



## 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 : [Perpres 96/2024](#)
- Date : 2 September 2024
- Title (Indonesian) : Cadangan Penyangga Energi
- Title (English) : Strategic Energy Reserve

### Summary

This regulation addresses the establishment of Indonesia's Strategic Energy Reserves (Cadangan Penyangga Energi/CPE), aimed at ensuring national energy security. The regulation outlines the management and accumulation of energy reserves, including fuel types such as gasoline, liquefied petroleum gas (LPG), and crude oil.

This regulation ensures that Indonesia has sufficient energy reserves to address risks like price fluctuations, natural disasters, or supply disruptions, thereby stabilizing the energy supply for the country.

The reserves will be managed under government supervision, ensuring that strategic stocks are maintained at adequate levels. The regulation specifies how these reserves are to be stored, managed, and distributed.

Types of Reserves regulated for CPE includes strategic reserves of gasoline (9.64 million barrels), LPG (525,780 metric tons), and crude oil (10.17 million barrels). These reserves are vital for meeting national consumption needs, particularly in the event of emergencies.

The CPE will be developed gradually up to 2035, while taking into account the nation's financial capabilities.

The National Energy Council (DEN) oversees planning, while the Ministry of Energy and Mineral Resources (ESDM) is responsible for management. The government may involve licensed energy companies in managing these reserves.

The reserves are meant to be deployed during energy crises or critical shortages, ensuring a smooth and uninterrupted energy supply to meet domestic demand.

Reserve locations are chosen based on technical feasibility and safety, including geological suitability for storage.

2. Regulation : [Perpres 77/2024](#)
- Date : 5 August 2024
- Title (Indonesian) : Percepatan Pembangunan dan Pengelolaan Fasilitas Persemaian Pada Kegiatan Usaha Pertambangan Mineral dan Batubara
- Title (English) : Acceleration of Development and Management of Nursery Facilities in Mineral and Coal Mining Business Activities

### Summary

Presidential Regulation No. 77 of 2024 focuses on accelerating the development and management of nursery facilities in the context of mineral and coal mining activities in Indonesia. Several highlights in this regulation are as follows:

This regulation aims to expedite the construction and operation of nursery facilities to support sustainable mining practices. These nurseries are essential for the reforestation and rehabilitation of mining areas, helping to minimize environmental impacts.

Mining companies are mandated to develop and manage these nursery facilities as part of their environmental obligations. The regulation specifies the roles and responsibilities of various government agencies and the private sector in ensuring the successful implementation of these projects.

This regulation sets specific timelines for the completion of nursery facilities, emphasizing the urgency of these projects to align with environmental sustainability goals.

There are provisions for regular monitoring and reporting on the progress of nursery facility development. This ensures accountability and that the nurseries meet the required standards for supporting ecological restoration.

The regulation includes both penalties for non-compliance and incentives for companies that exceed environmental performance standards, promoting a balance between enforcement and encouragement.

Overall, this regulation is part of Indonesia's broader strategy to promote responsible mining practices and ensure that the environmental impact of mining activities is mitigated through effective reforestation and land rehabilitation efforts.

3. Regulation : [Permen ESDM 13/2024](#)
- Date : 6 August 2024
- Title (Indonesian) : Kontrak Bagi Hasil Gross Split
- Title (English) : Gross Split Profit Sharing Contract

#### Summary

This Regulation of the Minister of Energy and Mineral Resources No. 13 of 2024 concerns the Gross Split Production Sharing Contracts (PSC) in Indonesia's oil and gas sector. In this regulation, there are some points concerning Gross Split Mechanism that provide details the terms and conditions for the implementation of the gross split mechanism in production sharing contracts. Under this mechanism, the government and contractors split the production output based on a predetermined formula, without considering the cost recovery aspect. In the part concerning Incentives and Adjustments, this regulation includes provisions for various incentives and adjustments, allowing flexibility in the contract terms based on factors like field location, depth, and production levels. These adjustments are intended to make contracts more attractive to investors while ensuring fair returns for the government.

Contractor Obligations are also detailed in this regulation where it outlines the obligations of contractors in terms of exploration, production, and environmental management. Contractors must comply with specific operational and reporting standards to maintain their rights under the contract, furthermore, in regards of Contract Termination this regulation specifies conditions under which contracts can be terminated, including failure to meet certain performance criteria or regulatory non-compliance. By streamlining the contract process and providing clear guidelines, the regulation aims to attract more investment into Indonesia's oil and gas sector, encouraging efficient resource management and boosting national energy production. This regulation is part of the Indonesian government's broader strategy to modernize and optimize the oil and gas sector, making it more competitive and aligned with global practices.

4. Regulation : [Permen ESDM 12/2024](#)
- Date : 6 August 2024
- Title (Indonesian) : Pencabutan Peraturan Menteri Pertambangan dan Energi Nomor 516 K/38/M.PE/89 tentang Pemberian Tanda Penghargaan Dalam Bidang Keselamatan Kerja Pengusahaan Pertambangan Minyak dan Gas Bumi dan Pengusahaan Sumber Daya Panas Bumi
- Title (English) : Revocation of the Regulation of the Minister of Energy and Mineral Resources Number 516 K/38/M.PE/89 concerning the Award of Awards in the Field of Occupational Safety in Oil and Gas Mining Business and Geothermal Resources Business

#### Summary

This Regulation of the Minister of Energy and Mineral Resources No. 12 of 2024 revokes the Regulation of the Minister of Energy and Mineral Resources No. 516 K/38/M.PE/89, which dealt with awarding safety recognition in the oil and gas and geothermal sectors. From this regulation, there are several key points to be noted. Firstly, the Revocation of Previous Regulation, this new regulation formally abolishes the previous regulation that provided guidelines for awarding honors related to workplace safety in the oil, gas, and geothermal industries. The rationale of this decision is that the revocation reflects changes in the legal and operational frameworks governing safety awards in the energy sector, possibly due to updates in industry standards or the introduction of new regulations that replace the old system. As for the Impact on the Industry, by rescinding the outdated regulation, the government aims to streamline and modernize the approach to safety recognition, ensuring that it aligns with current practices and regulations within the energy sector. Lastly, this regulation is

part of broader efforts by the Ministry of Energy and Mineral Resources to update and simplify regulatory frameworks, ensuring they remain relevant and effective in promoting safety and operational excellence in Indonesia's energy industries.

5. Regulation : [Permen ESDM 11/2024](#)
- Date : 31 July 2024
- Title (Indonesian) : Penggunaan Produk Dalam Negeri Untuk Pembangunan Infrastruktur Ketenagalistrikan
- Title (English) : Use of Domestic Products for the Development of Electricity Infrastructure

#### Summary

This regulation focuses on promoting the use of domestic products in the development of electrical infrastructure in Indonesia. This regulation also mandates that projects related to the development of electrical infrastructure must prioritize the use of domestically produced goods and services. This is part of the government's broader effort to support local industries and reduce reliance on imported products. Scope and Application of this regulation applies to all entities involved in the construction and development of electrical infrastructure, including state-owned enterprises and private contractors. It covers a wide range of projects, from power plants to transmission and distribution networks. Concerning Verification and Compliance, this regulation outlines procedures for verifying the domestic content of goods and services used in infrastructure projects. Compliance is monitored by relevant government agencies to ensure that the mandated levels of domestic content are met. To encourage adherence, the regulation includes incentives for companies that meet or exceed domestic content requirements. Conversely, penalties may be imposed on those who fail to comply. By enforcing the use of domestic products, the regulation aims to boost the local economy, create jobs, and stimulate the growth of the domestic manufacturing sector, particularly in industries related to energy and electrical infrastructure. This regulation is part of Indonesia's broader strategy to strengthen its economy by fostering local industry development and reducing dependency on foreign imports in critical sectors like energy.

6. Regulation : [Permen ESDM 10/2024](#)
- Date : 25 August 2024
- Title (Indonesian) : Perubahan Kedua atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 20 Tahun 2021 Tentang Perhitungan Harga Jual Eceran Bahan Bakar Minyak
- Title (English) : Second Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 20 of 2021 Concerning the Calculation of Retail Selling Prices of Fuel Oil

#### Summary

The Regulation of the Minister of Energy and Mineral Resources No. 10 of 2024 introduces the second amendment to Ministerial Regulation No. 20 of 2021 concerning the calculation of retail fuel prices in Indonesia. This amendment is part of the government's ongoing efforts to maintain a transparent and fair pricing system for fuel, taking into account global market dynamics and domestic economic conditions. Regarding the amendment in this regulation, the key highlights are as follows:

Updated Pricing Formula: The amendment revises the formula used to calculate the retail prices of fuel. This includes adjustments to factors such as crude oil prices, exchange rates, and other relevant costs that affect the final retail price.

Regulatory Adjustments: The regulation may introduce new criteria or modify existing ones for determining price components, ensuring that retail fuel prices reflect current market conditions and cost structures more accurately.

Impact on Fuel Prices: The changes are likely aimed at ensuring that fuel prices remain fair and justifiable, balancing the need to protect consumers with the necessity of maintaining profitability for fuel providers.

Implementation and Monitoring: The regulation outlines how these new pricing mechanisms will be implemented and monitored, ensuring that all relevant stakeholders comply with the updated rules.

7. Regulation : [231.K/MB.01/MEM.B/2024](#)
- Date : 20 September 2024
- Title (Indonesian) : Harga Mineral Logam Acuan dan Harga Batubara Acuan Untuk Bulan September 2024
- Title (English) : Reference Metal Mineral Price and Reference Coal Price for September 2024

#### **Summary**

The Decree of the Minister of Energy and Resources number 231.K/MB.01/MEM.B/2024 establishes the reference price of metal minerals and reference price of coal for September 2024. The metal mineral commodities mentioned in this Decree 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 Decree.

Reference price for Coal (6.322 GAR) is 125,15 USD/ton,

---

Reference price for Coal I (5.300 GAR) is 85,01 USD/ton,

---

Reference price for Coal II (4.100 GAR) is 53,26 USD/ton.

---

Reference price for Coal III (3.400 GAR) is 35,89 USD/ton.

---

8. Regulation : [195.K/MB.01/MEM.B/2024](#)
- Date : 12 August 2024
- Title (Indonesian) : Harga Mineral Logam Acuan dan Harga Batubara Acuan Untuk Bulan Agustus 2024
- Title (English) : Reference Metal Mineral Price and Reference Coal Price for August 2024

#### **Summary**

The Decree of the Minister of Energy and Resources number 195.K/MB.01/MEM.B/2024 establishes the reference price of metal minerals and reference price of coal for August 2024. The metal mineral commodities mentioned in this Decree 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 Decree.

Reference price for Coal (6.322 GAR) is 115,29 USD/ton,

---

Reference price for Coal I (5.300 GAR) is 86,20 USD/ton,

---

Reference price for Coal II (4.100 GAR) is 54,63 USD/ton.

---

Reference price for Coal III (3.400 GAR) is 35,62 USD/ton.

---

9. Regulation : [173.K/MG.01/MEM.M/2024](#)
- Date : 25 July 2024
- Title (Indonesian) : Rencana Induk Jaringan Transmisi dan Distribusi Gas Bumi Nasional Tahun 2024 - 2033
- Title (English) : National Natural Gas Transmission and Distribution Network Master Plan of 2024 - 2033

#### **Summary**

The decision outlines a comprehensive plan for developing and expanding Indonesia’s natural gas transmission and distribution infrastructure over the next decade. This is aimed at ensuring a reliable supply of natural gas across the country to support economic growth and energy security. The master plan includes specific projects and initiatives for building new pipelines, upgrading existing ones, and developing distribution networks. These projects are strategically located to meet the growing demand for natural gas in various regions. The plan identifies key regions where infrastructure development is prioritized, considering factors like current demand, potential for industrial growth, and accessibility. The master plan emphasizes the importance of sustainable practices in the development and operation of gas infrastructure. This includes adopting technologies and methodologies that minimize environmental impact and improve efficiency. The decision also provides guidelines for implementing the master plan, including timelines, responsible entities, and monitoring mechanisms to ensure the projects are completed on schedule and meet their objectives. This decision is crucial for guiding Indonesia’s efforts to enhance its natural gas infrastructure, thereby supporting economic development and ensuring energy availability for various sectors across the country.

10. Regulation : [110.K/MG.01/MEM.M/2024](#)
- Date : 21 May 2024
- Title (Indonesian) : Pedoman Pengembalian Bagian Wilayah Kerja Potensial Yang Tidak Diusahakan Dalam Rangka Optimalisasi Produksi Minyak dan Gas Bumi
- Title (English) : Guidelines for the Return of Potential Work Areas Not Being Utilized in the Context of Optimizing Oil and Gas Production

**Summary**

This regulation is aimed at enhancing the efficiency and effectiveness of Indonesia’s oil and gas sector by ensuring that all available resources are being used to their full potential. It provides guidelines on the return of potential work areas that are not being exploited, with the aim of optimizing oil and gas production in Indonesia. Some points from this regulation are as follows:

- Guidelines for Returning Work Areas: The regulation establishes clear guidelines for the process by which oil and gas companies must return parts of their work areas that are not being actively developed or utilized. This is intended to allow other entities to explore and potentially develop these areas, thereby maximizing the country’s oil and gas production.
- Optimization of Production: The decision is part of a broader strategy to optimize the production of oil and gas by ensuring that all potential resources are being effectively utilized. This includes reassessing underutilized areas and reallocating them if necessary.
- Process and Criteria: The regulation specifies the criteria that determine whether a work area should be returned, including the level of exploration and production activity, the resource potential of the area, and the strategic importance of the location.
- Monitoring and Enforcement: The Ministry of Energy and Mineral Resources will monitor compliance with these guidelines and ensure that companies follow the procedures for returning unused areas. Non-compliance could result in penalties or other regulatory actions.



## Contact

Clients & Markets

Deloitte Indonesia

[iddttl@deloitte.com](mailto:iddttl@deloitte.com)

# Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

### About Deloitte Indonesia

In Indonesia, services are provided by Liana Ramon Xenia & Rekan, Deloitte Touche Solutions, PT Deloitte Konsultan Indonesia and PT Deloitte Advis Indonesia.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities 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 representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

© 2024 Deloitte Touche Solutions.