

# Renewal of Energy Law (Law No. 30 of 2007) for Indonesia in the Energy Transition Era (Transition from Fossil Energy to Renewable Energy)

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**Abstract.** The Republic of Indonesia Law in the Energy Sector has been in existence since 2007 (UU No. 30 of 2007). The problem is Law No. 30 of 2007 does not yet support the energy transition in the electric power sector to focus more on using renewable energy to replace fossil energy, such as coal, oil, and natural gas which are used to generate electrical energy. This energy transition is a response to the Paris Agreement which has been ratified by the Government of the Republic of Indonesia. The purpose of this research is to determine the legal updates that need to be made to the current Energy Law (UU No. 30 of 2007) so that it can accommodate all changes that occur as a result of policies that occur nationally, as well as due to international pressure that cannot be avoided, or transformations that occur locally. The research method used in this research is the descriptive analysis method. This study found out that it is necessary to add to the current Energy Law included Restorative energy justice, Energy transition, energy justice, just transition, concepts of social happiness, Energy carriers such as hydrogen and batteries, ect.

**Keywords:** Energy Transition, Renewal, Law

## 1 Introduction

The Republic of Indonesia Regulation in the Energy Area has been in presence beginning around 2007 (UU No. 30 of 2007). Despite the fact that there have been numerous different arrangements in the energy area, for instance, carbon tax, energy tax, Feed Tariff (FiT), Renewable Portfolio Standard (RPS), as well as changes that have occurred at the international, national, and local levels, as well as changes in laws and regulations. Other RI Laws that are closely related to the Republic of Indonesia Law in the Energy Sector, such as the Republic of Indonesia Law in the Environmental Sector, Law no. 30 of 2007 have not yet undergone any changes. Law no. 30 of 2007 (along with the 1945 Constitution) has been used as the basis for issuing various regulations such as President Decree (PERPRES), Government Decree (PP), and so on. One of the PERPRES issued based on Law no. 30 of 2007 is PERPRES no. 112 of 2022 concerning the Acceleration of Renewable Energy Development for the Supply of Electric

Power. PERPRES No. 112 of 2022 discusses the energy transition to switch from fossil energy to renewable energy in the electric power sector. The problem is Law No. 30 of 2007 does not yet support the energy transition in the electric power sector to focus more on using renewable energy to replace fossil energy, such as coal, oil, and natural gas which are used to generate electrical energy. This energy change is a reaction to the Paris Understanding which has been endorsed by the Public authority of the Republic of Indonesia. The Indonesian Government's endorsement of the Paris Understanding is expressed in Law of the Republic of Indonesia Number 16 of 2016 concerning the Approval of the Paris Consent to the Assembled Countries Structure Show on Environmental Change. Regulation Number 16 of 2016 was approved by the Paris Consent to the Unified Countries Structure Show on Environmental Change (Paris Consent to the Assembled Countries System Show on Environmental Change) which was endorsed by the Indonesian Government on April 22 2016 in New York, United States of America. Energy Law Number 30 of 2007 is one of the statutory regulations that are the basis for supporting the implementation of the Paris Agreement, although the concept of climate change as an impact of energy use is not visible in Law No. 30 of 2007.

The purpose of this research is to determine the legal updates that need to be made to the current Energy Law (UU No. 30 of 2007) so that it can accommodate all changes that occur as a result of policies that occur nationally, as well as due to international pressure that cannot be avoided, or transformations that occur locally

## **2 Research Methods**

The research method used in this research is the descriptive analysis method. Several parameters are used to explain the existence of the current Energy Law, such as (i) justice, (ii) usefulness, (iii) legal certainty, and (iv) community happiness.[1] Specifically for the review of Law No. 30 of 2007 on community happiness, analyzed from various perspectives, namely (i) legal facilities, (ii) incentive laws, (iii) recovery systems, (iv) systems that allow bargaining, and (v) a society with a legal culture.[1]

Apart from the parameters mentioned above, several other parameters are also used to analyze whether the Energy Law (UU No. 30 of 2007) accommodates current conditions. These parameters are (i) The Energy Law and Policy Triangle (i.e. how far Law No. 30 of 2007 can influence economic growth, energy security, and environmental protection) (ii) The Hypothesis of Progress in Energy Regulation (for example whether Regulation No. 30 of 2007 has answered all changes that have happened connected with energy and the climate at the global, public and nearby levels), and (iii) The Force of Energy Regulation: Designated Regulation (for example how persuading are different arrangements in the energy area in carrying out the Energy Regulation).[2]

## **3 Discussion**

In the era of energy transition, namely the transition from the use of fossil energy to renewable energy, has become a very important issue recently. This energy transition aims to achieve net zero emissions so that it can avoid an increase in earth temperature above 2oC in 2100. The issue of energy transition is not contained in the current Energy Law [3]. This issue

should be part of the Energy Law considering that Indonesia will abandon the use of fossil fuels and switch to renewable energy by the international agreements that Indonesia has signed to deal with climate change. The transition to the use of renewable energy as a substitute for fossil energy, especially in the electric power sector, is still not included in Indonesia's current Energy Law. The impact of the energy transition on society has also not been discussed, especially to restore their rights when they worked in the era when fossil energy was still used.

Regarding renewable energy, the discussion of carrier energy such as hydrogen and batteries is not contained in the current Energy Law. It is important to include hydrogen energy and batteries in the Energy Law because hydrogen and batteries are the energy of the future. It needs to be added that hydrogen management starting from production, storage, distribution, and utilization also needs to be discussed if there is an update to the Energy Law.

In connection with fossil energy such as coal which will soon be abandoned, it is necessary to add to the Energy Law regarding coal management, starting from production, distribution, and utilization (use) considering that coal has high economic value.

Incentives to increase the use of renewable energy already exist in the current Energy Law but are only limited to solar energy and wind energy. Incentives need to be expanded to other renewable energies.

Various issue that is widely discussed in the energy transition era is the issue of Restorative Justice. Restorative Justice is a concept that first appeared in criminal justice studies. Restorative Justice was first introduced by Rawls[4]. The embodiment of Helpful Equity is the commitment to return the casualty to their unique position, and the culprit is liable for fixing the misfortune. In the energy progress, there will be setbacks. So Restorative Justice is suitable to be applied in energy justice. There are 5 forms of justice from energy justice, namely: (i) concerning the benefits of the energy sector and its negative impacts (distributive justice), (ii) involving the process and legal steps required (procedural justice), (iii) concerning rights. different groups when energy projects or activities occur (recognition justice), (iv) with respect to that might happen past our boundaries, and from a worldwide setting, and (v) any shamefulness brought about by exercises in the energy area should be rectified and become piece of from preventive and forward-looking activities (supportive equity). So it would be very important if the issue of Restorative Justice was added to the current Energy Law Update. This is also in line with reforming the law, which is to achieve social happiness [1], namely by paying attention to legal facilities, legal incentives, recovery systems, systems that allow bargaining, as well as a society with a legal culture.

The issue of energy transition cannot be separated from the issue of climate change. Therefore, in updating the Energy Law, it is necessary to add various decisions that are appropriate to our country which come from international institutions such as the United Nations Framework for Climate Change (UNFCCC), the Intergovernmental Panel for Climate Change (IPCC), and others.

In the current era of climate change, talking about energy issues is linked to its consequence on global warming. The use of energy can cause climate change which is indicated by increasing earth temperatures. Besides that, low-carbon energy development must be linked to endurable development concepts, namely, improving the economy, increasing energy security, protecting the environment, and reducing CO<sub>2</sub> emissions. Therefore, the concept of low-carbon energy development must be added to the renewal of the Energy Law, especially since Indonesia has ratified the Paris Agreement which is committed to receding greenhouse gas emissions.

## 4 Conclusion

From the results, to reform national law, it can be concluded that it is necessary to add to the current Energy Law the following things:[3]

1. Restorative energy justice;
2. Energy transition, energy justice, just transition;
3. Concepts of social happiness;
4. Energy carriers such as hydrogen and batteries;
5. Low carbon energy development;
6. Policies that drive energy law; Fossil energy management, from production, distribution, and use;
7. Climate change issues are caused by energy use;
8. Accommodate all decisions issued by international associations such as the United Framework for Climate Change (UNFCCC), Intergovernmental Panel for Climate Change (IPCC);
9. Strengthening policies on the renewable energy investment climate.

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