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### IMPROVE THE QUALITY OF PLTUS

In front of 300 business people in Beijing Indonesia's President Joko Widodo called on the Chinese contractors to improve the quality of coal-fired power plants (PLTUs) that will be developed in Indonesia. In the next five years Indonesia will need the development of many PLTUs in order to achieve a target of capacities of 35,000 MW.

### MOU OF CHINA - RI

Companies of Indonesia and China have signed 12 memoranda of understanding during the event of APEC in Beijing of China. The cooperations will be in various sectors. Among them is the MoU on Joint Project of Coal and Power Development between China Shenhua Overseas Development and PT Adaro Power.

### PURCHASE PRICE OF IPP

Indonesia's Minister of Energy and Mineral Resources Sudirman Said said that the government of Indonesia would review the purchase price of power supplies from Independent Power Producer (IPP). It is in effort to attract more operators to invest in the electricity sector in the country, and the government will also simplify the process of obtaining permits and land acquisition.

### SPECIAL TEAM FOR ELECTRICITY CRISES

Indonesia's Ministry of Energy and Mineral Resources will create a special team to prevent the power crises in the country. One of the team's efforts is to simplify the procedures for the development of power plants in the country. Minister of EMR Sudirman Said, as the chairman of the team, said that only Java Island will be somewhat safe from imminent power crises.

### TARGETED AT 85.7 GW IN THE YEAR 2019

As revealed from the document of the Ministry of National Development Planning the total national power generation capacity is currently at 50.7 GW and the electrification ratio is 81.5 percent. At the target of economic growth at 6-7 percent, Indonesia's electricity generating capacity will be at 85.7 GW in the year 2019 with electrification ratio at 96.6 percent.

### INVESTMENT WORTH RP980 TRILLION

The total investment of power development with capacity of 35,000 MW as targeted by the government of Indonesia by the year 2019 will be as much as Rp980 trillion. PT PLN will contribute an amount of Rp545 trillion and the rest amounting Rp435 trillion will be contributed by the private sector. PLN said its capacity of investment will be Rp250 trillion in the next five years.

### 65 PERCENT OF PLTUS WILL NEED 200 MILLION TONS OF COAL

Indonesia's Director General of Mineral and Coal R Sukyar said out of 35,000 MW capacities of power plants that will be developed by the government, 65 percent of them are PLTUs. Thus, Indonesia will need 200 million tons of coal per year.

### SET UP AT 400 MILLION TONS

Indonesia's Director General of Mineral and Coal R Sukyar said, this year the government makes a policy to set up the country's coal production at 400 million tons. In addition to fulfilling the increasing domestic demand such a policy can also maintain Indonesia's coal reserves so that they will not deplete rapidly.

### 4751 IUPS TO BE REVOKED

Indonesia's Ministry of Energy and Mineral Resources will revoke 4751 permits of mining undertakings (IUPs) at the end of this year. It is due to overlapping case. Director General of Mineral and Coal R Sukyar said there are currently 10 731 mining permits, including 1,026 permits for coal exploration and 388 permits of production.

### MINE-MOUTH PLTUS AND SURALAYA

As reported the government of Indonesia will also accelerate the development of mine-mouth PLTUs 8,9,10 (including the Java-Sumatra HVDC transmission of 500 kV), PLTU of Indramayu at capacity of 1,000 MW, and PLTU of Batang (Central Java) at capacity of 2,000 MW. Also to be accelerated is the development of some extendable projects like PLTU of Cirebon at 1,000 MW and PLTU of SURALAYA at 1,000 MW.

### 35,000 MW IN 5 YEARS

The government of Indonesia is targeting to increase the capacity of national electricity to 35,000 MW by the year 2019. As reported, Indonesia's State-owned Power Company (PT PLN) will develop a capacity of 15,100 MW including 41,000 kilometers transmission lines, substations at capacities of 82,000 MVA, and distribution network in a distance of 221,000 kilometers. The rest of capacities of 19,900 MW including the transmission lines of 360 kilometers will be developed by the private sector.

### FISCAL INCENTIVES FOR DOWNSTREAM SECTOR OF COAL

During the recent meeting between Minister of Energy and Mineral Resources and Minister of Finance the Director General of Mineral and Coal, R Sukyar, said that it was approved that the pioneering industry in the downstream sector of coal would receive fiscal incentives. "As expected the fiscal incentives can be in form of tax holidays, tax allowance or investment credit."

### TRANSPORTED BY RAILWAYS

Cirebon's Mayor Ano Sutrisno urged that there would no longer be the transport of coal by trucks on roads. The current road capacities are no longer supporting. "The coal supplies from the seaport of Cirebon to Bandung and Jakarta should be transported by railways," he said.

### CHINA-AUSTRALIA AND COAL

The price of coal gained a weekly vigor in the second half of this year after China and Australia discussed about a plan on bilateral free trades. Guntur Tri Harjanto, an analysts of Pelindo, said that Australia would continue promoting its coal products during the discussion on the plan of bilateral free trades.

### DRILLING ACTIVITIES IN TWO BLOCKS

PT Golden Energy Mines Tbk through its subsidiary i.e. PT Borneo Indobara disclosed that the company has carried out some drilling activities of exploration in the Block of Girimulya and geotechnical drilling in the Block of Kusan in South Kalimantan.

### VALUE-ADDED COAL

The Chairman of the Working Group on Mining Policy of Perhapi, Budi Santoso, said that his quarter has asked the government to consider a number of factors in regard of a plan to raise the value-added of coal. The factors are the availability of sophisticated technology and financial capability.