

Efficiency in Public-Private Partnership in Management of Steam Power Plant PT. Bosowa Energi

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Abstract. *This study is intended to determine the implementation of efficiency in public-private partnerships in the management of Steam Power Plant PT. Bosowa Energi. Efficiency is a comparison between output and input that describes a company's ability to run operations without wasting resources excessively. The sources in this study are all stakeholders related to Efficiency in Public Private Partnerships in the Management of Steam Power Plant PT. Bosowa Energi. Especially stakeholders involved in the Management of Steam Power Plants in Jeneponto Regency. In this study, the researcher used qualitative research to collect related data on The Efficiency of Public Private Partnership in the Management of Steam Power Plant PT. Bosowa Energi in Jeneponto Regency. In this case, PT Bosowa Energi has succeeded in achieving efficiency through the use of the latest technology and maintenance management carried out together with related vendors, such as PT D&C and PT Nalco, which also play a role in maintaining optimal operations. The results of this study indicate that there are obstacles to achieving this efficiency, namely the limited supply of high-carbon coal. Coal is the main fuel of the Jeneponto PLTU. The supply of this type of coal is increasingly limited because many coal companies prefer to export the coal abroad at a more profitable price. This follows the theory of Hodge & Greve (2007) regarding the challenges in public-private partnerships, where dependence on scarce resources can cause obstacles in achieving efficiency.*

Keywords: *Efficiency, Public Private Partnership, PT Bosowa Energi*

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INTRODUCTION

Public Private Partnership is an innovative procurement approach in which the public and private sector as business actors work together to develop infrastructure and provide public services, sharing risks, costs, and benefits efficiently. Efficiency is the main objective of implementing public-private partnerships, even efficiency is considered the heart of this concept (Warsen, et.al, 2018). Therefore, the implementation of public-private partnerships is considered an innovative way to increase public trust in efficient government performance. Other issues that also develop in the implementation of public-private Partnerships are transparency, trust, cooperation, communication, public participation, and stakeholder involvement (Nederhand & Klijn, 2019).

Transparency consists of two elements, "external" transparency, namely the extent to which internal information can be seen by the public, and "internal" transparency, which refers to the availability of information and the ability to draw conclusions from both parties (Reynaers & Grimmeliikhuijsen, 2015). Partnership in the perspective of public administration is becoming one of the increasingly relevant topics in the context of modern governance. Amidst the complexity of the challenges faced by the state, a collaborative approach between government and non-government elements is becoming increasingly important (Haris et al., 2023).

This collaboration not only functions as a tool to achieve efficiency and effectiveness in public services but also as a means to build public trust and participation in the decision-making process (Silvia & Myrna, 2024). In the development of public administration, the paradigm shift from government to Governance reflects a fundamental shift in the way we understand and implement governance. The concept of "Governance" allows for the active role of the private sector and society. Thus, modern Governance emphasizes the importance of coordination and collaboration in managing public issues more inclusively (Wandira et al., 2024).

This approach gave birth to the concept of "Collaborative Governance", namely collaborative governance designed to accommodate cross-sector cooperation in solving complex public problems. The purpose of the partnership is to obtain better results by mutually benefiting the partnering parties (Radic & Kuswandi, 2021). Thus, the partnership aims to provide benefits to the partnering parties, and not vice versa, there is a party that is harmed or disadvantaged to create a strong and mutually beneficial partnership and increased benefits require a balanced commitment between one and the other (Dewi et al., 2023).

Melati (2024) explain that the purpose of partnerships is to increase cooperation, improve the quality of partner group resources, and business continuity, increase business scale, and grow and improve the capabilities of independent business groups. Partnerships can be carried out by parties, both individuals and legal entities, or groups. The parties or groups that are partners have equal or subordinate status and have different visions and missions but complement each other functionally by considering the problems. The rationality of partnerships between government and the private sector in carrying out government tasks has been widely stated by various parties (Hodge & Greve, 2007).

According to Tidball & Stedman (2013), it is grouped into three platforms, namely: (1) Dependence on resources, social issues, and the urban sector. Limited access to resources owned by the government, corporations, and civil society groups has opened the eyes of actors in the three institutions to the need for them to form alliances and collaborations so that they can achieve their respective goals. The competencies owned by each institution are often inadequate to answer the challenges they face while improving competencies requires time and also a lot of resources.

By developing partnerships, government institutions will get resource support from business institutions or civil society that are their partners in meeting public needs and interests; (2) What drives the emergence of partnerships is their concern for certain social issues, such as poverty, environmental damage, and social conflicts that are felt to interfere with their shared interests, which can encourage them to collaborate in overcoming them; (3) According to Bromley & Meyer (2017) it is called the societal sector platform, which explains that the increasingly blurred characteristics of government institutions, civil society, and corporations make the differences between the three increasingly unclear.

This is because what previously seemed to be the role of a particular institution is now often played by institutions in other sectors. Align with research from Djabbari (2021), Partnerships between the government and the private sector are sometimes still understood as limited to cooperation bound by a contract, whereas if studied more deeply in public administration studies, PPP is different from forms of cooperation such as work contracts, outsourcing, or privatization. Cooperation in the form of work contracts, outsourcing is a type of

cooperation that only meets and resolves problems from one party (Kern & Willcocks, 2002). PPP partnership is cooperation that is built based on a shared commitment to resolve problems together by mobilizing various resources and capacities owned by the partnering parties (Brinkerhoff & Brinkerhoff, 2011).

It can be explained more clearly that the debate between PPP and other forms of cooperation can be seen from the statement by Koppenjan & Enserink (2016) who mentions the characteristics of partnerships between the government and the private sector, including: (1) The collaboration involves at least one government agency and one private agency; (2) Cooperation is carried out to achieve common goals or in a reciprocal, compatible, and complementary manner, is complex and requires intensive coordination; (3) Cooperation is carried out to carry out procurement or carry out certain tasks; (4) Have a long-term orientation; (5) Integration, utilization, and synergy of government and private resources; (6) Share the risk; (7) Gains in efficiency and effectiveness.

Concerning the implementation of the management of PLTU, efficiency is considered very important as a mainstay in facilitating the activities of the established cooperation. This is by Presidential Regulation Number 79 of 2014 which aims to provide direction for the National Energy Policy for Energy Independence Management and support development compiled as a guideline for national Energy to realize National Energy Security for a sustainable national (Wahyuni et al., 2023).

Throughout its journey Throughout its journey, many regulations have been made related to the development of electricity in Indonesia, one of which is establishing a Presidential Regulation (Perpres) Number 67 of 2005 concerning Cooperation between the Government and Business Entities in the Provision of Infrastructure including the provision of electricity and the construction of PLTU throughout Indonesia. This is contained in Article 4 paragraph (1G) where the government and the private sector can cooperate in terms of the development of electricity infrastructure, including power generation, transmission, or distribution.

This policy is intended to help accelerate the development of electrical energy in Indonesia. Then this presidential regulation was updated again in 2010 with the issuance of Presidential Regulation of the Republic of Indonesia Number 13 of 2010 concerning Amendments to Presidential Regulation Number 67 of 2005 concerning Cooperation between the Government and Business Entities in the Provision of Infrastructure which was updated several articles in the previous regulation.

The first term of President Jokowi's administration launched several initiatives to encourage the development of renewable energy, namely the acceleration of 35,000 MW of electricity infrastructure; forming a task force to accelerate the development of new and renewable energy (P2EBT); the Center for Clean Energy Excellence; the Energy Security Fund (DKE); the Eastern Indonesia Electrification Program / Bright Indonesia Program (PIT); the Bali clean energy region; microgrids; and one-stop permits. According to Maulidia in Bosman & Putra (2024) these initiatives complement the regulations on FIT for geothermal, solar, water, and biomass electricity sourced in 2015 and 2016.

In this 35,000 MW program, the Government encourages the private sector to participate in the electricity supply business through the Engineering, Procurement, and Construction (EPC), Independent Power Producer scheme (IPP), Public Private Partnership (KPS), hire purchase (Build, Lease and Transfer) and Private Power Utility (PPU) or determination of business areas. The government has issued regulations to encourage and provide certainty for private investment. Regarding land acquisition and provision, the government has enacted Law No. 2/2012. To accelerate licensing, the government has formed the One-Stop Integrated Licensing Service (PTSP) which is coordinated by BKPM.

The government also issued ESDM Regulation Number 03 of 2015 concerning Electricity Purchase Procedures and Reference Prices for Electricity Purchase from Mine-Mouth PLTU, Coal-Fired PLTU, PLTG/PLTMG, and PLTA by PT PLN (Persero) through Direct Selection and Direct Appointment. This regulation was created to build a more conducive investment climate, accelerate the price approval procedure between PLN and IPP, and ensure certainty/confidence for PLN in the implementation of electricity purchases. Therefore, efficiency is very much needed to handle the efficiency of Public Private Partnership in the Management of PT Bosowa Energi Steam Power Plant.

In this study, the researcher tries to see the existing phenomenon based on the elements that are indicators of the success of Public Private Partnerships which include justice, effectiveness, efficiency, and exportability (Hodge & Greve, 2017). Especially in the aspect of Efficiency. Where the efficiency element related to Public Private Partnership in the provision and maintenance is considered to be more efficient if done by the private sector. The private sector has good capabilities in adapting technology so that service efficiency can be achieved (Weerakkody et al., 2016). The effectiveness element in Public Private Partnership in the Management of Steam Power Plants at Bosowa Energi in Jeneponto Regency shows that the PLTU is managed efficiently by the private sector in this case PT. Bosowa Energy because it can be done well.

METHODS

The sources in this study are all stakeholders related to Efficiency in Public Private Partnerships in the Management of Steam Power Plants of PT. Bosowa Energy. Especially stakeholders involved in the Management of Steam Power Plants in Jeneponto Regency. In this study, the researcher used qualitative research method in collecting related data on The Efficiency of Public Private Partnerships in the Management of Steam Power Plant PT. Bosowa Energy in Jeneponto Regency.

RESULTS AND DISCUSSION

In the context of Public Private Partnership (PPP), efficiency is one of the important elements in determining the success of a partnership. Efficiency, in the management of a steam power plant (PLTU), involves optimal management of resources, both in terms of operation, maintenance, and use of technology. PT Bosowa Energy, as the main manager of PLTU Jeneponto, has the responsibility to ensure that this plant operates efficiently by utilizing advanced technology to minimize production and maintenance costs.

According to Duflou (2012), efficiency is a comparison between output and input that describes a company's ability to run operations without wasting resources excessively. In this case, PT Bosowa Energy has succeeded in achieving efficiency through the use of the latest technology and maintenance management carried out together with related vendors, such as PT D&C and PT Nalco, which also play a role in maintaining optimal operations.

Grimsey & Lewis (2004) in their book on PPP emphasizes that in this partnership, the private sector is often more efficient in using technology and managing operations than the public sector. In this case, PT Bosowa Energy applies technology to minimize the cost of electricity production, which is strictly supervised by PT PLN Persero, which functions as a regulator and supervisor in terms of the quality and quantity of electricity supply produced.

High-grade coal. Calories which is the main fuel of the Jeneponto PLTU. The supply of this type of coal is increasingly limited because many coal companies prefer to export the coal abroad at a more profitable price. This is by the theory of Bloomfield (2006) regarding the challenges in public-private partnerships, where dependence on scarce resources can cause obstacles in achieving efficiency.

CONCLUSION

In achieving the efficiency of the performance of the PT BOSOWA ENERGI PLTU, namely the limited supply of high-grade coal. Coal is the main fuel of the Jeneponto PLTU. The supply of this type of coal is increasingly difficult because the majority of companies prefer to export their high-quality coal because it is considered more profitable in terms of price. This is by the theory of Mu (2011) regarding the challenges in public-private partnerships, where dependence on scarce resources can cause obstacles in achieving efficiency.

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