



Energy and Resources Regulations Update

The following is a list of the new Energy and Resources regulations.

All regulations are available in Indonesian.

1. Regulation : [PP 96/2021](#)
- Date : 9 September 2021
- Title : Pelaksanaan kegiatan usaha pertambangan mineral dan batubara (Indonesian)
- Title (English) : The implementation of minerals and coal mining business activities

Summary

This regulation is developed to manage several issues regarding the business activities of minerals and coal mining. The establishment of minerals and coal management program is to be used for 5 years and could be reassessed once in 5 years. The permit for mining venture would be issued by the central government and could be proposed by an enterprise, a union, or a private company. This permit could not be transferred to other party without a permission from the minister. There are several categories for mining location: radioactive minerals, metal minerals, coal, non-metal minerals, certain non-metal minerals, and rocks. A different category may require a different regulation in requesting permit.

There are administrative, technical, and financial aspect to consider when obtaining a permit. The administrative aspect includes business registration number, company profile, and a documented management, and shareholders. The technical aspect include experience in mining sector or a support from other experienced mining company, experience personnel, statement of readiness, and annual financial plan. The last is financial aspect where there must be an audited financial statement of the last three years or a statement from a public accountant and other financial statements.

Regarding suspension of mining venture, this could apply when certain conditions occur, such as: force majeure, obstructing circumstances, and unfavourable environment. The period of when these conditions occur would not be considered as business period.

There are other items that must be complied by mining ventures, such as prioritizing domestic interests, control of production, and control of minerals and coal sale; increasing the value of minerals and coal by conducting certain management and refinement process; building roads that support the mining process under the principle of justice, fairness, and usefulness; completing the business plan, annual financial budget, and report to be approved by the Minister; planning and allocating budget for the development and empowerment of the surrounding community.

These aspects would be under the supervision and control of the Minister of Energy and Minerals, a violation of any of the regulation would result in an administrative penalty in the form of written warning, temporary suspension of a portion or entire operation, and/or revocation of permit.

This regulation is in effect starting 9 September 2021.

2. Regulation : [Permen ESDM 24/2021](#)
- Date : 30 July 2021
- Title : Penyediaan dan pemanfaatan bahan bakar nabati jenis biodiesel dalam rangka pembiayaan oleh badan pengelola dana perkebunan kelapa sawit (Indonesian)
- Title (English) : Procurement and utilization of biofuel type biodiesel in the context of financing by the Indonesian oil palm estate fund

Summary

In order to guarantee the management of biodiesel procurement and utilization that abide continuous development aspect, it is necessary to regulate the procurement and usage of biodiesel type biofuel. This regulation includes the following provisions:

The purpose of procurement and utilization of biofuel type biodiesel in the financing framework created by the Fund Management Agency are as follows:

- To fulfil the compulsory minimum usage of biodiesel continuously.
- To procure and to distribute biodiesel financing funds accurately, promptly, and usefully.

Petrol enterprises must conduct a blending process between biodiesel and petroleum in regulated percentage as dictated by the Minister of Energy and Mineral Resources.

The procurement of biodiesel by petrol enterprises to blend biodiesel fuel and petroleum fuel would create the following:

- Certain petroleum fuel for diesel oil, and/or
- General petroleum fuel for diesel oil.

This regulation also expounds the criteria for petrol enterprises that must abide this regulation and the penalty for violation.

This regulation is in effect starting 6 August 2021.

3. Regulation : [169.K/HK.02/MEM.M/2021](#)
- Date : 8 September 2021
- Title : Besaran biaya pokok penyediaan pembangkitan PT Perusahaan Listrik Negara
(Indonesian) (Persero) tahun 2020
- Title (English) : The capital cost of PT Perusahaan Listrik Negara (Persero) on the year 2020

Summary

In accordance with chapter 4 and chapter 5 paragraph 4 of the Regulation of Minister of Energy and Resources Number 24 Year 2017 regarding the mechanism of capital cost determination for PT PLN (Persero) electricity provision, there needs to be a Decision of the Minister of Energy and Resources regarding said matter for this year.

The capital cost of electricity provision for the year 2020 is Rp 1.027,70/kWh or US\$ 7,05 cent/kWh

This regulation is in effect starting 8 September 2021.

4. Regulation : [193.K/HK.02/MEM.B/2021](#)
- Date : 5 October 2021
- Title : Harga mineral logam acuan dan harga batubara acuan untuk bulan Oktober tahun
(Indonesian) 2021
- Title (English) : Reference price of metal minerals and reference price of coal for October 2021

Summary

The decision of the Minister of Energy and Resources number 193.K/HK.02/MEM.B/2021 establishes the reference price of metal minerals and reference price of coal for October 2021. The metal mineral commodities mentioned in this decision are; nickel, cobalt, lead, zinc, aluminium, copper, forms of gold, forms of silver, forms of tin, manganese, iron ore, chrome ore, ilmenite concentrate, and titanium concentrate. There are different reference prices for each commodity as seen in the appendix of the decision. The reference price for coal is 161,63 USD/ton.

This regulation is in effect starting 5 October 2021.

5. Regulation : [201.K/HK.02/MEM.S/2021](#)
- Date : 18 October 2021
- Title : Peta proses bisnis level 0 dan level 1 kementerian energi dan sumber daya mineral (Indonesian)
- Title (English) : Level 0 and level 1 business process mapping of the ministry of energy and resources

Summary

In order to create a more effective and efficient workflow in the Ministry of Energy and Resources environment, a business process mapping is required and must be synchronized with vision, mission, and the purpose of the Ministry of Energy and Resources in agreement with organisational strategic planning, organisational documentation of roles and functions, and other relevant supporting documents.

The Ministry of Energy and Resources business process mapping also includes the General Secretariat for the National Board of Energy and the Oil and Gas Regulatory Agency in its environment. The business process mapping was organised by coordinating with the Organisation and Governance Bureau of the General Secretariat for the National Board of Energy. This regulation is in effect starting 18 October 2021.

6. Regulation : [202.K/HK.02/MEM.S/2021](#)
- Date : 18 October 2021
- Title : Objek vital nasional bidang energi dan sumber daya mineral (Indonesian)
- Title (English) : National vital object of the energy and mineral resources sector

Summary

The Decision of the Ministry of Energy and Resources Number 202.K/HK.02/MEM.S/2021 changes the list of National Vital Object of the Energy and Mineral Resources as recorded in the appendix of the Ministry of Energy and Resources Number 77 K/90/MEM/2019 on the same subject. This decision is based on inventory and verification of region/location, building/installation, and/or venture that qualifies to be a national vital object of the energy and mineral resources sector based on the criteria listed in the Regulation of the Ministry of Energy and Resources Number 48 Year 2018. This regulation is in effect starting 18 October 2021.



Contact

Clients & Markets

Deloitte Indonesia

Email: IDMarcomm@deloitte.com

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