



## Client Alert April 2026

### Revitalizing Indonesia's power sector: Key regulatory shifts in the draft government regulation on electricity supply business

#### Background

To accelerate the energy transition and accommodate emerging technologies such as electric vehicles (EVs), the Indonesian government is in the process of finalizing the Government Regulation Draft on Electricity Supply Business (*Rancangan Peraturan Pemerintah tentang Usaha Penyediaan Tenaga Listrik* (RPP UPTL)). This regulation is currently in the harmonization phase and is intended to replace Government Regulation Number 14 of 2012 regarding Electricity Supply Business Activities, as amended by Government Regulation Number 23 of 2014 (GR 14/2012).

A significant driver for this reform is Constitutional Court Decision Number 39/PUU-XXI/2023, which ruled that the "unbundling" system (nonintegrated electricity supply) previously introduced under Law Number 6 of 2023 regarding Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 regarding Job Creation to Become Law is unconstitutional as it potentially diminishes state control. Consequently, RPP UPTL mandates that electricity supply businesses (*Usaha Penyediaan Tenaga Listrik* (UPTL)) must be conducted in an integrated manner. Furthermore, RPP UPTL seeks to simplify licensing for new and renewable energy and the EV ecosystem.

This Client Alert provides a comparison between the existing GR 14/2012 and RPP UPTL, focusing on new business classifications, licensing exemptions, and direct appointment mechanisms.

## Key substantive changes

- Comparative analysis: GR 14/2012 vs. RPP UPTL**

The following table outlines the key changes and/or additional provisions introduced by RPP UPTL:

Aspect	GR 14/2012	RPP UPTL
UPTL scope	UPTL is classified into: (a) public interest; and (b) self-use.	In addition to public interest and self-use, RPP UPTL introduces EV charging services as a core business category.
Energy storage	No specific provisions.	Explicitly allows UPTL for public interest purposes to conduct energy storage.
Development of EV infrastructure	No specific provisions.	Provides a detailed framework for EV charging stations ( <i>Stasiun Pengisian Kendaraan Listrik Umum</i> (SPKLU)) and public EV battery swapping stations ( <i>Stasiun Penukaran Baterai Kendaraan Listrik Umum</i> (SPBKLU)).
Adjustment of the capacity threshold for electricity supply business licenses for self-use ( <i>Izin Usaha Penyediaan Tenaga Listrik Sendiri</i> (IUPTLS))	Refers to Regulation of Minister of Energy and Mineral Resources (MEMR) Number 11 of 2021 regarding Implementation of Electricity Business Activities with respect to the capacity thresholds for electricity suppliers that require an IUPTLS. However, Regulation of MEMR Number 11 of 2021 does not explicitly stipulate that power plants with a capacity below 500 kW do not require an IUPTLS.	Affirms that power plants with a capacity above 10 kW and up to 500 kW within a single electrical installation system are not required to hold an IUPTLS but are required to submit a report to the minister or governor.
Additional criteria for direct appointment	Limited to four criteria.	Expanded to 10 criteria, including, among others, purchase of electricity from power plants utilizing reservoirs, dams, or irrigation canals; purchase of electricity among license holders within the same company group; and purchase of electricity from nonrenewable energy sources with accelerated termination of operations.
Exemption for electricity sale price approval	All electricity sale prices and network leasing arrangements between license holders must obtain prior written approval from the minister, governor, or regent/mayor in accordance with their respective authorities, without exception.	Approval for electricity sale prices for sales of electricity between license holders is exempted.

- Expansion of UPTL's scope**

While GR 14/2012 classifies UPTL into UPTL for public interest purposes and UPTL for self-use purposes, RPP UPTL introduces an additional classification for electricity supply related to EV charging. This enhancement aligns with the objective of supporting the expansion of EV charging infrastructure, as reflected in the recent substantial growth in EV adoption and its corresponding charging points.

- **Development of EV infrastructure**

As mentioned above, RPP UPTL introduces several developments relating to EVs previously not regulated in GR 14/2012. Under RPP UPTL, electricity supply activities for EVs are classified into two principal business areas. The first is the recharging business, which covers the provision and operation of recharging facilities, including private electricity installations and SPKLU. The second is the battery swapping business, which involves the development and operation of SPBKLU facilities.

RPP UPTL provides broad opportunities for participation in these business activities, allowing a wide range of stakeholders to develop and operate SPKLU and/or SPBKLU. Eligible operators include central and regional government institutions; public service agencies; state-owned enterprises and regionally owned enterprises; private business entities; cooperatives; social, educational, and religious institutions; and individuals.

RPP UPTL also introduces significant licensing simplification measures and incentives aimed at encouraging the development of SPKLU and SPBKLU. Notably, SPKLU and SPBKLU business activities are exempt from business area determination and electricity supply business plan, thereby streamlining the regulatory process. In addition, where SPKLU or SPBKLU facilities are located within the premises of existing business activities (e.g., fuel stations or shopping malls), the applicable basic licensing requirements may refer on the licenses already held by such businesses.

With respect to licensing requirements, SPKLU operators are subject to the issuance of a business license and the fulfillment of business licensing—supporting commercial or operational requirements (*Perizinan Berusaha untuk Menunjang Kegiatan Usaha* (PB-UMKU)), in the form of an identification number issued by the MEMR. In contrast, SPBKLU operators are only required to obtain PB-UMKU in the form of such identification number. Private electricity installations, meanwhile, are exempt from business licensing requirements and are only required to obtain a certificate of operational worthiness (*sertifikat laik operasi*).

In terms of licensing duration, a business license for SPKLU is granted on a flexible basis and remains valid as long as the SPKLU continues to operate.

RPP UPTL also supports the integration of renewable energy into SPKLU infrastructure by permitting the construction of renewable energy-based power plants specifically intended to supply electricity to SPKLU facilities. Such power plants are only required to obtain a license for electricity supply for EVs.

- **Exemption for electricity sale price approval**

RPP UPTL provides an exemption from the obligation to obtain written approval from the minister, governor, or regent/mayor for electricity sale prices, provided that the sale and purchase of electricity are conducted between IUPTLU holders that operate UPTL businesses in an integrated manner, and that the electricity sale price refers to the applicable electricity tariff.

### Key takeaways

- While further updates to RPP UPTL remain possible, it is expected to be enacted in the near future. RPP UPTL significantly updates GR 14/2012 to better align Indonesia's electricity regulations with energy transition goals and the rapid growth of EV adoption. Its enactment will constitute an important step by the Indonesian government in keeping pace with the increasing uptake of EV, while strengthening legal certainty in the EV sector, refining the regulatory framework for energy storage, and providing expanded parameters for direct appointment criteria.
- Electricity supply for SKPLU is explicitly recognized as a distinct UPTL business category, providing legal certainty and encouraging investment in EV infrastructure.
- Licensing for EV infrastructure is streamlined, with exemptions from business area determination, use of existing licenses, and indefinite license duration for SPKLU.
- Renewable energy-based power plants dedicated to SPKLU are expressly allowed, reinforcing policy alignment between electrification and decarbonization.

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