

## Energy Conservation

The government has determined that in order to give effect to Article 25(5) of Law No. 30 of 2007 on Energy there is a need for the enactment of a government regulation on energy conservation. To this end, the government has issued Regulation No. 70 of 2009.

Energy conservation is defined as a systematic, planned, and integrated effort that seeks to preserve domestic energy resources while simultaneously enhancing the efficiency with which those energy resources are exploited. The energy resources contemplated under the provisions of the regulation include thermal, solar, mechanical, chemical, and electromagnetic.

Conservation of energy is an all-encompassing pursuit that requires commitments from not only the central, regional, and local governments, but also from the business community and from citizens. The obligations on each of these stakeholders are to be set out and defined in the National Energy Conservation Master Plan. Nevertheless, the regulation sets out the responsibilities of each in Articles 4 through 8. For example, Article 8 stipulates that the community is required to support and implement the energy conservation program.

This master plan is to be compiled and confirmed by the minister. The basic components of the master plan are to deal with issues relating to targets, policies, programs, and the steps taken to conserve energy. The master plan must be compiled in such a manner as to be in accord with the national energy plan. The master plan is to be for a period of five years, and is subject to review each year.

The regulation sets out both incentives and disincentives in support of the energy conservation goals. The incentives include taxation facilities for energy conserving equipment, import facilities, and low interest rates for investment in energy conservation, among others. The disincentives listed in the regulation include, among others, written warnings; notifications in the mass media of violations; fines, and / or restrictions on energy supply.

The regulation repeals and replaces Presidential Decree No. 43 of 1991.

The regulation has been in force since 16 November 2009. 

### ❖ Past Issues

- Warehouse Receipt System Scheme - Off Farm Program (Issue 1247 - 03/12/2009)
- Material Transactions and Changes to Primary Business Activities (Issue 1246 - 02/12/2009)
- Income Tax on Benefits (Issue 1245 - 01/12/2009)
- New Affiliated and Conflict of Interest Transactions Rule (Issue 1244 - 30/11/2009)

### ❖ Documents

The Government Regulation No. 70 of 2009  
(PP\_NO\_70\_2009.pdf - 50.Kb)

*Indonesian Legal Brief is a service of  
PT Justika Siar Publika owner and operator of  
www.hukumonline.com  
Puri Imperium Office Plaza UG 15  
Kuningan, Jakarta 12319  
to subscribe, call 62-21-83701827 or fax to 62-21 83701826  
or email layanan@hukumonline.com*