



Client Alert

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NEW REGULATIONS ON COAL BLENDING AND ADMINISTRATIVE CORRECTIONS TO BUSINESS PLANS AND BUDGETS

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NEW REGULATIONS ON COAL BLENDING AND ADMINISTRATIVE CORRECTIONS TO BUSINESS PLANS AND BUDGETS

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In order to ensure a reliable supply of coal for domestic power generation and industrial requirements, coal blending activities in coal mining operations shall be conducted.

The Minister of Energy and Mineral Resources of the Republic of Indonesia (“MEMR”) issued Regulation of the MEMR No. 6 of 2026 (“RM 6/2026”), which amends Regulation of the MEMR No. 17 of 2025 regarding Procedures for the Preparation, Submission, and Approval of Business Plans and Budgets, and the Procedures for Reporting the Implementation of Mineral and Coal Mining Business Activities (“RM 17/2025”). The new regulation took effect on 12 June 2026.

RM 6/2026 introduces several significant amendments to RM 17/2025, including the regulation of coal blending activities and the expansion of the authority to make administrative corrections in the Business Plans and Budgets (*Rencana Kerja dan Anggaran Biaya* - “RKAB”) evaluation process.

The key changes introduced under RM 6/2026 include the following:

1. Coal Blending

RM 6/2026 stipulates that coal blending activities may only be carried out upon obtaining prior approval from the MEMR. Such approval may be requested by mining business actors whose RKAB has been approved by the MEMR or the relevant governor in accordance with their respective authority.

a. Eligible Applicants

The following mining business actors are eligible to apply for coal blending approval:

- i. holders of Mining Business Licenses (*Izin Usaha Pertambangan* - “IUP”) at the production operation stage;
- ii. holders of Special IUP (*IUP Khusus* - “IUPK”) at the production operation stage;

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- iii. holders of IUPK as a continuation of contract/agreement operations for coal commodities; or
- iv. holders of Coal Contracts of Work (*Perjanjian Karya Pengusahaan Pertambangan Batubara - "PKP2B"*).

b. The MEMR's Approval

To obtain the MEMR's approval for coal blending activities, the relevant mining business actor must apply through the designated information system of MEMR, accompanied by at least the following documents:

- i. an RKAB approval of each mining business actor owning the parent coal (*batubara induk*) and the blending coal (*batubara pencampur*); and
- ii. a completed simulation data showing coal specifications before and after blending, including at a minimum calorific value (*nilai kalori*), sulphur content (*kandungan belerang*), moisture content (*kandungan air*), and ash content (*kandungan abu*).

2. Coal Blending Reporting Obligations

Similar to RM 17/2025, RM 6/2026 requires holders of IUP production operation licenses, IUPK production operation licenses, and IUPK licenses issued as a continuation of contract/agreement operations to prepare and submit periodic reports every 3 (three) months to the MEMR. These periodic reports include reports on the implementation of the RKAB, the quality of mining wastewater, and statistics relating to mining accidents and hazardous occurrences.

Further, following the introduction of the coal blending framework under RM 6/2026, the scope of these periodic reporting obligations has now been expanded to include reports on the implementation of coal blending activities as an additional mandatory report.

3. Corrections to RKAB Approvals or Rejections

Previously, RM 17/2025 only authorised the MEMR to correct an RKAB approval where there was an administrative error and/or an error in the evaluation process.

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Under RM 6/2026, the scope of this corrective authority has been expanded to cover not only RKAB approvals but also RKAB rejections. Accordingly, where there are administrative errors and/or errors in the evaluation process relating to the issuance of either an RKAB approval or rejection, the MEMR or the governor, as applicable, may rectify such approval or rejection.

4. Sanctions

The business actors that fail to comply with certain obligations, including periodic reporting obligations, may be subject to administrative sanctions in the form of written warnings, temporary suspension of part or all business activities, and/or revocation of their licenses.

In addition, violations relating to excess mineral or coal production beyond the production level stipulated in the approved RKAB for the production operation stage may result in the immediate temporary suspension of mining business activities during the relevant year, without the requirement for a prior written warning.

Conclusions and Key Takeaways

RM 6/2026 provides a clearer legal basis for coal blending activities in Indonesia. Mining business actors may now conduct coal blending only after obtaining the MEMR's approval and satisfying the applicable administrative and technical requirements, including approved RKABs, contractual documentation, quality testing results, and coal specification simulations.

RM 6/2026 also broadens the authority of the MEMR to correct not only RKAB approvals but also RKAB rejections where administrative errors or evaluation-related errors have occurred.

This Client Alert is provided for general informational purposes only and does not constitute legal advice. Please contact us should you require further information or assistance regarding coal blending, RKAB, or related matters.

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