

# **RENEWABLE ENERGY ELECTRICITY DETAIL FUNCTIONALITIES**

## 1. DEFINITION

Unless the context of the sentence indicates another meaning, terms written in capital letters in this rule shall contain the following meanings:

**Renewable Energy Electricity Physical Market** is a market that trades electricity unit generated from Renewable Energy (RE) Power Plants.

**Renewable Energy (RE)** is an energy source produced from sustainable energy resources if managed properly, including geothermal, wind, bioenergy, solar panel, hydropower and the movement and temperature difference of the sea surface.

**Renewable Energy Power Plants** (hereinafter referred to as “RE Power Plants”) are power plants that use RE energy sources.

**Electricity Unit** is proof that the production of electricity per megawatt hour (MWh) comes from RE Power Plants.

**Participant** is any registered party and a member of the Exchange and the Clearing House.

**Supplier Participant** (hereinafter referred to as “Supplier”) is a registrant who meets the requirements set by the Exchange and has the right to submit the Electricity Unit to the Clearing House through the Registry Institution.

**Trader Participant** (hereinafter referred to as “Trader”) is a Participant who meets the requirements set by the Exchange and has the right to purchase, sale, withdraw or redeem the balance they have in the Clearing House.

**User Participant** (hereinafter referred to as “User”) is a party who meets the requirements set by the Exchange whose status is an Exchange Participant and the Clearing House Participant and has the right to make a purchase that immediately makes a Redemption after receiving the Electricity Unit Balance.

**Electricity Unit Balance** is a record of ownership of the Electricity Unit that is kept and recorded in the Registry account in the Clearing House.

**Redemption** is the exchange of the Electricity Unit Balance with recognition for the use of energy generated from renewable energy power plants.

**Withdrawal** of the Electricity Unit Balance is the withdrawal of the Electricity Unit from PT Bursa Komoditi dan Derivatif Indonesia or known as ICDX through the Electricity Unit transfer mechanism at the Registry institution.

**Exchange** is an organized market managed by PT Bursa Komoditi dan Derivatives Indonesia or known as ICDX, to organize the trading of Electricity Unit commodity.

**Clearing House** is PT Indonesia Clearing House which collaborates with the Exchange to carry out guarantees and settlement of Physical Contract transactions that occur on the Exchange.

**Registry** is the party that provides and manages the system of issuance, recording, tracking, transfer, redemption of Electricity Unit.

**Transaction Price** is the price of the result of matching the buy and sell orders on the Exchange that occurs in each session of each contract.

**Circular Letter (SE)** is a written notification issued by the Exchange, which is binding to all Participants in the RE Electricity Physical Market which regulates the further provisions of this Exchange Regulation. The SE issued by the Exchange shall be reported to Commodity Futures Trading Regulatory Agency. (CoFTRA).

**Joint Circular Letter (SEB)** is a binding written notification to all Exchange Members and the Clearing House Members regarding the policies that have been set by the Exchange and the Clearing House which are an integral part of the Exchange Regulations and reported to CoFTRA

**Electricity Unit Committee** is a committee formed by the Exchange along with the Clearing House to provide consideration and/or advice in accordance with the business development activities of the RE Electricity Physical Market which consisted of the members from the Exchange, the Clearing House, Electricity Unit sellers and Electricity Unit buyers. The duties and functions of the Electricity Committee are further regulated in the joint decision of the Exchange and the Clearing House.

## 2. MEMBERSHIP CLASSIFICATION

The membership classifications of the Renewable Energy Electricity Physical Market are as follows:

- a. Supplier Participant
- b. Trader Participant
- c. User Participant

## 3. REQUIREMENTS FOR THE CLEARING HOUSE PARTICIPANTS

### 1) Application Procedure for the Clearing House Participants

- 1. Fill out the membership application form in which the form and its content are further determined by the Clearing House;
- 2. Complete and attach several administrative documents as follows:
  - i. Supplier Participant
    - a. Document stating the ownership of Renewable Energy Power Plants devices;
    - b. Account information on the registry appointed by the Clearing House;
    - c. Copy of Taxpayer Identification Number (NPWP);
    - d. Other requirements as determined by the Clearing House
  - ii. Trader Participant
    - a. Copy of Taxpayer Identification Number (NPWP); specifically for participants domiciled locally;
    - b. Copy of ID Card of the Participant Management;
    - c. Account information on the registry appointed by the Clearing House;
    - d. Other requirements as determined by the Clearing House
  - iii. User Participant
    - a. Copy of Taxpayer Identification Number (NPWP);
    - b. Other requirements as determined by the Clearing House.
- 3. Fulfill all the membership fee payment obligations of the Clearing House stipulated in the SEB.
- 4. Submit the completed application form provided with the administrative documents and proof of fees payment required by the Clearing House as mentioned above.

### 2) Procedure for Admission of the Clearing House Participants

1. The Clearing House shall receive the completed application form provided with the required documents and proof of financial obligations payment as required;
2. In the event of the Clearing House membership application document is incomplete and/or the prospective Participant has not completely paid all the required fees, the Clearing House may request the prospective Participant to complete it and/or make payment, within the period set by the Clearing House not more than 10 (ten) days after the document is declared complete;
3. In the event of the prospective Participant does not meet the requirements and/or does not make the payment of the required fee by the deadline set by the Clearing House, therefore the Prospective Participant's application is considered invalid, and the prospective Participant shall apply a new application.
4. The Clearing House has the right to verify by requesting additional information and documents from prospective Participants.
5. The Clearing House has full authority to accept or reject any application for the Clearing House membership in which the decision is considered final and binding.
6. In accordance with the acceptance or rejection of the membership application, the Clearing House shall notify through a written decision to the prospective Participant. The Clearing House is not obliged to provide reasons for its decision.
7. In the event of the membership application is rejected, the registration fee paid by the prospective Participant shall not be refunded.
8. In the event of the membership application is declared accepted by the Clearing House, therefore the Clearing House shall issue proof of the membership in the form of a decree and certificate and announce the name of the Participant on the Clearing House membership page on the Clearing House website.

### 3) Revocation of the Clearing House Membership

1. Sanctions on the revocation of membership may be imposed on the Clearing House Participant who violates the Clearing House Regulations or based on recommendations from any Clearing House Participants with the approval of the Clearing House.

2. The Clearing House Participant who has had their membership status revoked by the Clearing House may not reactivate their membership within the period determined by the Clearing House through a decree of the Clearing House.
3. In the case of the period as stipulated in point 2 has been passed, hence the Clearing House Participant may apply for reactivation by following the terms and conditions set by the Clearing House.
4. The Clearing House Participant who has a positive business reputation is bound and obliged to comply with the Regulations and all Decisions set by the Clearing House.
5. The Clearing House Participant Management is not in trial proceedings related to insolvency and bankruptcy lawsuits, or is a party related to insolvency and bankruptcy issues as evidenced through a statement letter.
6. The Clearing House Participant is not being suspended or have their membership revoked by the Clearing House, CoFTRA, or other authorized government agencies.
7. The suspension of the Clearing House Participant, voluntary suspension or suspended by the Clearing House, is carried out based on the consideration of provisions that are deemed reasonable by the Clearing House.

#### 4) Withdrawal from the Clearing House Membership

1. The Clearing House Participant has the right to submit their withdrawal of membership along with the reason to the Clearing House. Such withdrawal may be considered effective after the withdrawal application letter is received and approved by the Clearing House.
2. The Clearing House Participant may submit their withdrawal from the Clearing House membership by submitting a written notice of their intention of withdrawal to the Clearing House no later than 30 (thirty) calendar days before the effective date of their withdrawal, unless any different time period is determined by the Clearing House.
3. Withdrawal is made after the Clearing House Participant who intends to withdraw has fulfilled all of their obligations, including but not limited to, to the Clearing House and the Exchange.

4. In the case of the Clearing House Participant withdrawal request is granted by the Clearing House, therefore the withdrawal shall only be effective after following conditions:
  - a. A certain period, in the case of the Clearing House has determined a period of the effectiveness of withdrawal in the decision letter of revocation of membership; and
  - b. The Clearing House Participant has fully paid all obligations related to the Clearing House membership.
- 5) As a consequence of the withdrawal and revocation of the membership of the Clearing House
  1. The Clearing House Participant who has withdrawn or had their membership revoked is not entitled to or demand a refund of the registration and membership fees that have been paid to the Clearing House.
  2. The Clearing House Participant whose membership is revoked shall be removed from the list of the Clearing House Participants and on the membership page of the Clearing House website.

#### **4. TYPES AND UNITS OF COMMODITIES**

Provisions regarding the type, quality, specifications and other requirements related to the Electricity Units whose transactions occur on the Exchange, and are settled at the Clearing House, are further regulated in the Regulations and Contract Specifications in accordance with the Exchange Regulations.

#### **5. MARGIN**

- 1) Prior to conducting a transaction on the Exchange, the Participant shall input a sell order and, otherwise, the other Participant who inputs the buy order is required to place a margin at the Clearing House whose amount is determined in the SEB.
- 2) The margin is determined by taking into account the Electricity Unit Balance of the Participant of the RE Electricity Physical Market trading system and the Participant of the RE Electricity Physical Market themselves.
- 3) The deposit procedure and the amount of the margin are further regulated in the SEB.

#### **6. ELECTRICITY UNIT WITHDRAWAL AND REDEMPTION MECHANISM**

1. Electricity Unit Withdrawal

- a. RE Electricity Physical Market Participant who has an Electricity Unit Balance and has a Registry account may withdraw the Electricity Unit by submitting a withdrawal plan to the Clearing House.
- b. The Clearing House shall reduce the Electricity Unit Balance of RE Electricity Physical Market Participant by the number of Electricity Unit withdrawn and/or redeemed.

## 2. Redemption of Electricity Unit

- a. RE Electricity Physical Market Participant who has an Electricity Unit Balance but does not possess a Registry account may request the Clearing House to facilitate the Redemption of the Electricity Unit by submitting the Redemption plan to the Clearing House.
- b. The Clearing House shall apply for Redemption of Electricity Unit to the Registry on behalf of the RE Electricity Physical Market Participant.
- c. The Registry shall issue the Redemption certificate electronically as requested by the Clearing House and change the status of the Electricity Unit, therefore the Electricity Unit is unable to be traded.
- d. The Clearing House shall submit the Redemption certificate issued by the Registry to the RE Electricity Physical Market Participant.
- e. The Clearing House shall reduce the Electricity Unit Balance of the RE Electricity Physical Market Participant by the number of redeemed Electricity Unit.

3. All costs incurred due to the Withdrawal and Redemption of the Electricity Unit shall be borne by the RE Electricity Physical Market Participant and announced through the SEB concerning clearing and settlement.

## 7. ELECTRICITY UNIT BALANCE SETTLEMENT MECHANISM

RE Electricity Physical Market transactions are made by means of balance mutation or Electricity Unit ownership records. The mechanisms in settling the RE Electricity Physical Market are implemented as follows:

1. Settlement on Buy Position



- a. The Clearing House shall debit the buyer's funds placed in a segregated account of the Clearing House after the transaction is made.
  - b. The Clearing House shall make a mutation of the Electricity Unit Balance or the Electricity Unit ownership record to the buyer.
  - c. Costs incurred due to balance mutations or ownership record of the Electricity Unit shall be announced through the (SEB).
2. Settlement on Sell Position
- a. The Clearing House shall credit the funds to the seller after the transaction is made.
  - b. The Clearing House shall make a mutation of the Electricity Unit Balance or the ownership record of the Electricity Unit from the seller.
  - c. Costs incurred due to balance mutations or ownership record of the Electricity Unit shall be announced through SEB.

## 9. MONITORING AND REPORTING MECHANISM

- 1) In the case of supervision and reporting on the implementation of the RE Electricity Physical Market by the Exchange and the Clearing House hereby shall be submitted to CoFTRA through the following conducts:
  - a. Granting access to the trading system (*view-only*); and
  - b. Daily transaction reporting electronically
- 2) The Clearing House implementation on supervision system is implemented in accordance with as stipulated in Chapter V Part IV of the Clearing House Regulation which regulates the Physical Market on the Exchange.

## 10. RIGHTS AND OBLIGATIONS OF THE SELLER

### a. Premium

- 1) The seller shall submit the Electricity Unit to the Clearing House no later than 10 working days after the transaction date (T+10) in accordance with the volume made.
- 2) The seller is entitled to receive payment for the sale of the Electricity Unit after the Electricity Unit has been transferred to the buyer's name.

### b. Regular

- 1) The seller shall submit or allocate the Electricity Unit to the Clearing House prior to conducting a transaction.
- 2) The seller is entitled to receive payment for the sale of the Electricity Unit after the transaction occurs.

- 3) The seller is entitled to withdraw funds on the following business day after the transaction date (T+1).

## **11. RIGHTS AND OBLIGATIONS OF THE BUYER**

### **a. Premium**

- 1) The buyer shall deposit sufficient funds for the total volume of the Electricity Unit purchased in accordance with the bid price submitted.
- 2) The buyer is entitled to receive the Electricity Unit Balance from the Clearing House according to the volume made.

### **b. Regular**

- 1) The buyer shall deposit sufficient funds for the total volume of the Electrical Unit purchased in accordance with the bid price submitted.
- 2) The buyer is entitled to receive the Electricity Unit Balance half from the Clearing House after the transaction occurs.

## **12. EVENT OF DEFAULT**

- 1) The seller who conducts sales at the Premium Market Exchange is considered as an event of default in the event of they fail to complete the delivery of the Electricity Unit by the 10th (tenth) business day after the transaction date (T+10).
- 2) In the event that the Exchange and/or the Clearing House determines that the seller conducts an event of default, the Exchange and/or the Clearing House is fully authorized to take the necessary measures to resolve the event of default of the seller along with all losses and costs incurred shall be borne to the seller.
- 3) The provisions of the event of default and the enforcement of regulations on RE Electricity Physical Market transactions are subject to each provision of event of default and enforcement of regulations as referred to Chapter IX Part I of the Clearing House Regulation.

## **13. VIOLATIONS AND SANCTIONS**

- a. The Clearing House is committed with the Exchange to work together in imposing sanctions for violations of the prevailing provisions, the Clearing House regulations and decisions of the Clearing House.
- b. Any violation conducted by a Participant in the RE Electricity Physical Market against their obligations related to transactions, after being investigated and

processed in accordance with the prevailing provisions, the Clearing House regulations and the decision of the Clearing House, is subject to sanctions as stipulated in Chapter XI Part I of the Clearing House Regulations.

- c. Provisions concerning violations and sanctions on the RE Electricity Physical Market are subject to the provisions as referred to Chapter XI Part I of the Clearing Regulations.
- d. For the purposes of Chapter IX Part IVB of the RE Electricity Physical Market of this Clearing House regulation, the provisions concerning violations and sanctions as mentioned in Chapter XI Part I of the Clearing House Regulation shall apply to all Participants in the RE Electricity Physical Market.

#### **14. DISPUTE RESOLUTION**

1. The Clearing House is committed to the Exchange to work together in resolving disputes related to the RE Electricity Physical Market transactions.
2. Dispute resolution provisions of the RE Electricity Physical Market transactions are subject to the provisions as referred to Chapter XII Part I of the Clearing House Regulations concerning Dispute Resolution.

#### **15. FORCE MAJEURE**

- 1) The provisions concerning force majeure as stipulated in the Clearing House Rules and Regulations Part IV Chapter XI concerning the Physical Market Chapter which regulates Emergency Conditions and Force Majeure, several following circumstances are considered as force majeure in this Regulation as follows:
  - a. Any government policies or regulations that result in an event of default by the seller or buyer.
  - b. Any detention or prohibition by a government institution or law enforcement officer that results in an event of default by the Seller or Buyer.
- 2) The Clearing House and the Exchange shall not be liable for any loss, damage, cost, accident or liability that occurs to any party and considered not liable for any failure, obstacle or delay in performing its obligations (partially or fully) caused by force majeure as stipulated in this Article.