director General.
- (2) The Director General shall evaluate the application of the business entity as meant in paragraph (1) by taking into account:
 - a. the fulfillment of requirement as business entity to secure the assignment as meant in Article 3; and

- b. the availability and guarantee for the provision and distribution of natural gas in an area of assignment.

Article 5

- (1) Based on result of evaluation by the Director General as meant in Article 4, the Minister shall stipulate business entity assigned to provide and distribute fuel oil in the form of CNG.
- (2) The assignment as meant in paragraph (1) shall contain at least:
 - a. right and obligation of business entity;
 - b. volume of fuel gas in the form of CNG;
 - c. area of assignment;
 - d. force majeure; and
 - e. sanction.

Article 6

In the framework of providing and distributing fuel gas in the form of CNG in specified region and/or region where none of the business entity submit application as business entity to secure the assignment, the Minister may assign state-owned business entity in the field of natural gas to provide and distribute fuel gas in the form of CNG in the said region.

Article 7

Business entity securing the assignment shall be obliged to submit report to the Minister through the Director General on the provision and distribution of fuel gas in the form of CNG in the distribution area

of the said business entity every 3 (three) months or at any time if necessary.

Article 8

The Director General shall foster, supervise and verify the execution of the assignment to provide and distribute fuel gas in the form of CNG, among others:

- a. realization of the volume of natural gas allocation;
- b. realization of the selling volume of BBG in the form of CNG;
- c. quality of fuel gas in the form of CNG;
- d. reliability of facilities which are used; and
- e. oil and natural gas safety.

Article 9

The regulation shall come into force as from the date of promulgation.

For public cognizance, the regulation shall be promulgated by placing it in Statte Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On March 27, 2014

THE MINISTER OF ENERGY AND MINERAL RE-
SOURCES OF THE REPUBLIC OF INDONESIA

sgd.

JERO WACIK

Promulgated in Jakarta

On April 1, 2014

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

sgd

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
YEAR 2014 NUMBER 407

(R)