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Energy and Resources (E&R)
Regulations Update
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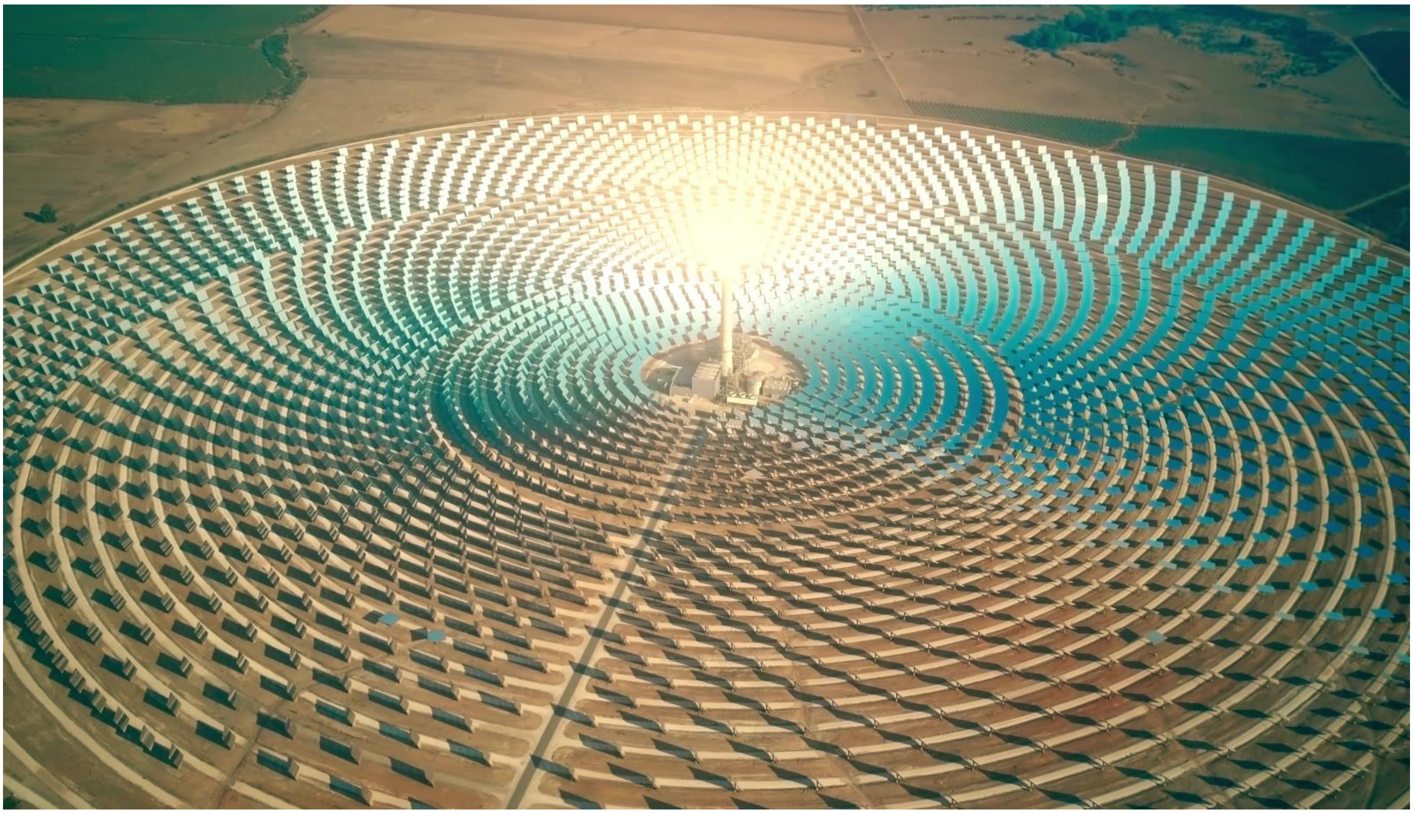

Energy and Resources Regulations Update

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

All regulations are available in Indonesian.

1. Regulation : **PERPRES 26/2026**

Date : 30 April 2026

Title (Indonesian) : Pengadaan Minyak Bumi, Bahan Bakar Minyak, dan/atau Liquefied Petroleum Gas untuk Ketahanan Energi Nasional

Title (English) : Procurement of Crude Oil, Fuel, and/or Liquefied Petroleum Gas for National Energy Security

Summary

Promulgated to defend the nation against escalating global supply chain vulnerabilities and domestic production deficits, The Decree of the President of the Republic of Indonesia No. 26 of 2026 establishes an updated, highly strategic mechanism for the procurement of crude oil, petroleum fuels (BBM), and liquefied petroleum gas (LPG) to secure national energy resilience. This critical framework covers both local supply integration and foreign imports, actively adjusting how the country safeguards its primary energy resources. Under this presidential policy, domestic energy procurement continues to leverage upstream extraction operations and local refineries. However, the decree introduces structural pathways for international imports, allowing procurement via government-to-government pacts, direct central state partnerships with foreign suppliers, or inter-corporate agreements. Notably, the policy broadens operational authority by integrating State-Owned Enterprises (BUMN) with Public Service Bodies (BLU), such as Lemigas. This structural expansion serves as a functional alternative, allowing specialized state entities to bypass certain restrictive global financial covenants that often prevent major national companies from executing lucrative discounted energy transactions with sanctioned global producers.

Furthermore, the Minister of Energy and Mineral Resources is granted the executive power to declare emergency supply constraints. In these urgent scenarios, such as severe supply chain disruptions, geopolitical force majeure, or national reserves dipping below baseline thresholds, designated BUMNs and BLUs are legally authorized to bypass protracted tender processes, securing supply lines via direct appointments or immediate purchases. Financial compensations and long-term multiannual contracts are tailored dynamically according to basic global market price parameters set by the Ministry. Effectively balancing administrative agility with macro-energy protection, this presidential decree forms a modern baseline for managing Indonesia's vital down-stream and mid-stream energy security.

2. Regulation : **PERMEN ESDM 8/2026**

Date : 10 June 2026

Title (Indonesian) : Pencabutan Peraturan Menteri Pertambangan Nomor 04/P/M/PERTAMB/1973 tentang Pencegahan dan Penanggulangan Pencemaran Perairan Dalam Kegiatan Eksplorasi dan atau Eksploitasi Minyak dan Gas Bumi

Title (English) : Revocation of the Minister of Mining Regulation Number 04/P/M/PERTAMB/1973 concerning Prevention and Mitigation of Water Pollution in Oil and Gas Exploration and/or Exploitation Activities

Summary

Enacted as a vital legislative update to align Indonesia's environmental oversight with modern petroleum operations, The Regulation of the Minister of Energy and Mineral Resources No. 8 of 2026 officially revokes a decades-old framework governing offshore and maritime environmental protection. Signed into law on June 10, 2026, this brief but legally significant regulation is dedicated entirely to the formal repeal of the long-standing Ministerial Regulation of Mining No. 04/P/M/PERTAMB/1973, which previously dictated guidelines for preventing and mitigating water pollution during oil and gas exploration and exploitation activities.

The central rationale behind issuing this regulatory update stems from the recognition that the 1973 statutory mandates have become severely obsolete. Central authorities determined that the ancient rules no longer match contemporary legal developments, constitutional evolutions, or the fast-changing technical dynamics of the modern upstream oil and gas industry. By entirely dismantling the outdated 1973 decree, the government aims to eliminate regulatory overlap and clear the path for advanced, comprehensive environmental compliance systems that integrate with current national ecological standards and risk-based licensing rules. This regulation streamlines the legal framework for domestic and international oil operators working across Indonesia's territorial waters. It ensures that modern concessions, exploration ventures, and production fields adhere solely to updated, rigorous environmental codes rather than half-century-old guidelines. Published formally in the State Gazette of the Republic of Indonesia to guarantee immediate nationwide enforcement, this policy marks a definitive transition toward a unified, legally robust, and practical framework for maritime resource management.

3. Regulation : **PERMEN ESDM 7/2026**

Date : 8 June 2026

Title (Indonesian) : Standar Kegiatan Usaha Pada Penyelenggaraan Perizinan Berusaha Berbasis Resiko Sektor Energi dan Sumber Daya Mineral

Title (English) : Business Activity Standards for the Implementation of Risk-Based Business Licensing in the Energy and Mineral Resources Sector

Summary

In an effort to modernize administrative efficiency and establish rigorous operational standards across the energy sector, The Regulation of the Minister of Energy and Mineral Resources No. 7 of 2026 introduces a comprehensive framework governing Risk-Based Business Licensing (*Perizinan Berusaha Berbasis Risiko*/PBBR). This policy executes mandates outlined under broader national licensing reforms to streamline legal oversight while enforcing industry compliance. The regulation classifies activities into core business licenses (*Perizinan Berusaha*/PB) and supporting corporate permits (PB UMKU) across four critical subsectors: oil and gas, minerals and coal, electricity, and new/renewable energy. To secure these rights, commercial entities must fulfill essential prerequisites, including integrated spatial utilization approvals (KKPR) and verified environmental management declarations. Notably, the regulation integrates all technical data with the nationwide Online Single Submission (OSS) digital platform to optimize cross-ministerial tracking.

Furthermore, the legal framework institutes strict standardization and verifications for varied enterprises, such as downstream oil mixing, geothermal extraction, power distribution networks, and carbon capture initiatives. It clarifies the exact operational timelines, documentation requirements, and validation processes required by evaluation teams. To prevent industrial neglect, the regulation specifies systematic administrative penalties for non-compliance, ranging from written warnings and fiscal fines to the total revocation of business operational rights. Effectively superseding older guidelines from 2021, this regulation establishes an updated statutory benchmark balancing simplified corporate onboarding with strict governmental monitoring to secure Indonesia's vital natural asset reserves.

4. Regulation : **PERMEN ESDM 6/2026**

Date : 8 June 2026

Title (Indonesian) : Perubahan Atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 17 Tahun 2026 tentang Tata Cara Penyusunan, Penyimpanan, dan Persetujuan Rencana Kerja dan Anggaran Biaya Serta Tata Cara Pelaporan Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara

Title (English) : Amendment to the Decree of the Minister of Energy and Mineral Resources Number 17 of 2026 concerning Procedures for the Preparation, Submission, and Approval of Work Plans and Budget Estimates as well as Reporting Procedures for the Implementation of Mineral and Coal Mining Business Activities

Summary

Designed to guarantee a stable coal supply for domestic industries and power generation, The Regulation of the Minister of Energy and Mineral Resources No. 6 of 2026 amends previous guidelines (Regulation No. 17 of 2025) regarding the formulation, submission, and approval of Work Plans and Cost Budgets (RKAB), alongside activity

reporting for mineral and coal mining. The amendment primarily improves administrative flexibility and tightens reporting obligations surrounding coal blending operations to maintain product quality and secure non-tax state revenue. Under this revised framework, the regulation grants the Minister or regional Governors the explicit authority to rectify administrative or evaluation errors made during the RKAB issuance or rejection process. More significantly, it introduces specific regulatory mechanisms under newly added Articles 34A and 34B to govern coal blending practices. Mining license holders (IUP, IUPK, or PKP2B) who wish to blend coal to meet distinct industrial specifications must secure formal ministerial approval via an integrated digital information network. To acquire this blending permit, companies are required to submit extensive documentation. This includes valid RKAB approvals for both the base and blending coal, fully executed purchase and sales contracts, and official quality certificates verified by a registered surveyor. Furthermore, operators must provide technical simulations mapping the energy metrics before and after the blending process, tracking essential parameters such as calorific values, sulfur content, moisture, and ash levels. Approved blending permits remain legally valid in alignment with the active duration of the company's RKAB. Ultimately, this regulation strengthens government supervision over downstream resource handling while providing clear administrative mechanisms for operators.

5. Regulation : **KEPMEN ESDM 246.K/MG.04/MEM.M/2026**

Date : 11 June 2026

Title (Indonesian) : Percepatan Pelaksanaan Pengusahaan Minyak dan Gas Bumi Non Konvensional Wilayah Kerja Rokan

Title (English) : Acceleration of the Implementation of Non-Conventional Oil and Gas Exploitation in the Rokan Working Area

Summary

Aiming to strengthen national energy security and enhance domestic oil and gas production, The Decree of the Minister of Energy and Mineral Resources No. 246.K/MG.04/MEM.M/2026 outlines an urgent strategic framework to accelerate unconventional oil and gas operations within the Rokan Working Area. Recognizing that unconventional extraction involves significant investments, high-risk profiles, and specialized drilling methodologies, this policy introduces specific operational and financial flexibilities to attract and secure resource developments. Under this legal framework, existing conventional production-sharing contractors whose working boundaries overlap with unconventional reservoirs can formally apply to develop these non-conventional resources. This can be executed either by incorporating unconventional operations directly into their existing conventional working blocks or by partitioning them into entirely new, standalone unconventional working areas. To encourage active exploration, the decree permits companies to categorize ongoing potential feasibility studies as deductible operating expenses.

The regulation also mandates that profit-sharing structures and corporate incentives be evaluated independently from conventional contracts. Financial determinations are tailored dynamically based on localized technical assessments, fluctuating oil and gas market prices, production volumes, and total capital expenditures. SKK Migas is designated to provide formal recommendations reviewing subterranean evaluations, investment returns, and broader macroeconomic benefits, such as domestic employment and downstream supply chains. Additionally, contractors are uniquely allowed to sell early unconventional output prior to the formal approval of a complete Plan of Development (POD). Effectively replacing older guidelines from 2024, this decree establishes a modernized legal benchmark to optimize Indonesia’s intensive energy extraction landscape.

6. Regulation : **KEPMEN ESDM 229.K/MB.01/MEM.B/2026**

Date : 3 June 2026

Title (Indonesian) : Peningkatan Pengawasan Terhadap Kegiatan Pengangkutan dan/atau Penjualan Komoditas Mineral dan/atau Batubara

Title (English) : Enhancement of Supervision over the Transportation and/or Sale Activities of Mineral and/or Coal Commodities

Summary

Decree of the Minister of Energy and Mineral Resources No. 229.K/MB.01/MEM.B/2026 outlines stringent directives regarding the optimization of monitoring and evaluation within the domestic mining sector. The decree specifically targets the reinforcement of state supervision over the transportation and sales activities of mineral and coal commodities. The primary objective of this regulation is to curb illegal mining operations, streamline local logistical supply chains, and secure non-tax state revenue (PNBP) generated from downstream mineral assets. To achieve this, the decree mandates closer integration between mining corporations, local transport logisticians, and regional enforcement bodies. It requires all permitted mining entities (IUP holders) to rigorously register, report, and validate their transport manifests and transaction invoices through digital monitoring networks managed by the Ministry. Furthermore, the regulation acts as a compliance framework to ensure that raw and processed materials are traced accurately from extraction points to domestic processing hubs or export terminals. Failing to adhere to the cross-examination protocols established in this decree exposes business entities to administrative sanctions, which may include the temporary suspension of sales activities or the total revocation of operating licenses. Ultimately, the framework standardizes accountability metrics across the mining industry to protect national reserves and formal market valuations.

7. Regulation : **KEPMEN ESDM 228.K/MG.03/MEM.M/2026**

Date : 3 June 2026

Title (Indonesian) : Harga Minyak Mentah Indonesia Bulan Mei 2026

Title (English) : Indonesia Crude Oil Price for May 2026

Summary

This regulation sets the price of Indonesian crude oil for May 2026, which includes prices for Primary Crude Oil and Other Crude Oil. The Other Crude Oil Price consists of Permanent Crude Oil Price and Temporary Crude Oil Price. The average price of Indonesian Crude Oil Price for May 2026 is US$106,56/barrel. This regulation also contains an appendix that describes the prices of various types of main crude oil, permanent crude oil, and temporary crude oil, along with their formulas.

8. Regulation : **KEPMEN ESDM 227.K/MB.01/MEM.B/2026**

Date : 1 June 2026

Title (Indonesian) : Harga Mineral Logam Acuan dan Harga Batubara Acuan Untuk Periode Pertama Bulan Juni Tahun 2026

Title (English) : Reference Metal Mineral Price and Reference Coal Price for Second Period of June 2026

Summary

The Decree of the Minister of Energy and Resources number 227.K/MB.01/MEM.B/2026 establishes the reference price of metal minerals and reference price of coal for the second period of June 2026. 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 121,83 USD/ton,
Reference price for Coal I (5.300 GAR) is 84,53 USD/ton,
Reference price for Coal II (4.100 GAR) is 58,81 USD/ton.
Reference price for Coal III (3.400 GAR) is 40,32 USD/ton.

9. Regulation : **KEPMEN ESDM 159.K/KU.01/MEM.S/2026**

Date : 22 April 2026

Title (Indonesian) : Penetapan Daerah Penghasil dan Daerah Pengolah Sumber Daya Alam Panas Bumi Tahun 2026

Title (English) : Determination of Producing Regions and Processing Regions of Geothermal Natural Resources for the Year 2026

Summary

Issued by the Ministry of Energy and Mineral Resources, The Decree of the Minister of Energy and Mineral Resources No. 159.K/KU.01/MEM.S/2026 officially designates the specific producing regions and processing regions for geothermal natural resources for the fiscal year 2026. The primary purpose of this decree is to establish a legal and geographic baseline for calculating the regional revenue-sharing funds, known as Dana Bagi Hasil (DBH), derived from geothermal exploitation. By clearly cataloging which local administrative regencies, cities, or provinces qualify as active geothermal producers or processing zones, the central government creates a transparent fiscal mechanism to distribute energy-derived wealth back to regional economies. The regulation accurately identifies geographic boundaries where geothermal infrastructure, extraction fields, and power plants operate. It acts as an authoritative operational guide for the Ministry of Finance and local treasuries to execute fiscal allocations, ensuring that local communities directly impacted by geothermal extraction receive their statutory financial returns. Ultimately, this decree reinforces fiscal decentralization, promotes accountability between central and regional governing bodies, and standardizes the economic evaluation metrics utilized for Indonesia's expanding renewable energy sector throughout 2026.

10. Regulation : **KEPMEN ESDM 157.K/KU.01/MEM.S/2026**

Date : 22 April 2026

Title (Indonesian) : Penetapan Daerah Penghasil dan Daerah Pengolah Sumber Daya Alam Mineral dan Batubara Tahun 2026

Title (English) : Determination of Producing Regions and Processing Regions of Mineral and Coal Natural Resources for the Year 2026

Summary

This regulation officializes the designated producing regions and processing regions for mineral and coal natural resources across Indonesia for the 2026 fiscal year. Similar to its counterpart for geothermal sectors, the primary objective of this regulatory decree is to establish an authoritative legal and geographical data state. This baseline is utilized by the central government, particularly the Ministry of Finance, to calculate and distribute the regional Revenue-Sharing Funds, known as Dana Bagi Hasil (DBH), for the mining sector. By explicitly defining which provinces, regencies, and cities hold valid status, the regulation ensures equitable wealth redistribution back to areas directly impacted by extraction and smelting operations.

The decree separates regional beneficiaries into distinct classifications. The producing regions include areas contributing via fixed fees, covering 3 provinces, 315 regencies, and 20 cities, as well as production royalties, mapping out 1 province, 99 regencies, and 6 cities. Major revenue contributors, such as East Kalimantan for coal or regions hosting processing hubs for commodities like nickel and copper, are explicitly codified in the annexes. Additionally, it lists 8 specific regencies containing industrial refining operations as official processing regions. Essentially, this decree serves as a foundational fiscal instrument to maintain transparency between central authorities and local governments. It balances corporate industrial footprints, stabilizes local economies with appropriate resource wealth allocations, and standardizes state metrics for the mineral extraction supply chain throughout 2026.

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