


Government Policy on the Equitable Distribution of Subsidized LPG Prices in Realizing a Just Energy Transition

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Article Info	ABSTRACT
Keywords: energy subsidy, 3 kg LPG, government policy, energy justice, sustainable energy transition	<p>This research is motivated by the urgency of the government to realize national energy resilience with justice through the subsidy policy on 3-kilogram Liquefied Petroleum Gas (LPG). The frequent inequality in distribution and scarcity of subsidized LPG highlights the importance of policy improvement to ensure equitable energy access for vulnerable communities. The study aims to analyze the government's role and strategies in equalizing subsidized LPG prices as part of an inclusive and sustainable energy transition agenda. The method used is a literature study with a descriptive-qualitative approach, involving analysis of policy documents, scientific journals, and official government reports. Data analysis techniques are conducted through content analysis of regulations and literature related to subsidized LPG distribution and energy justice. The findings show that the policy of equalizing the 3 kg LPG price plays a strategic role in protecting the purchasing power of the poor, encouraging cleaner energy use, and reducing the state's fiscal burden. However, the effectiveness of this policy is still hindered by uneven distribution and subsidy misuse practices. The government's strategies in LPG subsidy reform, utilization of the Integrated Social Welfare Data (DTKS), development of the natural gas network, and involvement of local governments are considered crucial to strengthen a targeted distribution system and support the national energy transition. In conclusion, the policy of subsidized LPG price equalization significantly contributes to energy justice, but requires strengthened governance, data integration, and policy innovation to create a fair, sustainable, and inclusive energy system.</p>
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INTRODUCTION

Understanding that national resilience is a dynamic state of a country with the ability to develop national strength encompassing all aspects of national life in an integrated manner, addressing and overcoming various challenges originating from both domestic and foreign sources (Permana & Sos, 2021). Indonesia's national resilience also involves developing national strength through the regulation and enforcement of a balance between welfare and security in all fields of life, fully based on Pancasila and the 1945 Constitution (Wiryawan, 2023).

National independence in various fields is essential in the national process (Lestari et al., 2023). With the enactment of Presidential Regulation Number 70 of 2021 concerning the Amendment to Presidential Regulation Number 104 of 2007 on the Provision, Distribution, and Pricing of 3-Kilogram Liquefied Petroleum Gas Cylinders, and the enactment of Presidential Regulation Number 71 of 2021 concerning the Amendment to Presidential Regulation Number 38 of 2019 on the Provision, Distribution, and Pricing of Liquefied Petroleum Gas for Fishing Boats for Targeted Fishermen and Water Pump Engines for Targeted Farmers, an adjustment of regulations in the provision and distribution of liquefied petroleum gas is necessary; (Government of the Republic of Indonesia, 2021).

Theoretical Framework

a) Liquefied Petroleum Gas (LPG)

Liquefied Petroleum Gas (LPG) is a vital fuel much needed by the Indonesian people, especially since the implementation of the conversion program from kerosene to 3-kilogram LPG cylinders in 2007, as mandated by Presidential Regulation Number 104 of 2007 concerning the Provision, Distribution, and Pricing of 3-Kilogram LPG cylinders. This policy to convert kerosene to 3 kg LPG cylinders is one of the national energy management policies aimed at ensuring the procurement and supply of fuel within the country through energy diversification to reduce dependence on kerosene-type fuel, ease the financial burden on the state through reduction of fuel subsidies, minimize misuse of subsidized kerosene, and provide fuel that is more efficient and environmentally friendly compared to kerosene (Directorate General of Oil and Gas, 2014, cited in Puji Lestari et al., 2022).

b) Shortage of 3-Kilogram Liquefied Petroleum Gas (LPG) Gas

The shortage of 3-kilogram Liquefied Petroleum Gas (LPG) occurring in various regions has caused serious impacts on the community, especially the low-income people who depend on this subsidized gas for their daily needs. This was conveyed by a Member of the Indonesian People's Consultative Assembly (MPR RI) from the DPD Group, for the 2024-2029 period, Al Hidayat Samsu S.Pd., M.Pd, in Jakarta on Tuesday (February 4, 2025). He expressed deep sadness over the condition, especially after learning about the tragic incident of a housewife in Pamulang, South Tangerang, who reportedly died from exhaustion after queuing for hours to obtain the scarce melon gas. "This heartbreaking incident is a loud alarm for the government that has implemented policies hastily without considering the readiness of distribution and the access of low-income communities to their basic needs," emphasized this DPD member from the South Sulawesi electoral district. According to him, the policy banning the sale of 3-kilogram LPG at the retailer level since February 1, 2025, has actually worsened the situation, forcing people to line up long at official outlets hoping to get the increasingly scarce gas (MPR RI, 2025). As a follow-up to the President's mandate, since March 1, 2023, the Ministry of Energy and Mineral Resources and PT Pertamina (Persero) have conducted registration or data collection of LPG 3 Kg consumers as part of the Targeted Distribution Program for 3 Kg LPG. This program's outreach continues to be carried out via various channels, including online by inviting

distributors (agents) and sub-distributors (depots). Laode conveyed that through legislation, the government has designated 3 Kg LPG cylinders as essential goods intended only for households for cooking, micro businesses for cooking, target fishermen, and target farmers. With the issuance of Minister of Energy and Mineral Resources Decree No. 37.K/MG.01/MEM.M/2023 concerning Technical Guidelines for Targeted Distribution of Certain Liquefied Petroleum Gas Refills and Directorate General of Oil and Gas Decree No. 99.K/MG.05/DJM/2023 regarding the Zoning and Scheduling for the Implementation of Targeted Distribution of Certain Liquefied Petroleum Gas Refills, the government hopes for the support of all parties in implementing the transformation of the targeted 3 kg LPG refill distribution (Indonesia, 2023)

c) Government Subsidy on Fuel Prices

Government subsidies on fuel prices have been viewed as misdirected because most of the subsidies actually benefit the upper-middle class. Additionally, the low fuel prices cause wasteful consumption, fuel smuggling, fuel adulteration, and strain the state budget, even causing a budget deficit. Therefore, a mechanism is needed to enable the public, especially the poor, to gain greater benefits from government subsidies. (Adolph, 2016).

d) The government's policy in providing energy, especially subsidized LPG gas, is part of the effort to support the conversion from kerosene to LPG. Since 2008, the Indonesian government has allocated subsidies for 3 kg LPG cylinders aimed at improving energy accessibility for the community, particularly low-income groups. From 2008 to 2018, LPG subsidy spending increased significantly, reaching IDR 58.14 trillion in 2018, which accounted for 37.87% of the total energy subsidies. (Negara, 2020).

RESEARCH METHOD

This study uses the library research method, which involves reviewing various literature, policy documents, scientific journals, official government reports, and previous relevant research related to the theme of equitable subsidized LPG gas pricing and a just energy transition. This method is chosen to gain a comprehensive understanding of the dynamics of government policy in the context of energy subsidies and its implications for social justice and energy sustainability

The secondary data analyzed in this research include:

1. Official government policies related to LPG subsidies and energy transition documents (such as Presidential Regulations, Ministry of Energy and Mineral Resources Regulations, and National/Regional Energy General Plans)
2. Scientific journals and research reports examining the impact of subsidized LPG distribution on vulnerable community groups
3. The data analysis technique used is content analysis of the reviewed documents and literature. This research focuses on how the policy of equitable subsidized LPG pricing is designed and implemented, and the extent to which the policy supports the principles

government's fiscal burden.

5. Supporting the National Energy Transition

By regulating the price and distribution of subsidized LPG, the government can encourage the use of more efficient and environmentally friendly energy, in line with the national energy transition agenda towards more sustainable energy sources

d. Government Strategies to Achieve a Just Energy Transition through Equitable Distribution of Subsidized LPG Prices

1. Reform of LPG Subsidy Policy

The government has undertaken a transformation of the LPG subsidy policy, shifting from price subsidies to more targeted subsidies. This has been done by changing the commodity-based subsidy scheme into a direct subsidy aimed at low-income households. By using the Integrated Social Welfare Data (DTKS) as the beneficiary database, it is expected that the subsidies can be better targeted and help reduce social inequality

2. Utilization of the Integrated Social Welfare Data (DTKS)

DTKS serves as the primary data source for determining the target of social protection and poverty alleviation programs. With detailed information on household identities, employment variables, and asset ownership, the government can ensure that LPG subsidies are provided to the rightful recipients, thereby improving the efficiency and effectiveness of the subsidy program.

3. Development of Natural Gas Networks (Jargas) for Households

To reduce dependence on LPG and support the energy transition, the government promotes the use of natural gas through the development of gas distribution networks to households. This program not only provides a cheaper and cleaner alternative energy source but also helps to reduce the burden of LPG subsidies. The Director of Oil and Gas Engineering and Environment at the Ministry of Energy and Mineral Resources emphasized that the use of natural gas for the Jargas program can reduce LPG consumption and support the shift toward cleaner energy

4. Enhancement of Local Government Participation

Studies show that active participation of local governments in the planning and implementation of renewable energy programs can enhance the effectiveness of the energy transition. By involving local governments, programs can be tailored to meet local needs and improve energy accessibility for communities

Through these measures, the government strives to create a more just and equitable energy system, ensuring that energy subsidies are well-targeted and that the transition toward cleaner and more sustainable energy sources is effectively supported.

CONCLUSION

The Indonesian government's policy on the equitable pricing of subsidized LPG plays a crucial role in achieving a sustainable energy transition. The 3-kg LPG subsidy aims to improve access to affordable energy for low-income communities; however, its implementation still faces challenges such as subsidy misuse, mistargeting, and inefficiencies in distribution. To

support a more sustainable energy transition, the government needs to improve distribution systems and monitoring mechanisms to ensure subsidies are well-targeted, as well as promote the use of more environmentally friendly and efficient renewable energy sources. This policy must be accompanied by public education and technological innovation to create a more just and sustainable energy system—one that not only enhances community welfare but also supports long-term environmental sustainability

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