



## New Energy & Resources Regulations

### Summary of the New Energy & Resources Regulations

The following is a list of the new energy & resources regulations. All regulations are available in Indonesian.

### New Energy & Resources Regulations

1. Regulation : PP 8/2018 ([click here PP 8/2018](#))  
Date : 7 March 2018  
Subject : Perubahan Kelima atas Peraturan Pemerintah Nomor 23 Tahun 2010 tentang Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara (Fifth Amendment of Government Regulation number 23 of 2010 concerning Implementation of Mineral and Coal Mining Business Activities)

### Summary

Government Regulation Number 8 of 2018 contains the fifth amendment of Government Regulation concerning Implementation of Mineral and Coal Mining Business Activities. This amendment comprises the addition of just one new article, i.e. Article 85A. The authority of the Minister of ESDM to set a separate selling price of coal for fulfilment of coal demand for domestic interests, specifically to meet the need for provision of electric power, is contained in this Article 85A. Henceforth, the price set by the Minister of ESDM will apply equally for the same specifications of coal from all providers of coal for domestic interests.

2. Regulation : Minister of Energy and Mineral Resources (ESDM) Regulation 19/2018 ([click here Permen ESDM 19/2018](#))

Date : 8 March 2018

Subject : Perubahan Kedua atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 07 Tahun 2017 tentang Tata Cara Penetapan Harga Patokan Penjualan Mineral Logam dan Batubara  
(Second Amendment of Minister of Energy and Mineral Resources Regulation Number 07 of 2017 concerning Procedure for Setting Benchmark Selling Prices of Metallic Minerals and Coal)

### **Summary**

Minister of Energy and Mineral Resources Regulation Number 19 of 2018 contains the second amendment of Minister of Energy and Mineral Resources Regulation Number 07 of 2017 concerning Procedure for Setting Benchmark Selling Prices of Metallic Minerals and Coal. The amendment comprises only one new article, i.e. Article 8A. A provision concerning the authority of the Minister of ESDM to set selling prices of coal for domestic interests in accordance with the quality of coal with due attention to the public interest is contained in this Article 8A.

3. Regulation : Minister of Energy and Mineral Resources (ESDM) Regulation 18/2018 ([click here Permen ESDM 18/2018](#))

Date : 8 March 2018

Subject : Pemeriksaan Keselamatan Instalasi dan Peralatan pada Kegiatan Usaha Minyak dan Gas Bumi  
(Safety inspections of installations and equipment in oil and gas business activities)

### **Summary**

Concerning Safety inspections of installations and equipment in oil and gas business activities revokes the previous Regulation Number 38 of 2017. Smooth and effective safety inspections need to be performed on all installations and equipment in oil and gas business activities to ensure safety, security, and reliability of oil and gas operations. This regulation contains information about the obligation of a contractor or holder of a business permit in oil and gas business operations to ensure the safety of installations and equipment in oil and gas business operations accordance with the provisions of the laws and regulations, standard, and proper technical standards in creating the design of installations and equipment as well as the construction, operation, maintenance, testing, inspection, and implementation of installations and equipment. In the implementation, the contractor or business license holder is obliged to appoint a Head of Engineering. The duties and obligations of the Head of Engineering are described in regulation. Other parts of this regulation stipulate concerning the procedures for inspection and examination of safety of SPBU [public fuel filling station] installations, including appointment of a Head of Engineering, as well as risk analysis and extending the remaining life of services. The procedure to obtain Approval for Operational Worthiness which is stipulated in this regulation also applies for support business companies in oil and gas business activities that own and operate Installations and/or equipment and business entities that obtain approval from the Director General for construction and operation of Installations for their own interests.

4. Regulation : Minister of Energy and Mineral Resources (ESDM) Regulation 17/2018 ([click here Permen ESDM 17/2018](#))  
Date : 8 March 2018  
Subject : Impor Barang Operasi untuk Kegiatan Usaha Hulu Minyak dan Gas Bumi  
(Import of Operational Goods for Upstream Oil and Gas Business Activities)

### **Summary**

Minister of Energy and Mineral Resources Regulation 17/2018 stipulates provisions concerning Import of Operational Goods for Upstream Oil and Gas Business Activities. The provisions concerning the mechanism and procedure for imports of operational goods that will be used for upstream oil and gas business activities through the submission of a Plan of Need for Imported Goods in order to obtain exemption from import duty and import taxes on the operational goods is contained in this regulation. In addition, contractors are also required to prepare a plan for use of operational goods that will be used in the implementation of upstream oil and gas business activities, both domestic products and those that will be imported from abroad because such domestic products are not yet available or not yet available in sufficient quantity to fulfil the stipulated quality, the delivery times and prices in accordance with the provisions on procurement of goods and services. The flow process of the mechanism for implementation of imports of operational goods is also explained in this regulation. In addition, other parts of this regulation contain the provisions that must be obeyed in implementation of imports of Operational goods, use, movement and transfer of operational goods that are leased, repair of Operational goods, and the reports that must be produced by a contractor in connection with imports of Operational goods.

5. Regulation : Minister of Energy and Mineral Resources (ESDM) Regulation 16/2018 ([click here Permen ESDM 16/2018](#))  
Date : 6 March 2018  
Subject : Pencabutan Keputusan Menteri Energi dan Sumber Daya Mineral dan Keputusan Menteri Pertambangan dan Energi Terkait Kegiatan Usaha Ketenagalistrikan  
(Revocation of Minister of Energy and Mineral Resources Decisions and Minister of Mining and Energy Decisions regarding Electricity Business Activities)

### **Summary**

Minister of Energy and Mineral Resources Regulation Number 16 of 2018 stipulates revocation of Minister of Energy and Mineral Resources Decisions and Minister of Mining and Energy Decisions regarding Electricity Business Activities. Five regulations which are no longer in line with the development of electricity business activities are revoked in order to simplify the regulation in the area of electric power.

6. Regulation : Minister of Energy and Mineral Resources (ESDM) Regulation 11/2018 ([click here Permen ESDM 11/2018](#))  
Date : 21 February 2018  
Subject : Tata Cara Pemberian Wilayah, Perizinan, dan Pelaporan pada Kegiatan Usaha Pertambangan Mineral dan Batubara  
(Procedures for Granting of Areas, Licensing, and Reporting in Mineral and Coal Mining Business Activities)

## **Summary**

Minister of Energy and Mineral Resources Regulation Number 11 of 2018 concerns Procedures for granting of areas, licensing, and reporting in mineral and coal mining business activities. Provisions concerning the procedure and mechanism for preparation and designation of Mining Business Permit Areas (WIUP) and Special Mining Business Permit Areas (WIUPK), following designation of various types of Mining Business Areas (WUP) by the Minister ESDM, with attention to the provisions and requirements are stipulated in detail in this regulation. Provisions on the Mining Area Information System, including the basic principle and content of the Mining Area Information System, are also stipulated in this regulation. The procedures and requirements for granting WIUP and WIUPK for minerals in the form of oil and coal, non-metallic minerals and rock; the procedures for granting various types of mining business licenses, either through tender or other methods, including mining business licenses in the context of foreign investment, which is the authority of the Minister of ESDM; the rights and obligations of license holders, as well as the procedure for preparation and submission of Annual Work Plans and Budgets (RKAB) and reports, including the format and content of these reports; and the establishment of an information system on mineral and coal work plans and reports using a universal information technology system no later than two years after this regulation comes into force, are all set forth in this regulation.

7. Regulation : 1567 K/21/MEM/2018 ([click here 1567 K/21/MEM/2018](#))

Date : 13 March 2018

Subject : Pengesahan Rencana Usaha Penyediaan Tenaga Listrik PT Perusahaan Listrik Negara (Persero) Tahun 2018 s.d. 2027

(Ratification of Business Plan for Provision of Electric Power by PT Perusahaan Listrik Negara (Persero) for 2018 through 2027)

## **Summary**

Minister of Energy and Mineral Resources Decision Number 1567 K/21/MEM/2018 is about Ratification of the Business Plan for Provision of Electric Power by PT Perusahaan Listrik Negara (Persero) for 2018 through 2027. Accelerated construction of electric power infrastructure, including construction of 35,000 MW of generation and 48,000 km of transmission network, will be carried out by PT Perusahaan Listrik Negara (Persero) in accordance with the business plan for provision of electric power. Based on these considerations, several changes are made which affect the business plan for provision of electric power by PT Perusahaan Listrik Negara (Persero) for 2017 through 2026 in the draft Business Plan for Provision of Electric Power by PT Perusahaan Listrik Negara (Persero) for 2018 through 2027.

8. Regulation : 1410 K/30/MEM/2018 ([click here 1410 K/30/MEM/2018](#))

Date : 12 March 2018

Subject : Perubahan atas Keputusan Menteri Energi dan Sumber Daya Mineral Nomor 1395 K/30/MEM/2018 tentang Harga Jual Batubara untuk Penyediaan Tenaga Listrik untuk Kepentingan Umum

(Amendment of Minister of Energy and Mineral Resources Decision Number 1395 K/30/MEM/2018 concerning Selling Price of Coal for Provision of Electric Power for the Public Interest)

## **Summary**

Minister of Energy and Mineral Resources Decision Number 1410 K/30/MEM/2018 amends two items in Minister of Energy and Mineral Resources Decision Number 1395 K/30/MEM/2018, specifically dictum seven and dictum nine. The amendment of dictum seven addresses the limit to the validity period of the selling price of coal as set in dicta one, two and three, which becomes until 31 December 2019 with a maximum volume of 100 million metric tons per year. Dictum nine stipulates the effective starting date of the decision.

9. Regulation : 1395 K/30/MEM/2018 ([click here 1395 K/30/MEM/2018](#))

Date : 9 March 2018

Subject : Harga Jual Batubara untuk Penyediaan Tenaga Listrik untuk Kepentingan Umum  
(Selling Price of Coal for Provision of Electric Power for the Public Interest)

## **Summary**

Minister of Energy and Mineral Resources Decision Number 1395 K/30/MEM/2018 sets the selling price of coal for provision of electric power for the public interest by domestic power generation plants at USD 70 per metric ton FOB Vessel for coal with caloric value of 6,322 kcal/kg GAR, total moisture of 8%, total sulphur of 0.8% and Ash of 15%. However, if the Reference Coal Price is less than USD 70 per metric ton, the selling price of coal for this purpose must be calculated using the coal price formula set forth in Attachment II of this decision. For coal with different specifications and at the same time the reference coal price is USD 70 per metric ton or higher, the applicable selling price shall be the result of the calculation using the formula contained in Attachment I of this decision. This selling price of coal shall apply for years 2018 and 2019 with a maximum volume of sales of 100 million metric tons per year. The stipulation of this price only applies for national sales of electricity, while the selling price of coal other than for this purpose shall continue to refer to the reference coal price. Further, this decision also stipulates the calculation of royalty on sales of coal, by multiplying the royalty rate and the volume of sales by the selling price.

10. Regulation : 1320 K/32/MEM/2018 ([click here 1320 K/32/MEM/2018](#))

Date : 1 March 2018

Subject : Harga Mineral Logam Acuan dan Harga Batubara Acuan untuk Bulan Maret  
Tahun 2018  
(Reference Prices of Metallic Minerals and Reference Price of Coal for March  
2018)

## **Summary**

Minister of Energy and Mineral Resources Decision Number 1320 K/32/MEM/2018 sets the reference prices of metallic minerals for 20 metallic mineral commodities and the Reference Price of Coal which shall apply throughout March 2018 as detailed in Attachment I and Attachment II of this decision. The Reference Prices of Metallic Minerals (among others the reference prices for metallic minerals in the form of Nickel, Cobalt, Lead, Aluminium, Copper, Gold, Silver, and others) and the Reference Price of Coal will be used as the basis for calculating the Benchmark Prices of Metallic Minerals and the Benchmark Price of Coal for February and March.



11. Regulation : 1319 K/12/MEM/2018 ([click here 1319 K/12/MEM/2018](#))  
Date : 1 March 2018  
Subject : Penetapan Harga Minyak Mentah Bulan Februari 2018  
(Determination of Crude Oil Price for February 2018)

### **Summary**

Minister of Energy and Mineral Resources Decision Number 1319 K/12/MEM/2018 specifically sets the average price of Indonesian crude oil for February 2018 at US\$61.61/barrel. In addition, the prices of 56 types of Indonesian crude oil, in the categories of both primary crude oil and other crude oil, are set in detail in the attachments of this decision. This determination is made as implementation of the provisions of Article 2 paragraphs (1), (3) and (4) of Minister of Energy and Mineral Resources Regulation Number 23 of 2012.

### **Contact**

Clients & Markets Deloitte Indonesia  
Email: [IDMarcomm@deloitte.com](mailto:IDMarcomm@deloitte.com)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/id/about](http://www.deloitte.com/id/about) to learn more about our global network of member firms.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax & legal and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 264,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

#### **About Deloitte Southeast Asia**

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast-growing companies and enterprises.

Comprising approximately 330 partners and 8,000 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

#### **About Deloitte Indonesia**

In Indonesia, services are provided by Satrio Bing Eny & Rekan.

*This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.*

*No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.*

© 2018 Satrio Bing Eny & Rekan