

Annex 2: Agreements

GEF OFP Letter of Endorsement



**KEMENTERIAN NEGARA LINGKUNGAN HIDUP
REPUBLIK INDONESIA**

Jl. D.I. Panjaitan, Kebon Nanas
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Telepon : 021-8580067-69, 8517148
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Jakarta, September 11, 2008

Our Ref. : E-22/GEF-OFP/LH/09/08
Category : Urgent

Mr. El-Mustafa Beniamlih
UNDP Resident Representative
Menara Thamrin, 9th floor
Jl. M.H. Thamrin 3,
Jakarta, 10240
Tel: (62-21) 3141308
Fax: (62-21) 3145251

D 7 JAN 2009

**Subject: Wind Hybrid Power Generation (WPG) Market
Development Initiative**

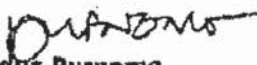
In my capacity as GEF Operational Focal Point for Indonesia, I confirm that the above project proposal (a) is in accordance with the government's national priorities and the commitments made by Indonesia under the relevant global environmental conventions and (b) has been discussed with relevant stakeholders, including the global environmental convention focal points, in accordance with GEF's policy on public involvement.

Accordingly, I am pleased to endorse the preparation of the above project proposal with the support of United Nations Development Programme (UNDP). If approved, the proposal will be prepared and implemented by Agency for the Assessment and Application of Technology (BPPT) of the Republic of Indonesia. Further, I request UNDP to provide a copy of the project document for final review before it is submitted to the GEF Secretariat for CEO endorsement.

I understand that the total GEF financing being requested for this project that is of relevance to Indonesia is \$ 2,499,900 inclusive of project preparation grant (PPG) and Agency fee (10%) to UNDP for project cycle management services associated with this project.

I consent to the utilization of the following indicative allocations available to Indonesia in GEF-4 under the GEF Resource Allocation Framework to cover the GEF project preparation and implementation as well as the associated Agency fees for this project: Climate change : \$ 2,499,900.

Yours sincerely,


Agus Purnomo
GEF OFP for Indonesia/Special
Assistant to the Minister for
International Environmental
Issues and Partnership

cc:

1. Executive Secretary - MoE;
2. Deputy Chairman for Information, Energy and Material Technologies-BPPT.

			<i>Risk level: Medium</i>	
r wind-based d electricity is not tive due to ent's subsidy r fossil fuel.	October 2010	Policy	The risk may lower interest in wind-power generation investment. <i>Risk level: medium</i>	Measures to reflect true cost of fuel and electricity pri determined through conduct of energy cost and marke

y Project Manager _____

Approved by UNDP Programme Analyst _____

PT. Viron Energy Letter of Commitment for Co-Financing



No. : 226 /VE-PH/IX/2010

September 02, 2010

To:

DR. M.A.M Oktaufik
National Project Director
Wind Hybrid Power Generation (WHyPGen) Project
BPPT-UNDP Indonesia

In:

PUSPIPTEK Gd. 620-622, Serpong (Cisauk)
Tangerang Selatan -15314
Ph. (021) 7560550, Fax (021) 7560904

Subject: Wind Hybrid Power Generation (WHyPGen) program

Dear Sir,

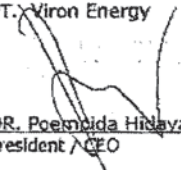
Refer to the presentation from your WHyPGen team in our office, dated August 31, 2010, about the development of WHyPGen Technology application in Indonesia, We would like to express our interest and our support for this program.

Regarding to your WHyPGen program and as our support for government programs in the fields of electricity development through implementing the alternative energy that environmentally friendly, then we currently propose to develop the first big WHyPGen application (wind farm) in Indonesia, with total capacity up to 100 MW in Ciemas - Sukabumi, West Java.

Development on the first phase, which has been endorsed by an MOU between PLN and PT.Viron Energy, plans to install 10 MW, as a part of the total planned 100 MW. This can be as a host of the WHyPGen program, cost amount about US\$ 15,000,000 (fifteen million US Dollars), and should be initiated in the first quarter of year 2011.

We confirm with above planning, and hope a fruitful cooperation with your WHyPGen program. Thank you for your kindly attention and cooperation.

Sincerely,
PT. Viron Energy


DR. Poenanda Hidayatulloh, BEng, PhD, DIC
President / CEO

PT. VIRON ENERGY
8th Floor Wisma Kodel
Jl. HR Rasuna Said Kav B4
Jakarta 12920 - INDONESIA
Tel : +62 21 5221462
Fax : +62 21 5201729
www.viron-energy.com



VIRON ENERGY

Nomor: 2.12. /VE-PH/IX/2010

Jakarta, 02 September 2010

Kepada Yth,
Bapak DR. M.A.M Oktaufik
National Project Director TE-BPPT - (UNDP)

Di
Balai Besar Teknologi dan Energi - BPPT
Kawasan Puspitek Gd. 620-622. Serpong (Cisauk)
Kabupaten Tangerang 15314
Ph. (021) 7560550, Fax (021) 7560904

*Perihal : Program pengembangan Aplikasi Wind Hybrid Power Generator
(whyPGen)*

Dengan hormat,

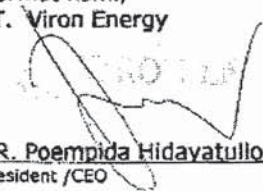
Berdasarkan presentasi yang dipaparkan oleh tim WhyPGen Bapak di kantor kami pada tanggal 31 Agustus 2010, tentang proyek nasional pengembangan Aplikasi Teknologi Wind Hybrid Power Generation di Indonesia, kami menyatakan tertarik dengan dengan Proyek tersebut.

Berkaitan dengan dukungan Kami terhadap program pemerintah di bidang ketenagalistrikan dengan memanfaatkan energy alternative yang ramah lingkungan, kami sedang mengembangkan pembangunan Pembangkit Listrik Tenaga Angin/Bayu (WindFarm) pertama di Indonesia dengan kapasitas terpasang sampai 100 MW di Kecamatan Ciemas, Kabupaten Sukabumi, Provinsi Jawa Barat.

Untuk tahap I dan sudah di MOU-kan dengan PT. PLN adalah untuk kapasitas terpasang 10 MW dari rencana 100 MW secara keseluruhan. Rencana biaya yang akan kami investasikan untuk pembangunan tahap I ini (10 MW) dalam jangka 9 bulan sebesar US\$ 15.000.000 (lima belas juta dollar) pada kuartal pertama awal tahun 2011.

Demikian Kami sampaikan. Atas perhatian dan kerja samanya, Kami ucapkan terima kasih.

Hormat kami,
PT. Viron Energy


DR. Poempida Hidayatulloh, BEng, PhD, DIC
President /CEO

PT. VIRON ENERGY
8th Floor Wisma Kodol
Jl. HR Rasuna Said Kav B4
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www.viron-energy.com

Ministry of Disadvantaged Regions – Letter of Commitment for Co-Financing



THE STATE MINISTRY FOR THE DEVELOPMENT OF DISADVANTAGED REGIONS
THE REPUBLIC OF INDONESIA

Letter of Commitment

To:
DR. M.A.M-Oktaufik
National Project Director
Wind Hybrid Power Generation (WHyPGen) Project
BPP1-UNDP Indonesia

In:
PUSPIPEK Gd. 620-622, Serpong (Cisauk)
Tangerang Selatan -15314
Ph. (021) 7560550. Fax (021) 7560904

Subject: *Wind Hybrid Power Generation (WHyPGen) program*

Jakarta, 28 October 2010

Dear Sir,

Respecting to your visit in our office on 24 September 2010 as well as your letter dated 28 September 2010, we would like to express our interest and cooperation with your program, the deployment of WHyPGen technology application in Indonesia.

Wind power generation system is an outstanding alternative solution for rural electrification or as a grid-connected power source. Consider to its application benefits and in parallel with our program to empower people socio-economic, we propose to develop several wind power generation plants in several the disadvantage areas.

To realize the above objective, we have a program to develop wind power generation plants starting 2011 in several areas throughout Indonesia. Particularly, we would like to involve with your program to adopt the right technology and to select appropriate plant locations. This project, which can be as a host of WHyPGen demonstration plant, will be as much as USD 19,500,000.

We confirm with above program, and hope a fruitful cooperation within your WHyPGen program.

Thank you for your kindly attention and cooperation.

Your Sincerely,

Drs. Agus Salim Dasuki, M.Eng.
Deputy for Infrastructure Improvement

BPPT (B2TE) Letter of Commitment for Co-financing



BALAI BESAR TEKNOLOGI ENERGI
B2TE BPPT GD. 620 KAWASAN PUSPITEK, SERPONG TANGERANG 15314
Telepon (021) 7560550, 7560916, Faksimile 7560904, Website <http://www.b2te.bppt.go.id>

Serpong, October 27, 2010

To:
Dr. M.A.M. Oktaufik
National Project Director
Wind Hybrid Power Generation (WHyPGen) Project
BPPT-UNDP Indonesia

Nu : B 137/BPPT/B2TE/SD/ /10/2010
Subject : WhyPGen Co-financing

Referring to WHyPGen project, which its full-sized project will be held in 2011-2014, and as the appointed implementing agency of WHyPGen project, herewith we submit our role in implementation and in co-financing.

For the implementation of WHyPGen full-sized project, we will allocate financing for facilities, administrative and experts from Balai Besar Teknologi Energi - B2TE (Energy Technology Center) actively and intensively in several strategic positions in the organizational structure of WHyPGen Project. As the implementing partner, we are ready to participate by providing co-financing with a total budget of USD 1,334,600, - (One Million Three Hundred Thirty Four Thousand Six Hundred U.S. Dollars).

We make this statement as the full support and commitment to participate on the implementation of full-sized WHyPGen project.

Your Sincerely,

A handwritten signature in black ink is written over a circular official stamp. The stamp contains the text 'BALAI BESAR TEKNOLOGI ENERGI' around the perimeter and 'BPPT' in the center.

Dr. P. Soni Solistia Wirawan, M.Eng
Head of Energy Technology Center - BPPT

Alpen Steel – Letter of Commitment for Co-financing



Bandung, 25 October 2010

Reference : W-101025-01
Subject : Letter of Commitment
Attachment : -
Carbon Copy : Archive

Wind Hybrid Power Generation (WHyPGen) Project
BPPT - UNDP Indonesia
Kawasan Puspitek Gd. 620 - 622, Serpong (Cisauk)
Tangerang Selatan - 15314

Tel (62-21) 756-0904
Fax (62-21) 756-5870
Web: www.whypgen.com

Att: DR. M. A. Oктаufik
National Project Director

Dear Sir,

Refer to the presentation from your WHyPGen team in your office, dated October 14th, 2010, about the development of WHyPGen Technology application in Indonesia. We would like to express our interest and our support for this program.

As our support to your WHyPGen program and for government programs in the field of electricity development through implementing the alternative environmentally friendly energy, We have initiated and shared together with PLN constantly doing research, assessment of appropriate wind turbines designed by us in accordance with the potential wind power energy of a region in Indonesia.

In relation to the WHyPGen project, We confirm our intention as a co-financier to the project, whereby we intend to be a host for local development component WHyPGen System in terms of production and training.

Based on the results of experiments that have been done, we plan to deploy wind power generation at least at ten places with a capacity of up to 1 MW power spread throughout of Indonesia in the next 3 years. It will cost amount US\$. 1,600,000 (one million five hundred thousand US dollars).

We look forward to a fruitful cooperation in the near future.

Sincerely,

Paul Sutanto
President Director

GE Energy – Letter of Commitment for Co-Financing



GE Energy

Gatot Prawiro
Director Strategic Projects
Power & Water Indonesia

GEIOC
BRI II Tower, 27th Floor
Jl. Jend. Sudirman No. 44-46
Jakarta, 10210, Indonesia
T +62215730447
F +62215730561
gatot.prawiro@ge.com

Jakarta, 5th August 2010

Dr. MAM Oktaufik
National Project Director
Wind Hybrid Power Generation (WhyPGen)
B2TE-BPPT-UNDP
Kawasan Puspitek Gd. 602-622, Serpong
Tangerong 15314

Re : WhyPGen project co-financing

Dear Sir,

GE is keen in developing renewable energy in Indonesia. We have initiated and is investing in a wind resource mapping in a few areas of Indonesia and the ASEAN region for grid connected Wind Farms.

In relation to the WHyPGen project, we confirm our intention as co-financier to the project, whereby we intend to establish a specific project company to develop, finance, construct, operate and maintain a Wind farm and incorporate the WHyPGen market development activities.

Based on the result of wind measurement being conducted at the moment, we plan to deploy Wind power generation in the capacity up to 80MW in the next 3 years.

GE looks forward to a fruitful cooperation in the near future.

Yours sincerely,


Gatot Prawiro
Strategic Projects Director