

## **IMPACT OF COAL PROPER ASSESSMENT AND FOLLOW-UP SUPPORTING SUSTAINABLE DEVELOPMENT AT PT. CAHAYA ENERGY MANDIRI**

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### **ABSTRACT**

Development environmental insight is carried out consciously and planned, especially the management of mineral and coal resources to improve the quality of human life. The purpose of the study was to determine the response of PT. Cahaya Energi Mandiri on the impact and follow-up on the performance of mining companies to support sustainable development. This research is a qualitative descriptive study using an empirical legal design. The research location is PT Cahaya Energi Mandiri. The types of data used include primary data, secondary data and tertiary data. The data technique used in interviews and literature study. Data analysis used an interactive analysis model. The research findings are 1) The impact of the mining company's performance appraisal is very helpful for the company to always apply environmental care and improve environmental management. The mine reclamation/closure program takes into account the inputs/needs of the community around the mine. 2) Follow-up efforts for the company by complying with government directives, implementing the recommendations of applicable regulations, including when the company encounters problems in following up, the government is always ready, caring, and open to give directions without delay. The conclusion is that the impact of the mining company's performance assessment is effective and able to increase the compliance of the company's management in maintaining and being responsible for environmental management. Since 2019 the Company has not operated so that in 2021 there will be no visits from the mining company's performance. So that in 2020 the company only won the title of "Red Flag". However, the Company is always committed to complying with the mining company's performance appraisal criteria.

**Keywords:** Environmentally friendly development, Coal industry, Performance appraisal.

### **INTRODUCTION**

Indonesia has abundant natural resources, so it needs to be managed properly so that the environment will benefit the people's prosperity as much as possible. A strong statement is formulated concretely in Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia which states: "Earth and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people". The prosperity of the people of course must be enjoyed not only by the current generation but also for generations to come sustainably (Mandeville et al., 2017).

To realize the prosperity of the people, the government carries out sustainable development (Kamonthip Kongprasertamorn, 2007). Sustainable development is a conscious effort to process and utilize natural resources to improve the welfare of the people physically and

spiritually (Mugwanya et al., 2021)., 2021). Law Number 32 of 2009 concerning Protection and Management of the Environment, Article 65 paragraph (1): "Everyone has the right to a good and healthy environment as part of human rights", as well as Law Number 39 of 1999 concerning Rights Human Rights, Article 9 paragraph (3): "Everyone has the right to a good and healthy environment".

The concept of the environment in Article 1 number 1 of Law Number 32 of 2009 concerning Environmental Protection and Management: "The environment is a unitary space with all objects, forces, conditions, and living things, including humans and their behavior, which affect nature itself. , the continuity of life, and the welfare of humans and other living things. According to Jimmy Asshiddiqie, automatically the entire ecosystem as referred to in Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia as interpreted extensively and creatively by various laws in the environmental field, must be managed for the benefit of development based on sustainable principles. and with an environmental perspective as regulated in Article 33 paragraph (4) of the 1945 Constitution of the Republic of Indonesia.

The existence of mining activities is to improve the welfare of the community around the mine (Long et al., 2021). Mining activities have changed based on three parameters of sustainable development, namely economic, social, and environmental (Asteria et al., 2021). Economic and social parameters have interactions that have the potential to affect changes in behavior around the mine which are closely related to the existence of the community around the mine itself (Feyers et al., 2020; Kamonthip Kongprasertamorn, 2007). The growth of the coal industry in East Kalimantan is experiencing rapid growth. As we know, mining means digging to find natural resources on earth, and this activity will change the shape of the earth's landscape, especially for mining activities that use mining technology open *pit*. Recent environmental damage requires companies to take action and pay more attention to society and the environment (Zhuang et al., 2020). Therefore, as a manifestation of the company's concern and responsibility for the environment, the company has complied with the mining company's performance appraisal program or PROPER for short.

PROPER has been widely used by various parties to determine the level of environmental management compliance performance in companies. The banking sector mostly uses PROPER data, besides that some investors will do *due diligence*. It's just that until now the capital market community has not used PROPER data to measure the level of company compliance. (Omotehinse & de Tomi, 2019) The company's performance rating program in environmental management is an evaluation of the performance of those in charge of businesses and or activities in the environmental management sector. The assessment requirements are stated in the Minister of

Environment Regulation No. 01 of 2021 concerning changes to the regulation of the minister of the environment regarding the performance rating program or called PROPER.

Industrial development in the coal mining business sector is an effort by the government to increase the country's foreign exchange and when viewed from the perspective of the pattern of people's lives, it is directly related to the increase in the need for goods and services, the use of energy sources and natural resources (Samarina et al., 2019; отенціал & озвитку, 2020). The use of natural resources on a large scale without ignoring the environment can result in various negative impacts that are felt in the short term and the long term (Kopacz et al., 2017). Sustainable development is an effort and approach in the use of natural resources, namely a development that seeks to meet the needs of the present generation without compromising the ability of future generations to meet their needs (Santos et al., 2017).

Implicitly, industrial development in the mining sector means maximizing development benefits while maintaining the quality of natural resources in environmental management for coal mining companies (Kopacz et al., 2017). The importance of the environmental aspect because will collide with other aspects, for example, economic issues will have an impact if the environment is managed properly (Kamonthip Kongprasertamorn, 2007). Likewise with social problems if the environment is not managed properly it will have a bad impact. However, if it is related to environmental, economic, and social aspects, it will have the potential to improve people's welfare if it is managed properly.

Mineral and coal mining companies face some of the most difficult sustainability challenges of any mining sector. To secure a sustainable 'social license to operate, mining companies must respond to this challenge by engaging many different stakeholders and addressing their sustainability concerns. mining companies must also be able to measure and assess their sustainability performance and demonstrate continuous improvement over the long term. The mineral and coal mining sectors have begun to respond to several sustainability challenges, as demonstrated by PT. Independent Energy Light.

Most mining companies have demonstrated that obtaining official permits to operate from the government and meeting regulatory requirements is no longer sufficient (Wang et al., 2019). There are several examples of delayed mining developments being interrupted and even closed due to non-compliance with environmental sustainability programs. Procurement for licenses for good company performance is carried out by the government as an award given to companies that care about the environment (Kopacz et al., 2017). Concerns on public perception will be considered as part of the social and economic factors for sustainable environmental management. Sometimes, the

opposition can occur due to perceived local social and environmental impacts. The view of the local community that bears the negative impact of mining is largely ignored by the company.

About the importance of granting a good environmental license in coal mining business activities, the Minister of the Environment stipulates regulation number 01 of 2021 concerning amendments to the regulation of the minister of environment number 03 of 2014 concerning the company rating assessment program or called PROPER. PT. Cahaya Energi Mandiri in 2019-2021 is a red flag. Based on the systematic ranking, the red flag indicates that the company has made environmental management efforts but has not complied with the requirements as stipulated in the legislation.

Some of the references that have been described above but have not specifically revealed the data as needed in this paper. Therefore, I am very excited to follow up on research. The purpose of the research was to investigate the impact of PROPER and follow-up efforts on more environmental development in the PT. Independent Energy Light.

## **METHODS**

This research is a qualitative descriptive study using an empirical legal design. The research location is PT Cahaya Energi Mandiri. The types of data used include primary data, secondary data, and tertiary data. The data technique was used in interviews and literature studies. Data analysis used an interactive analysis model, namely data collection, data reduction, data display, and conclusion drawing (Miles & Huberman, 1992).

## **RESULTS AND DISCUSSION**

### **Impact of coal proper assessment for the company PT. Cahaya Energi Mandiri PT. Cahaya Energi Mandiri**

The one of the companies engaged in coal mining and the owner of a Mining Business Permit (IUP). PT. Cahaya Energi Mandiri is a domestic capital company and is located in the Samarinda region. The company's performance can be said to be good if the company can regulate and develop natural resources that can be owned and achieve the targets set by the company. One of the evaluations or assessments that can be carried out by companies in the evaluation of financial statements is through financial ratios, namely, Liquidity ratios, Solvency ratios, and Profitability ratios. Through this ratio, the company's ability to meet short-term obligations (liquidity), determines the company's ability to meet all financial obligations if the company is dissolved or long-term obligations (solvability) and determines the company's ability to generate profits

(profitability). Although there is a decrease in the amount of revenue, it is not necessarily the financial performance of PT. Cahaya Energi Mandiri has decreased. The results of the company's financial statements PT. Cahaya Energi Mandiri still needs to be analyzed more deeply and more closely. One method that can be used to measure the financial performance of PT. Cahaya Energi Mandiri is through financial ratio analysis, namely: liquidity ratios, solvency ratios, and profitability ratios.

#### PT. Cahaya Energi Mandiri Maps



Environmental risks from coal mining activities threaten human life in the mining circle. To minimize subjectivity in company performance appraisal ratings, use guidelines based on Minister of Environment Decree No. 01 of 2021 concerning the Company Performance Rating Program (PROPER). Perception of PT. Cahaya Energi Mandiri, the change in regulations regarding PROPER candy number 03 of 2014, the company has difficulty adapting to the new regulations. So that in 2019-2021, they have participated in PROPER with the acquisition of a red flag rating. Even though it has not met the target for the environment, it continues to improve to achieve the target of caring for the environment.

In the last three years PT. Cahaya Energi Mandiri is a company that is not yet operating, so there is no visit from the local government PROPER team. The applicable regulations are still upheld by PT. Independent Energy Light. Even the Management of the Company understands and implements the recommended laws and regulations regarding PROPER. Company leaders are also very concerned about environmental quality in coal companies. Although sometimes the leadership conducts continuous monitoring in an effort to increase awareness of the environment. The Company complies with government directives and applicable regulations. The company understands and complies that environmental issues are very urgent and criminal based.

PROPER's impact on the efforts of PT Cahaya Energi Mandiri in preparing a good environment. The level of understanding of the impact of mining which can produce large amounts of waste. It can also cause the greatest environmental degradation. According to Omotehinse & de Tomi, (2019) revealing the risk assessment is that contamination of the food chain by Cd from soil contaminated by smelting is highly unlikely under a heavy diet. Soil contamination with trace metals is considered a serious smelting problem; however, mining and smelting are not the main sources of global metal inputs into the soil. Other sources such as discarded manufactured products, coal ash, agriculture, and transportation lead.

Smelters are a major source of atmospheric emissions of As, Cu, Cd, Sb and Zn on a global scale and they contribute greatly to overall Cr, Pb, Se and Ni emissions. Quantitative evaluation of the environmental health impacts of mining and smelting is difficult due to the complexity of the factors involved and the lack of a consistent methodology. Nevertheless, the case studies described suggest that negative health effects can arise from the mining and smelting of Pb.

perception PT, Cahaya Energi Mandiri' of the benefits of PROPER for the company are:

1. Helping companies to always apply environmental
2. care Increase awareness of environmental, helpful for
3. management Improve environmental management
4. As a control in carrying out mining activities on environmental impacts, so that the activities carried out have a minimum impact on the environment.
5. Can encourage the active role of stakeholders in environmental management, as well as save the time and costs needed in corporate governance
6. Teaches matters regarding the prevention of environmental impacts due to mining

Company tips PT. Cahaya Energi Mandiri to create a quality environment towards sustainable development A mine reclamation/closure program that takes into account the inputs/needs of the community around the mine. Company response PT. Cahaya Energi Mandiri towards the new regulation, namely the Minister of Environment Regulation Number 01 of 2021 concerning Proper. Regulation of the Minister of the Environment Number 03 of 2014 has been revoked and is not valid. Company PT. Cahaya Energi Mandiri tries its best to meet the criteria in the PROPER assessment. Guidance and supervision efforts carried out by the government in mentoring obtained a better predicate for Proper participants:

- Socialization of filling proper applications

- outCarrying out routine inspections of environmental management and monitoring carried out by
- DLHK/DLH companies or Proper Teams conducting inspections/supervision of all activities that have the potential to cause environmental impacts and provide input, suggestions regarding findings to be immediately followed up by the company then given a due date for the reporting date accompanied by documentation of proof of improvement.
- The government provides guidelines and standards that must be met for certain targets, besides that the company is also equipped with the necessary training and continues to periodically monitor the progress of the company's achievements
- . how to get such good PROPER value from the field directly to where the checks, which need to be improved and ways to overcome them

obedience realization of mineral and coal mining companies to meet government directives and suggestions of legislation in force:

- Conduct regular the authors of the environment in the region IUP- Even though the OP is not yet operating again
- Implement and report environmental management activities, be it a month, quarter, semester, or yearly period.
- Implement and report environmental management activities, be it monthly, quarterly, semester, or annual periods. The
- company applies for a point of compliance permit, B3 Waste TPS Permit, Monitoring Soil Samples, and Air Monitoring.
- Indomining has never been subject to sanctions related to environmental management and monitoring activities since operating in 2007 until now. And Indomining is also categorized as a pilot company for companies around the project site.
- Still lacking, but the company still follows the rules by applicable laws by making improvements to the lack of VALUES from the PROPER Team.

The actions were taken by the government when the target of the mineral and coal mining company predicate does not meet expectations, for example, red or black, are:

- The temporary suspension of operational activities imposes

- sanctions on the company
- PT. KBM Never received a Black or Red rating
- Indomining has never received a red or black rating. if the decline has never been done
- In general, strict sanctions will be given in the form of a letter of warning, or temporarily stopping mining activities before the company makes repairs according to the findings of the PROPER team.

Sanctions are given by the government when mineral and coal mining companies are not in favor of follow-up after the announcement of the PROPER assessment:

- Termination of operational activities and government coercion to correct the sanctions received by
- giving direct and written warnings and providing sanctions
- Usually, the company gets administrative.
- The government may even impose administrative sanctions up to the highest level for the suspension of the company's operations. However, Indomining has never been sanctioned by
- sending a letter of reprimand or temporarily stopping mining activities and being given time for repairs by a letter of warning from the PROPER TEAM

Constraints for mineral and coal mining companies to fulfill the follow-up to the PROPER assessment: The

- condition of the company that has not been operating since 2019
- Constraints, when want to upload proper data and the network, have a problem. The
- network is sometimes slow when inputting proper data. The
- duration of field repairs is sometimes longer than the date given by the Proper Team, so work must be extra and the finding repair work may be delayed from the specified date.
- The time required for certain competency training, fulfillment of equipment from vendors, and the interest of coordinating with other third parties.

Tips for mineral and coal mining companies to create a quality environment towards sustainable development



- Mine reclamation/closure programs that take into account the inputs/needs of the community around the mine
- Conduct environmental management by government regulations related to environmental management and innovation.
- Carry out environmental management by government regulations related to environmental management and innovation. The
- The company will always be guided by the current environmental laws and regulations, as well as make SOPs and implement them properly. The company also always makes and submits Quarterly RKL/RPL reports to DLHK and DLH Kalimantan Timor Province
- Participates in all programs that support this and increases the frequency of socialization of related information to all employees so that they become general knowledge about what quality environmental standards must be met to make it a habit that is done consciously
- Of course by following the directions of the PROPER Team such as Procurement of Settling Ponds to collect my water, Conducting B3 Waste disposal sites and establishing standard workshops, backfilling mine pits, and re-vegetating (planting) locations that are already mine OUT.

Employees who work at the company PT. Self Energy Light totaling 20 people with educational backgrounds and the classification of positions is a management position of one person with a bachelor's degree (S1) education. The technical positions are three people with S1 and Diploma three (D3) education, four administrative staff with D3 education, and high school education. There are four positions with D3 and S1 education. There are eight unskilled workers with high school education.

## Plan and Realization of Labor in 2020 and Plan for the Year 2021

| NO                                     | CLASSIFICATION OF SERVICE | REALIZATION OF THE YEAR (2020) |           |           |          |                                   |                |                                      |
|--|---------------------------|--------------------------------|-----------|-----------|----------|-----------------------------------|----------------|--------------------------------------|
|  |                           | TOTAL LABOR                    |           |           |          | QUALIFICATION OF THE LABOR        | LICENSES TKA   | NUMBER AND TYPE OF EMPLOYEE TRAINING |
|  |                           | TKI                            |           | TOTAL TKI | TKA      | (HISTORY AND LEVELS OF EDUCATION) | (RPTKA / IMTA) |                                      |
|  |                           | LOCAL                          | NON LOCAL |           |          |                                   |                |                                      |
| <b>A. PT. INDEPENDENT ENERGY LIGHT</b> |                           |                                |           |           |          |                                   |                |                                      |
| 1                                      | MANAGEMENT                | 1                              | -         | 1         | -        | S1                                |                |                                      |
| 2                                      | PROFESSIONAL              | -                              | -         | -         |          |                                   |                |                                      |
| 3                                      | TECHNICIAN                | 3                              | -         | 3         |          | S1, D3                            |                |                                      |
| 4                                      | ADMINISTRATI<br>ON        | 4                              | -         | 4         |          | D3. SMA                           |                |                                      |
| 5                                      | SKILLED                   | 4                              | -         | 4         |          | S1, D3                            |                |                                      |
| 6                                      | NOT SKILLED               | 8                              | -         | 8         |          | SMA                               |                |                                      |
| <b>SUB TOTAL A</b>                     |                           | <b>20</b>                      |           | <b>20</b> | <b>-</b> |                                   |                |                                      |

### Follow up on coal proper assessment to support sustainable development at PT. Cahaya Energi Mandiri

PT. Cahaya Energi Mandiri follows up on the results of the PROPER assessment announcement based on the recommendations of the applicable regulations. Efforts to prepare for follow-up when faced with various obstacles, government agencies are always ready, caring and open to giving directions without delay.

The mining system applied to PT. Cahaya Energi Mandiri is an open-pit mining system, by stripping the overburden material that is piled up in the replenishment area or the stockpile area outside the mine, taking and transporting coal, processing it into ready-to-sell coal, selling and shipping coal, and reclamation of ex-mining land. In mining activities, there are always areas that are disturbed by their ecosystems, especially in mining operational areas, replenishment areas, stockpiling areas outside the mine, and production support areas such as office locations and employee housing, coal stacking and processing locations, coal hauling roads, and so on. -other.

The general problem when viewed from the presence of environmental conditions in East Kalimantan at the location after coal mining activities is currently very concerning, because the limits of carrying capacity and environmental capacity are not balanced. This directly or indirectly has an impact on the decline in the quality of the environment. Other problems that have a major impact on the environment by coal mining activities are liquid waste and wastewater because they are easily contaminated and dissolved by surface water flows which then go to the Mahakam river body. The location of the coal stockpile in the stock pile is located on the outskirts of the Mahakam river and there is a coal washing place, where the wastewater produced is not managed properly as a result it affects the pollution to the environmental media.

Realizing that the problems of environmental damage are so complex, policies and strategies are needed to improve integrated management by involving stakeholders and related technical agencies together to prevent, cope with and restore environmental damage. One of the government's program efforts to supervise mining business actors on the problem of pollution and environmental damage is to involve them through PROPER (Performance Rating Program) activities on environmental management. The red flag predicate will be followed up by PT. Cahaya Energi Mandiri fulfills all requirements and participates in assessment program activities in the coming year.

## **CONCLUSION**

The impact of PROPER for PT, Cahaya Energi Mandiri, gives motivation to always care about the environment. Considering that mining activities are very sensitive to environmental damage, because the government through the ministry of the environment has settled on regulations for maintaining environmental sustainability for the greatest benefit of the community.

Follow-up Efforts PT. Cahaya Energi Mandiri will continue to be pursued because it has become a prestige in mining activities if getting a gold title is a matter of pride. The red predicate obtained in the last two years will be optimized to rise to the blue flag predicate.

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