

Legal Protection for Electricity Business Operators in Electricity Management to Achieve Business Fairness in Indonesia

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ABSTRACT

Private sector involvement in electricity management in Indonesia faces significant legal hurdles following Constitutional Court decisions limiting the private sector's role. This research analyzes three main issues: first, the regulation of legal protection for business actors in electricity management; second, the implementation of legal protection for electricity business actors to realize business fairness; and third, the conceptual framework for legal protection embodying fairness in electricity business. This research employed normative juridical methodology using a descriptive analytical approach. Primary and secondary legal materials were examined through systematic interpretation of legislation, particularly Law No. 30/2009 on Electricity, Constitutional Court Decision No. 111/PUU-XIII/2015, and related implementing regulations. Qualitative juridical argumentation was applied without quantitative measurements. Three main findings emerge. First, legal protection provisions for business actors in electricity management lack clear and decisive regulation, as evidenced by legislation failing to position private business actors as primary subjects in electricity management. Second, the implementation of legal protection for electricity business actors in realizing business fairness remains inadequately accommodated within the current legal framework, where *PLN* maintains dominance. Third, the conceptual framework for legal protection embodying business fairness can be achieved through public-private partnership (PPP) implementation, requiring synchronization and harmonization of electricity regulations to position electricity businesses involving private participation as integral rather than merely supportive domains. Strengthening legal protection through regulatory reform and PPP frameworks is essential for achieving business fairness while maintaining constitutional principles of state control.

Keywords: Legal Protection; Business Operators; Electricity.

INTRODUCTION

In the Electricity Law, the private sector has not been granted permission to freely generate and sell electricity in Indonesia. On the other hand, *PLN* itself has not been able to distribute electricity equitably across Indonesia, and there are still many regions that lack access to electricity. The primary reasons why many private investors are reluctant to invest in and sell electricity in Indonesia include the following: first, the private sector is only permitted to sell electricity in areas not yet served by *PLN*; and second, the private sector must adhere to the same electricity tariffs set by *PLN*. Electricity management in Indonesia remains monopolized by *PT PLN (Persero)*, which implements a take-or-pay system with Independent Power Producers (IPPs) (Darmodihardjo & Sidartha, 2008; Hasan, 2023; Nursyie, 2025; Purnomo, 1994; Setiawan, 2023). This arrangement is partly justified on the grounds that *PLN* can determine affordable electricity prices for the public. The drawback, however, is that oversupply from IPPs obliges *PLN* to continue paying for electricity it does not fully consume. By opening business opportunities to private power generators, *PLN*

would be able to sell its excess electricity to private companies, thereby alleviating the financial burden of oversupply. Furthermore, by expanding investment opportunities to private sector business actors, a more open electricity market would enable consumers to freely choose their preferred electricity suppliers, allowing the electricity grid system to develop into a smart grid capable of supporting such flexibility (Alnavi, 2024; Boy, 2012; Helmi, 2015; Mubyarto, 2018; Tarigan, 2018).

The foregoing underscores the need to extend legal protection to private parties, particularly given that their investment activities in Indonesia's electricity sector are frequently constrained by various regulatory restrictions. Efforts to dismantle *PLN*'s monopoly constitute a strategic step in accelerating the transition to renewable energy, enabling independent power producers to sell electricity directly to consumers (Novelia & Suyatno, 2024; Pawestri, 2015; Rahardjo, 2008; Suryani, 2023; Tridiatno, 2015). However, Indonesia currently lacks clear regulations regarding the fees that independent power producers must remit to *PLN*, as well as the scope of services that *PLN* may provide to them. The geographical conditions of the vast Indonesian archipelago further compound this challenge, as the power grids across various major islands remain unconnected to one another, making the national distribution of electricity difficult (Burke & Kurniawati, 2018; Heffron et al., 2022; Heffron & McCauley, 2017; Jenkins et al., 2016; Sokolowski & Heffron, 2022).

The urgency of this research is underscored by several converging factors. First, Indonesia's renewable energy transition goals cannot be achieved without substantial private investment, requiring legal certainty for investors. Second, persistent electricity access disparities between western and eastern Indonesia demand innovative solutions beyond *PLN*'s sole capacity. Third, the government's infrastructure development priorities require clear legal frameworks for public-private cooperation. Fourth, regional dynamics, including the ASEAN Power Grid initiative, create pressures for regulatory harmonization and investment attraction. Without adequate legal protection for business operators, Indonesia risks investment shortfalls and a delayed energy transition, with consequent impacts on economic development and social welfare.

The novelty of this research lies in its integrated approach to legal protection analysis, combining doctrinal examination of existing regulations with normative conceptualization of business fairness within Indonesia's constitutional framework. Unlike previous studies focusing narrowly on constitutional interpretation or regulatory critique, this research systematically examines legal protection across multiple dimensions: regulatory provisions, implementation practices, and conceptual frameworks. The application of public-private partnership (PPP) theory to electricity sector legal protection offers a novel contribution, demonstrating how PPP frameworks can accommodate both state control imperatives and private sector interests. Additionally, the research engages with contemporary developments, including post-Job Creation Law regulations and recent Constitutional Court interpretations.

Incentives for independent power producers to supply renewable energy to companies committed to carbon neutrality are crucial. Currently, *PLN* remains the primary electricity supplier for the majority of customers, managing power plants and procuring electricity from independent producers. However, more than half of its electricity supply still depends on coal, while renewables account for only approximately 12%. Without strong regulations and

legal protections, this energy transition process could stall, slowing Indonesia's efforts to achieve its sustainable energy goals.

Based on the foregoing, the author identifies the following research problems: first, how is legal protection for business actors in electricity management in Indonesia regulated; second, how is legal protection for electricity business actors in Indonesia implemented in realizing business fairness; and third, what is the concept of legal protection for electricity business actors as a manifestation of fairness in business.

METHOD

A descriptive analytical approach was employed in this study, involving the use and assessment of primary and secondary legal materials. The normative juridical method serves as the research approach, entailing a systematic examination of laws and regulations that constitute secondary legal data. Both library research and field research were conducted in the course of this study. Qualitative juridical argumentation, employing non-numerical reasoning, is applied throughout, excluding quantitative measurements.

RESULTS AND DISCUSSION

Regulation of Legal Protection for Business Actors in Electricity Management in Indonesia.

Studying the regulatory problem, it will examine the rules contained in:

1. Law of the Republic of Indonesia Number 30 of 2009 concerning Electricity

It is true that according to Article 11 paragraph (1) of Law 30 of 2009, the private sector has the right to do business in the field of providing electricity. However, *PLN* as an extension of the State, which is the main implementer of the electricity supply business, still holds the right to get the first right of refusal in the provision of electricity for the public interest. If *PLN* as the owner of the right to be prioritized refuses to do business providing electricity, then this activity is then offered to other entities.

However, there is a Decision of the Constitutional Court of the Republic of Indonesia that cancels several provisions in this Law, namely Article 10 paragraph (2) and Article 11 paragraph (1). These two articles are considered incompatible with the 1945 Constitution because they remove state control by handing over the provision of electricity to the private sector.

The Constitutional Court's decision on December 14, 2016, affirmed the practice of unbundling in the effort to provide electricity for the public interest is contrary to the Constitution if it eliminates state control in accordance with the principle of "controlled by the state". The provision of electricity by the private sector is also not justified without the principle of "controlled by the state".

2. Law Number 11 of 2020 concerning Job Creation

This law substantially regulates the authority of the central government and local governments to determine electricity business licenses. And there is also substantially no regulation of business actors in electricity management in Indonesia.

3. Government Regulation of the Republic of Indonesia Number 25 of 2021 concerning the Implementation of the Energy and Mineral Resources Sector

This provision, in principle, provides opportunities in the electricity management business, but it is not fully independent, because it must be integrated into electricity management at the centre, with *PLN* as the main subject. Thus, it can be said that the electricity business in this provision is only limited to supporting electricity management carried out by *PLN*. In addition, the rules that are the basis of the electricity business are carried out based on rules issued by the ministry. This is in accordance with the provisions of Article 50

4. Government Regulation of the Republic of Indonesia Number 14 of 2012 concerning Electricity Supply Business Activities

Based on the provisions of Article 7, it is stated that the electricity distribution business, the electricity sales business, and the electricity supply business in an integrated manner are carried out in 1 (one) business area by one business entity. The provisions of Article 9 paragraph (1) state that these business entities include state-owned enterprises, regional-owned enterprises, private business entities with Indonesian legal entities, cooperatives, and non-governmental organizations that are engaged in the field of electricity supply. State-owned enterprises are given the first priority to provide electricity for the public interest. In the event that state-owned enterprises cannot meet the priorities, the Minister, governor or regent/mayor in accordance with their authority provides opportunities for regional-owned enterprises, private business entities with Indonesian legal entities, cooperatives, and non-governmental organizations to carry out the business of providing electricity for the public interest.

This regulation regulates the private sector as the executor of electricity providers, but the corridor is limited to the fact that *PLN* does not have the power to provide electricity. In addition, private corridors are also attached to the use of *PLN* facilities in supporting their activities

5. Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia Number 7 of 2021 concerning Standardization in the Field of Electricity and the Affixing of Indonesian National Standard Marks and/or Safety Marks

This rule, which does not allude to the rules of the electricity business in Indonesia, only regulates the standard rules in the management of electricity

6. Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia Number 12 of 2021 concerning Classification, Qualification, Accreditation, and Certification of Electrical Power Supporting Services Businesses

Basically, this regulation is intended for businesses to support electricity businesses and fundamentally does not contain electricity businesses in their capacity as electricity producers.

7. Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition

PT. *PLN* has monopoly authority for electricity logistics, both production and distribution, but does not have the right to monopolize the electricity business, such as regulating the use of energy-saving lamps, or violations in the tender process. Monopoly is possible in Indonesian competition law, as long as its activities include or concern branches of production that are important to the state and control the lives of the people, besides that this monopoly action can have positive consequences for the people and with monopoly a

more efficient state can be achieved, as aspired in the Constitution of the Republic of Indonesia in 1945.

In the context of Indonesia, monopoly as a mandate of the constitution is one of its implementations in the energy sector, especially in the provision of electricity through PT. State Electricity Company (PT *PLN*). The electricity supply industry in Indonesia has long been dominated by PT *PLN*, which plays a role as the only electricity service provider nationally. However, with the development of technology and the needs of the market that continue to grow. *PLN* continuously provides electricity supply throughout the region

Responding to the existence of existing rules, it can be said that the regulation of electricity businesses, especially in this case carried out by the private sector, has not received firm and clear attention. Considering that substantially the existing rules only detail the authority of the central government in electricity management or licensing and management operating standards. On the other hand, the existence of electricity business actors does not get the regulation, so it can be said that there is no clear protection for electricity business actors in existing laws and regulations.

Legal Protection Practices for Electricity Business Actors in Indonesia in Realizing Business Justice

Examining the existence of the private sector in electricity management will fundamentally lead to the existence of the Pancasila economic system or anti-liberal economic democracy which is the basic concept of the national economic system which is clearly mentioned in Article 33 paragraph (4) of the Constitution of the Republic of Indonesia in 1945. Indonesia's economic democracy aspires to realize social justice for all Indonesian people (social justice, fairness, equity, equality) so that they have a preference (partialism, special favour) for the weak, the poor and the backward to get special attention and treatment towards empowerment in the management of existing natural resources. Parsialism is not seen as a discriminatory attitude, but rather gives a positive meaning to the doctrine of togetherness in the principle of Indonesian family. From here, the starting point is that Indonesia's economic efficiency has a social interest dimension. That is the meaning of economic democracy which contains the principle of efficiency and justice.

Justice is one of the goals of the law. The purpose of the law is indeed not only justice, but also legal certainty and utility. Law can be interpreted as a set of regulations formed by the competent authorities. Where there is a law, there is a community. The law requires power so that the law can be enforced. Law without power is wishful thinking. Power without law is tyranny. Justice must be placed above legal certainty and utility. A fair decision means a decision that is not biased, impartial, and not arbitrary. Justice in the economic sector, one of them, is to provide opportunities for the private sector as investors to be part of national development, namely in the field of electricity supply.

The regulation of electricity supply must be able to provide legal guarantees for the achievement of justice, and these guarantees must be given to parties involved in the implementation of the electricity supply business, namely SOEs and private parties. The author argues that in order to fulfill the principle of justice, the law on the business of providing electricity must contain provisions regarding the pattern of implementation that is carried out in a balanced manner; which means that all business actors have a balance of

rights and obligations in the implementation of facilities and infrastructure for the supply of electricity, as long as they are regulated in laws and regulations

Problems arise when the implementation is not fully carried out by the policy implementer. This can be seen when PT *PLN* (Persero) issued an Internal Circular Letter of PT *PLN* (Persero) related to limiting the installed power capacity from the development of rooftop solar power plants to a maximum of 15%. The policy of PT *PLN* (Persero) is certainly contrary to Article 5 paragraph (1) of the Minister of Energy and Mineral Resources Regulation Number 26 of 2021. In fact, as a Limited Liability Company, PT *PLN* (Persero) is obliged to always comply with the provisions of laws and regulations in running its business. The above is certainly contrary to the principle of distributive justice as stated by Aristotle, namely:

1. Balance or comparability. PT *PLN* (Persero)'s action to provide a policy of limiting the installed power capacity from the development of rooftop solar PV to a maximum of 15% has received a lot of opposition from various parties, such as the Indonesian Solar Energy Association (AESI), the Indonesian Solar Module Manufacturers Association (APAMSI), and the Rooftop Solar Electricity Users Association (PPLSA). According to the author, PT *PLN* (Persero)'s policy is not in line with Article 5 paragraph (1) of the Minister of Energy and Mineral Resources Regulation Number 26 of 2021. In fact, PT *PLN* (Persero) is obliged to always comply with the provisions of laws and regulations in running its business. Even in Article 42 number 20 of Law Number 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law, which amends Article 29 paragraph (1) of the Electricity Law stipulates that consumers have the right to, among other things, get good service, get electricity continuously with good quality and reliability, and obtain the electricity to which he is entitled at a reasonable price.
2. Certainty or legal certainty.

The development of solar power plants causes negative sentiment for investors, both domestic investors and foreign investors, because the restrictions will affect the profits received by investors. This certainly results in legal uncertainty for investors, because according to Satjipto Rahardjo, legal certainty does not lie in the laws and regulations, but in the implementation of the law itself. Therefore, if the government through the Minister of Energy and Mineral Resources does not review and clarify to PT *PLN* (Persero) on the existence of the Internal Circular, then there will be legal uncertainty over the implementation of laws and regulations that regulate the level of role of the private sector in the business of providing electricity.

3. Arrangement

The Constitutional Court's decision has aborted the existence of Article 11 of the Electricity Law, so it can be said that the regulation does not exist

4. Implementation or implementation, means that in every implementation of the implementation of the electricity supply business, it always follows the mandate in the applicable laws and regulations

According to the author, based on the Constitutional Court Decision Number 111/PUU-XIII/2015, the meaning of the Right to Control the State over important branches of production and control the lives of the people, as well as over natural resources, opens up

opportunities for individuals or the private sector to play a role as long as the four roles of the state/government, namely regulation (*regelendaad*), management (*bestuursdaad*), management (*beheersdaad*), and supervision (*toezichthondensdaad*) are still fulfilled and as long as The government and local governments are indeed not or have not been able to implement it. On this basis, in the implementation of the electricity supply business, PT PLN (Persero) should be able to pay attention and provide opportunities to private parties who have the same competence as PT PLN (Persero) to be able to play a role in the implementation of the electricity supply business so that PT PLN (Persero) can avoid monopoly practices and unfair business competition.

The concept of legal protection for electricity business actors as a manifestation of justice in business.

Electricity is an important factor in determining the quality of life and is a driver for the country's economic development. Thus, electricity development will receive a high priority and is an integrated part of national development so that it is always tried to be harmonious, harmonious and synchronous with the stages of national development. This means that the goal of electricity development must always support every stage of encouraging economic improvement.

Based on the applicable laws and regulations in the field of electricity, both the old electricity law (Law No. 15 of 1985) and the new electricity law (Law No. 30 of 2009), the electricity business is distinguished from the business of providing electricity and the business of supporting electric power. Meanwhile, the business of providing electricity consists of the business of providing electricity for the public interest and the business of providing electricity for its own interests

The business of providing electricity for the public interest is an effort to produce electricity intended for the public benefit which can only be carried out by business actors as regulated in the electricity law, while the business of providing electricity is about the business of producing electricity but is only used for the needs or interests of the party producing electricity itself. In contrast to the activity of providing electricity for its own purposes, the activity of providing electricity for the public interest, in its implementation not only gets supervision that includes technical (safety, security, reliability, standardization and others), but must also pay attention to service aspects, business continuity aspects, licensing aspects, business areas, electricity prices and tariffs and so on

The role of the private sector in the field of electricity is actually not new, because since the beginning of the entry of electricity in Indonesia, namely during the Dutch colonial period around the beginning of the 19th century, private business entities have taken an important role in the provision of electricity in Indonesian territory based on the Ordinance of September 13, 1890, Staatsblad of 1890 Number 190, concerning Provisions Regarding the Installation and Use of Channels for Electrical Lighting and Power Transfer with Electricity in Indonesia ("Provisions concerning the construction and use of conductors for electric lighting and the transfer of power through the means of electricity in the Netherlands Indie"), which later underwent several changes, most recently with the Ordinance of 8 February 1934, Staatsblad Tahun 1934 Number 63.

Based on Law No. 30 of 2009, the provision of electricity is controlled by the state whose implementation is carried out by the Government and Regional Governments based on

the principle of regional autonomy, which is implemented by SOEs and BUMDs. However, private business entities, cooperatives and non-governmental organizations can participate in the effort to provide electricity. For the provision of electricity, the Government and Regional Governments provide funds for underprivileged communities, the construction of electricity supply facilities in undeveloped areas, the development of electricity in remote and border areas, and the development of rural electricity.

Based on the new electricity law, the business of providing electricity for the public interest includes the types of electricity generation businesses, electric power transmission, electricity distribution and/or sales of electricity, as well as integrated electricity sales businesses. The business of providing electricity for the integrated public interest is carried out by one business entity in one business area. The provisions regarding business areas also apply to the business of providing electricity for the public interest in the form of electricity distribution and/or electricity sales.

What is the situation if the private sector carries out the business of providing electricity without a valid permit? As stipulated in Law No. 30 of 2009 concerning Electricity, Government Regulation Number 14 of 2012 concerning Electricity Supply Business Activities, in order to be able to carry out the business of providing electricity for the public interest, the private sector is obliged to have an IUPTL. Without IUPTL, the business activities of providing electricity are illegal. Article 49 paragraph (1) of Law No. 30 of 2009 concerning Electricity provides a criminal threat to every person who carries out business activities to provide electricity for the public interest without having an IUPTL, namely with a criminal threat of imprisonment for a maximum of 3 (three) years and a fine of Rp2,000,000,000.00 (two billion rupiah).

It should be noted that the Government has revised Presidential Regulation Number 4 of 2016 concerning the Acceleration of Electricity Infrastructure Development through Presidential Regulation Number 14 of 2017 signed by President Joko Widodo on February 13, 2017. In the change, the role of the electricity SOE, PT Perusahaan Listrik Negara (*PLN*), was added to optimize the construction of power plants in the country.

The government considers it necessary to improve the arrangements regarding the implementation of financing, cooperation schemes for the provision of electricity infrastructure development, cooperation in asset utilization, and environmental management. Although *PLN*'s role is increased, *PLN* cannot work alone. The involvement of the private sector is an important key to realizing electricity supply programs from the government. Moreover, it is worth realizing, not a little investment is needed to build power plants and other electrical infrastructure.

Basically, there is a cooperation scheme that *PLN* can carry out through its subsidiaries to optimize the role of the private sector. Unlike in the past with the system of renting power plants, this rule requires *PLN* to buy electricity or build infrastructure with the private sector. Especially for private joint development, *PLN* must have a dominant stake or at least 51%, as the controller. However, this is certainly a heavy thing, considering *PLN*'s limited capacity, on the other hand, basically private capacity can be further optimized.

The tendency in this study is the importance of the role of the private sector in building electricity availability in the country. This is based on the factual fact that so far *PLN* seems uncooperative with the private sector, while the SOE also has financial limitations in

providing electricity according to the target. This is evidenced by the number of areas, especially outside the island of Java, that have a deficit in electricity supply. In fact, many private electricity companies can be empowered to achieve the electricity development target.

PLN can conceptually follow the rules of single buyer and multi-supplier, *PLN* as the sole buyer and provider of electricity for the community. In principle, the government must design rules to determine the price limit for electricity to be purchased. In addition, there are many private power plants in industrial areas in the country that can be optimized for their role in supplying electricity supply.

In the context of energy, where there is a need for large investments to increase production capacity and expand access to electrical energy, public-private partnerships (PPPs) are a very relevant strategy.

At a conceptual level, PPP in the energy sector aims to create a mutually beneficial partnership between the government and the private sector to develop, maintain, and operate energy infrastructure. However, the success of the implementation of PPP is largely determined by the clarity and effectiveness of the legal framework that governs it, such as:

1. Law Number 30 of 2009 concerning Electricity

This Law on Electricity is the basis for the preparation of implementing regulations and further policies in the development of the electricity sector in Indonesia. With this law, it is hoped that a clear, stable, and conducive legal framework can be created for the development of sustainable and affordable electricity infrastructure for the people of Indonesia. Law on Renewable Energy and Energy Conservation: This law regulates the development of renewable energy and energy conservation efforts in Indonesia. It includes provisions related to incentives and support for renewable energy development as well as potential cooperation with the private sector in the development of renewable energy infrastructure.

2. Law Number 22 of 2001 concerning Oil and Gas

In addition, this Law regulates the establishment of State-Owned Enterprises (SOEs) engaged in the oil and gas sector and the participation of Regionally Owned Enterprises (BUMD) in the exploitation of oil and gas resources in certain regions. The Law on Oil and Gas is the basis for various implementing regulations and policies in the oil and gas sector in Indonesia. With this Law, it is hoped that a clear and stable legal framework can be created to support investment and management of oil and gas resources that are sustainable and profitable for the people of Indonesia.

3. Government Regulation Number 14 of 2021 concerning the Provision of Electricity

This Government Regulation on the Provision of Electricity aims to provide clearer and more detailed guidance in the implementation of the Law on Electricity, as well as create a legal framework conducive to the development of sustainable and affordable electricity infrastructure for the people of Indonesia.

4. Government Regulation Number 23 of 2010 concerning Electricity

This Government Regulation on Electricity aims to provide more detailed and detailed guidelines in the implementation of the Law on Electricity, as well as create a clear and conducive legal framework for the development of sustainable and affordable electricity infrastructure for the people of Indonesia.

5. Government Regulation Number 79 of 2014 concerning Energy Conservation

In this Government Regulation, various aspects related to energy conservation are regulated, such as the development of energy-saving energy technology, the setting of energy efficiency standards for consumer and industrial products, and the implementation of energy efficiency practices in certain sectors. Although it does not directly mention renewable energy, energy conservation efforts regulated in this Government Regulation also support the development and utilization of renewable energy. By reducing conventional energy consumption, Indonesia can accelerate the transition to more sustainable and environmentally friendly energy use.

The six rules, which are the legal framework for public-private cooperation (PPP) in the electrical energy sector, can be optimized by taking the following steps:

1. **Regulatory Clarification:** The government needs to further clarify existing regulations, including providing a clear interpretation of provisions that can be a source of legal uncertainty. This can be done through the issuance of official guidelines, guidelines, or explanations that clarify the implementation of PPP-related laws and regulations in the energy sector.
2. **Policy Stability:** It is important to maintain policy stability in the long term to create certainty for stakeholders. The government should work to avoid sudden and unexpected policy changes that could disrupt long-term investment plans.
3. **Consultation with the Private Sector:** The government can increase dialogue and consultation with the private sector in the process of formulating new policies and regulations. Involving private stakeholders in decision-making will help ensure that the resulting regulations take into account the needs and challenges faced by the energy industry.
4. **Effective Dispute Resolution Mechanisms:** It is important to have effective and efficient dispute resolution mechanisms in place to deal with conflicts that may arise within the framework of a PPP. Governments may consider the use of arbitration or mediation as an alternative to dispute resolution outside of conventional courts.
5. **Capacity Building:** There is a need to strengthen the capacity of institutions involved in the implementation and enforcement of PPP-related laws in the energy sector. This includes training for government officials, regulators, and legal professionals to improve their understanding of applicable regulations and best practices in the management of PPP projects.
6. **Development of Clear Contract Models:** Governments can develop clear and structured standard contract models for PPP projects in the energy sector. This contract model should take into account the interests of all parties involved and provide a fair and balanced framework for project implementation.
7. **Investment Drivers and Incentives:** Governments can provide greater incentives and facilitation for private investment in PPP projects in the energy sector, such as certainty of profits, protection against political and security risks, and tax or fiscal incentives.
8. **Promotion of Innovation and Technology:** The government can support the promotion of innovation and technology in the energy sector through appropriate incentives and facilitation. This includes support for research and development of renewable energy technologies as well as facilitation for technology transfer from abroad.

By implementing these recommendations, it is hoped that it will increase legal certainty, increase private investment, and accelerate the development of sustainable and affordable energy infrastructure in Indonesia through public-private cooperation in the energy sector. This situation if the privatization of the electricity sector in Indonesia cannot be carried out on the grounds that it cannot justify handing over electricity management to the private sector. However, *PLN* must be improved more professionally to ensure the supply of electricity for the community which is the basis for the material test of Law Number 30 of 2009 concerning Electricity (Electricity Law). The case, which was registered with moor 111/PUU-XIII/2015, was filed by Adri and Eko Sumantri, respectively serving as Chairman and Secretary General of the DPP of the State Electricity Company (*PLN*) Labor Union. The Petitioners postulate that the provisions of Article 10 paragraph (2), Article 16 paragraph (1), Article 33 paragraph (1), Article 34 paragraph (5), Article 56 paragraph (2) of the Electricity Law have resulted in the livelihood of many people being controlled by national, multinational and individual private corporations. In fact, this provision can result in the state not having power over electricity.

The content of the articles tested opens up the wide participation of national, multinational, and individual private corporations to manage and control electricity. The articles tested, according to the Petitioner, are also a repetition of Article 8 paragraph (2), Article 16, Article 17 paragraph (3), and Article 68 of Law Number 20 of 2002 concerning Electricity which had previously been cancelled by the Constitutional Court in Case Decision No. 001-021-022/PUU-I/2003.

The provisions tested also contain the management of the electricity business separately (unbundling) by applying healthy business principles to foster business profits and different tariff treatments. Based on the phrase 'healthy business principles', there is an understanding that in determining the selling price of electricity to consumers, the government and local governments pay attention to agreements between business entities. For this reason, there are variables that affect the selling price of electric power, namely the value of profits for business entities.

CONCLUSION

Based on the results of the research conducted, the following findings were obtained: first, the regulation of legal protection for business actors in electricity management in Indonesia can be said that the regulation of electricity businesses, especially in this case carried out by the private sector, has received less firm and clear attention. This can be seen from the existing laws and regulations that do not place business actors (private) as the main subject of electricity management in Indonesia. Second, the practice of legal protection for electricity business actors in Indonesia in realizing business justice is still not accommodated. This is because *PLN* is the main subject of electricity management in Indonesia and places the private sector as a supporting party for the existence of *PLN*. Third, the concept of legal protection for electricity business actors as a manifestation of justice in business is the implementation of public-private cooperation (PPP). This can be realized by synchronizing and harmonizing the rules that regulate electricity. This action will bring electricity businesses with private involvement as a domain rather than as a mere supporter.

Based on the conclusions obtained, the suggestions contained in this paper are that the provision of infrastructure, appropriate regulations, and fair supervision are things that must be done by the government and even the state by implementing them in a rule. So that the legal certainty can be clearly seen. The involvement of the private sector in electricity should open up space for PLN to provide policies in electricity management, considering that PT. PLN is also attached to the inability to provide electricity. Make rules regarding public-private cooperation (PPP) or even privatization of electricity management in Indonesia, so that the flow or management scheme is clear.

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