

## **JURIDICAL ANALYSIS OF POWER EXCHANGE AGREEMENT**

**(Case: Power Exchange Agreement between PT PLN [Persero] and SESCO Berhad Corporation with the Electricity Interconnection in West Kalimantan [Indonesia] and Sarawak [Malaysia])**

**Ratih Fitrianti<sup>1</sup>, Mailinda<sup>2</sup>**

This study aims to determine and analyze whether the principle of reciprocity in the construction of the Power Exchange Agreement contract on 5 September 2012 between PT PLN (Persero) and SESCO Berhad Corporation has been fulfilled or not. This study also aims to analyze the principles of efficiency and effectiveness in contract implementation, also to analyze the compliance of the contract with existing regulations in Indonesia.

This research was conducted with a descriptive analytical method normatively by examining focus of the scope of the Contract, so that the study can focus on explaining and describing the complexity of the principle of reciprocity in which consists of Specific Reciprocity and Diffuse Reciprocity, as well as explaining in more depth the elements forming each type of reciprocity, namely contingency and equivalency.

It can be concluded from the results of the study that the Specific Reciprocity of contract related to the direct sale of electricity has been fulfilled, however the element of contingency and equivalency of Diffuse Reciprocity in contract related to the exchange of electric power across countries has not yet happened. It was also concluded that although the implementation of the contract in the First Phase (5 early years of the term of the contract) was effective and efficient, the next Phases of the contract must concern to the development of electricity in West Kalimantan, and West Kalimantan also must embody its energy independency as soon as possible to meet its efficiency. Furthermore related to the existing regulations regarding the sale and purchase of electricity in Indonesia, then in order to there is no electricity dependency from abroad, in term of the contract, West Kalimantan (PLN) must not only continuously import electricity from Sarawak (Malaysia), but instead to export its also.

**Keywords:** reciprocity, effectiveness, efficiency, cross-border electricity sale and purchase, electrical power exchange

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<sup>1</sup> Master of Business Law, Faculty of Law, Gadjah Mada University, Jakarta.

<sup>2</sup> Lecturer at the Faculty of Law, Gadjah Mada University, Yogyakarta.