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Limitation of Authority of the BANI Arbitration Center in Government Construction Contract Disputes within the Electricity Sector

Author(s)

David Mangara Pasaribu*

Universitas Pekalongan, Indonesia || davidmangara22@gmail.com

*Corresponding Author

Erik Winada

Universitas Pekalongan, Indonesia || erikwinada@gmail.com

Fajar Sungkara

Universitas Pekalongan, Indonesia || fajarsungkara10@gmail.com

Wesleyzon Sitompul

Universitas Pekalongan, Indonesia || wesleysitompul17@gmail.com

Singgar Mataniari Wibowo

Universitas Pekalongan, Indonesia || mataniari.2509@gmail.com

Sarwono Hardjomuljadi

Universitas Pekalongan, Indonesia || sarwonohm2@yahoo.co.id

S. Sami'an

Universitas Pekalongan, Indonesia || dosen.samian@gmail.com

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ABSTRACT

*Electricity infrastructure development is a national strategic sector directly intersecting with energy sovereignty and public interest. Therefore, construction contract disputes therein involve an intersection between private law and public law regimes. This research aims to critically analyze the basis of BANI's legitimacy and the limitations of its authority in resolving government-construction contract disputes in the electricity sector. This is intended to guarantee the protection of energy sovereignty and the principle of legality in government administration. The research method applied is a normative juridical approach using the statute, conceptual, and case approaches, with a prescriptive, deductive syllogism analysis technique. The research results indicate that BANI's legitimacy is derivative and limited. The arbitration institution lacks the adjudicative authority to review the validity of state administrative decisions or to set aside public electricity safety standards. These findings assert that BANI's role must be reconstructed to remain within the corridor of purely commercial aspects without exceeding the administrative authority of public officials (*ultra vires*) in managing national strategic infrastructure. In conclusion, the limitation of arbitration authority is a manifestation of the limited delegation of authority doctrine, necessary to maintain state administration accountability while providing legal certainty for energy investment. This reconstruction makes a theoretical contribution by harmonizing party autonomy in civil law with legal sovereignty in the realms of Constitutional Law and State Administrative Law.*

Keywords: Administrative Legality; Arbitration; BANI; Electricity Construction; Limitation of Authority.

INTRODUCTION

Electricity infrastructure development is a manifestation of the state's strategic role in fulfilling citizens' constitutional rights and advancing the general welfare, as mandated in the Preamble of the 1945 Constitution. The electricity sector is an important production branch for the state and affects the livelihoods of the public. Consequently, its management is subject to the doctrine of state control (*hak menguasai negara*) for the greatest prosperity of the people. This energy infrastructure development requires investment, sustainability, and legal certainty in the implementation of construction contracts to guarantee national energy availability (Yanuar et al., 2025). In reality, electricity projects often face high technical and juridical complexities. These issues range from substation licensing to the construction of extra-high voltage transmission lines (Junaedi et al., 2025; Rahmiko et al., 2025). This condition positions construction services as vital instruments that not only intersect with the private realm but also relate closely to public access to energy and strategic property registration (Hardi et al., 2024).

Legal relationships in government construction contract disputes are unique because they involve interactions between private legal subjects and government administrative officials managing the state budget. Electricity project implementation often encounters field dynamics, such as changing conditions that require price or schedule adjustments (Wisnuaji et al., 2025). Furthermore, potential overhead cost claims and claims resulting from extensions of time often trigger disputes between

service users and service providers (Indahwati et al., 2025; Qadri et al., 2025). This complexity is exacerbated by concurrent delays in multi-year contracts. Such phenomena require a sharp analysis of contract law for resolution (Sumantri et al., 2025). In this context, every change order instruction carries legal force, implying public accountability and effective project time performance (Barnado & Karim, 2024; Setiyawan et al., 2025).

Dispute resolution through non-litigation channels, particularly arbitration, has become a dominant trend, as it is considered capable of providing final, binding, and confidential awards to business actors. The BANI Arbitration Center (*Badan Arbitrase Nasional Indonesia* or BANI) is an independent institution that facilitates business dispute resolution outside state courts, prioritizing the principle of parties' autonomy (Sidik, 2024). Arbitration is viewed as aligning with the principles of rapid, simple, and low-cost dispute resolution, which are also reflected in the dispute board mechanism (Samsiati et al., 2022). The use of arbitration in government construction contracts is regulated in Law Number 2 of 2017¹ to achieve win-win solutions and avoid prolonged development obstacles (Waisapi, 2024; Lannyati & Sami'an, 2025). However, BANI's involvement in government projects in the strategic electricity sector raises complex public law consequences. This primarily arises when dealing with *force majeure* clauses in the procurement of goods/services within State-Owned Enterprises (SOEs) (Triwijaya et al., 2025).

Fundamental juridical problems arise when arbitration mechanisms based on freedom of contract intersect with the absolute public authority of government officials. Government construction disputes are often triggered by administrative actions, such as unilateral contract termination due to government failure or changes in environmental policy (Lo et al., 2025; Sebastian et al., 2025). From a Constitutional Law perspective, delegating adjudicative authority to private institutions like BANI must remain within the corridor of state legal sovereignty. This is necessary to prevent the uncontrolled relinquishment of judicial functions. Additionally, from a State Administrative Law perspective, arbitration awards must not negate the principles of legality and accountability in government administration (Wiraantaka et al., 2025). The existence of arbitration in Indonesia following Constitutional Court Decision Number 15/PUU-XII/2014 is being re-examined, particularly regarding the annulment mechanism of arbitration awards as a court control instrument against potential legal deviations (Rossdiono & Taqwa, 2024).

A review of prior research indicates that studies on construction arbitration in Indonesia are still dominated by project management and delay mitigation strategies, as well as by purely civil analyses (Barnado & Karim, 2024; Indahwati et al., 2025). Several studies have examined the use of standing dispute boards in

¹Law Number 2 of 2017, as amended by Article 52 of Government Regulation in Lieu of Law Number 2 of 2022.

the Asahan 3 Hydroelectric Power Plant (HEPP) project as a preventive measure to avoid prolonged disputes (Wisatrioda et al., 2025). Nevertheless, these studies have not fully integrated BANI's authority boundaries when confronting public law instruments, such as administrative remedies in service provider security disputes (Sayuti, 2023). Analysis of judicial decisions annulling BANI awards confirms a legal loophole regarding the extent to which arbitrators can review public officials' actions. Such a review must not exceed authority (*ultra vires*), which is the exclusive domain of the state administrative court (Pertiwi et al., 2024; Ervianti et al., 2025). There is a gap in studies that specifically examine the limitations of BANI's authority in the electricity sector, which poses significant national energy security risks.

This research gap serves as the basis for the originality of this manuscript. This research focuses on reconstructing the boundaries of BANI's authority through the perspectives of Constitutional Law and State Administrative Law. Such a limitation is crucial to ensure that public contract dispute resolution does not sacrifice public interest merely for the parties' autonomy (Safnul et al., 2024). The electricity sector requires a different approach because every adjudicative award directly impacts the operation of strategic national infrastructure protected by Law Number 30 of 2009². By comparing various contract-failure cases and licensing disputes, this research aims to demonstrate that BANI's authority must be strictly limited to purely contractual matters. BANI must not intervene in the validity of public officials' discretion. Without clear limitations, the efficiency offered by arbitration can become a threat to the principles of accountable rule-of-law administration.

Based on this background, this research aims to critically analyze the basis of legitimacy and the limitations of BANI's authority in resolving construction contract disputes in the electricity sector. This is intended to ensure protection of energy sovereignty and the principle of legality in government administration. Furthermore, this research aims to reconstruct the boundaries of BANI's adjudicative role so as not to exceed the administrative authority of public officials in managing national strategic infrastructure, as regulated by Law Number 30 of 2009 and Law Number 30 of 2014³. The academic benefit of this research is the presentation of new theoretical thoughts regarding the integration of private and public law in strategic dispute resolution. Meanwhile, in practice, this research is expected to serve as a guide for policymakers and legal practitioners in drafting arbitration clauses that are proportionate and do not conflict with national interests in the energy sector.

²Law Number 30 of 2009, as amended by Article 42 of Government Regulation in Lieu of Law Number 2 of 2022.

³Law Number 30 of 2014, as amended by Article 175 of Government Regulation in Lieu of Law Number 2 of 2022.

METHOD

This research employs normative or doctrinal legal research to examine the coherence among various legal norms governing arbitration, construction services, and government administration. The normative juridical approach was selected because the legal problems raised stem from a synchronization anomaly between private autonomy in arbitration institutions and the principle of legality in the public law realm. Within this paradigm, the research is directed toward uncovering the truth of coherence from the perspectives of Constitutional Law and State Administrative Law regarding dispute-resolution practices in national strategic sectors. The main focus of the research is to classify and systematize legal materials. This is intended to formulate a solid legal argument regarding the absolute limitations of the adjudicative authority of non-state institutions.

The research approaches implemented consist of the statute approach, the conceptual approach, and the case approach (Qamar & Rezah, 2020). The statute approach is used to rigidly examine the hierarchy and harmony between Law Number 30 of 2009, Law Number 2 of 2017, and Law Number 30 of 2014. The conceptual approach contributes to building a theoretical foundation for authority limitation and energy sovereignty, the main variables in addressing the research problems. Meanwhile, the case approach involves analyzing the legal dynamics of strategic infrastructure projects, such as the construction of HEPPs, Substations, and Extra-High-Voltage Overhead Lines (EHV Overhead Lines). This approach aims to identify the intersection between contractual disputes and government administrative actions.

The legal materials used include primary and secondary sources collected through systematic document analysis (Sampara & Husen, 2016). Primary legal materials consist of authoritative laws and regulations and court decisions related to the annulment of arbitration awards in construction disputes. Secondary legal materials consist of recent literature references published from 2022 to 2025, serving as State-of-the-Art pillars to ensure analytical originality. All references are critically cited to support arguments regarding licensing dynamics, overhead cost claim mechanisms, and delay mitigation strategies. The analysis focuses on the implications for time performance and state finances.

The data analysis technique applied in this research utilizes the deductive syllogism method with a prescriptive analysis nature (Irwansyah, 2020). This analysis technique operates by positioning Constitutional Law norms regarding energy sovereignty and State Administrative Law norms regarding the principle of legality as the major premise. The juridical facts regarding dispute resolution practices at BANI within the electricity sector serve as the minor premise. The dialectical process between the major and minor premises will produce a prescriptive legal conclusion. Such a conclusion takes the form of a reconstruction model of BANI's authority, limiting it to remain aligned with the public interest. Through this analysis technique, this

research can comprehensively address the research objectives regarding the basis of legitimacy and the boundaries of BANI's adjudicative role, ensuring that it does not exceed the administrative authority of public officials in managing national strategic infrastructure.

RESULTS AND DISCUSSION

A. Juridical Legitimacy and Energy Sovereignty: The Existence of Arbitration in Strategic Electricity Construction

The existence of electricity infrastructure development is a tangible manifestation of the constitutional mandate enshrined in Article 33 section (2) and section (3) of the 1945 Constitution. State control over electricity is emphasized in Article 2 section (1), Article 3 section (1), and Article 4 section (1) of Law Number 30 of 2009⁴. These provisions establish that electricity, as an important production branch for the state, must be controlled by the state for the greatest prosperity of the people. Within the Constitutional Law framework, this control encompasses not only ownership and management but also supervision over all legal relationships, thereby ensuring national energy availability. The sustainability of national energy infrastructure development relies heavily on the stability of legal relationships in the implementation of construction contracts, thereby guaranteeing legal certainty for stakeholders (Yanuar et al., 2025). Therefore, the legitimacy of the dispute resolution forum selected in government construction contracts must be capable of harmonizing contractual autonomy with national strategic interests in the energy sector.

Empirically, electricity infrastructure development involves complex legal relationships that directly intersect with public access to energy and rights to strategic property (Hardi et al., 2024). Development projects such as substations and Extra-High Voltage Overhead Lines (EHV Overhead Lines) require strict compliance with technical and legal standards to mitigate the risk of infrastructure failure (Junaedi et al., 2025; Rahmiko et al., 2025). From a Constitutional Law perspective, energy resilience is a main pillar of state sovereignty. Consequently, disputes arising from their construction contract cannot be viewed as purely civil. The nexus between physical infrastructure development and achieving national energy targets necessitates an adjudicative mechanism that is not only time-efficient but also well-justified. This is crucial in maintaining state legal sovereignty over strategic public assets (Sebastian et al., 2025; Wisnuaji et al., 2025).

BANI's legitimacy as a non-state institution for examining government construction disputes stems from the adjudicative authority it is granted by law. Although Article 24 of the 1945 Constitution stipulates that judicial power is

⁴Article 3 and Article 4, as amended by Article 42 point 2 and point 3 of Government Regulation in Lieu of Law Number 2 of 2022.

exercised by the Supreme Court and subordinate judicial bodies, arbitration is recognized as a dispute-resolution forum outside general courts, based on party autonomy. This legitimacy basis is reinforced through Article 1 point 1, Article 3, and Article 11 of Law Number 30 of 1999. These provisions grant arbitration institutions the authority to decide disputes arising from business contract relationships (Sidik, 2024). Critically, BANI's presence in government construction disputes constitutes state recognition of the parties' sovereignty to choose an independent adjudicative forum. Such recognition applies as long as the dispute subject concerns rights fully controlled by the parties (Rossdiono & Taqwa, 2024; Safnul et al., 2024).

However, BANI's legitimacy in the electricity sector faces dialectical challenges when party autonomy clashes with the doctrine of state control. The closed and confidential nature of arbitration is fundamentally contradictory to the principles of state finance management accountability and public information openness in government administration. In disputes involving SOEs in the energy sector, the enforceability of arbitration clauses must respect state economic sovereignty. This aims to prevent the privatization of adjudication, which is detrimental to the public interest (Triwijaya et al., 2025). Debates regarding the constitutionality of annulment of arbitration awards post-Constitutional Court Decision Number 15/PUU-XII/2014 emphasize that the state retains supreme judicial supervisory control. Such control ensures that private forums do not exceed their authority boundaries, thereby harming public justice (Rossdiono & Taqwa, 2024). Synchronization between arbitration autonomy and national energy sovereignty demands a holistic understanding that BANI's legitimacy is derivative and limited to contractual aspects without diminishing state authority in energy regulation.

Dispute resolution practices in national strategic projects, such as the Asahan 3 HEPP construction, demonstrate that the effective use of non-litigation mechanisms is crucial for mitigating development obstacles (Wisatrioda et al., 2025). Field dynamics triggering overhead cost claims and schedule adjustments require rapid adjudicative decisions to guarantee project time performance (Barnado & Karim, 2024; Sumantri et al., 2025). In this regard, BANI's legitimacy is tested by its ability to provide technical and professional awards while remaining aligned with state budget efficiency parameters. Every overhead or delay cost claim decided by BANI must be supported by clear legal proof. This aims to avoid potential state financial losses in vital sectors (Indahwati et al., 2025; Qadri et al., 2025). Thus, BANI's juridical legitimacy in the electricity sector is an integration between commercial effectiveness and adherence to public law norms governing strategic infrastructure.

Integratively, BANI's role in strategic electricity construction represents a juridical compromise between the need for specialized dispute resolution and the obligation to maintain energy sovereignty. Such legitimacy is not absolute but relies on compliance with the hierarchy of laws and regulations, ranging from the constitution to sectoral laws. Analysis of various licensing dynamics and contract disputes in the energy sector confirms that BANI is recognized as a chosen adjudicative forum under national law (Waisapi, 2024; Lannyati & Sami'an, 2025). However, national energy sovereignty requires that every arbitration award remain subject to state judicial control mechanisms. This is necessary to guarantee clean and authoritative government administration principles. The synthesis of Constitutional Law aspects regarding state control and State Administrative Law aspects regarding the legality of official actions is an absolute prerequisite for BANI's sustainable legitimacy in government-construction contract disputes.

B. Dichotomy of Private and Public Authority: BANI's Institutional Standing in Government Construction Service Contracts

BANI's institutional standing in government construction dispute resolution occupies a unique position at the intersection of civil law and public law. Normatively, a construction work contract is defined in Article 1 point 8 of Law Number 2 of 2017 as the entirety of documents governing the legal relationship between service users and service providers. However, when the service user is a government agency or an SOE in the electricity sector, the contract cannot be viewed as a purely private agreement. The involvement of the state budget (APBN/APBD) or separate state assets requires stringent public accountability standards at every stage of contract implementation (Safnul et al., 2024). This dichotomy poses a challenge for BANI in positioning itself as an independent forum. BANI must remain respectful of the public characteristics of the subjects and objects of the disputes it examines.

BANI's authority to adjudicate government construction disputes is limited by the nature of disputes that may be referred to arbitration, as regulated in Article 5, section (1), of Law Number 30 of 1999. This provision asserts that disputes resolvable through arbitration are strictly limited to matters in the trading field. Such disputes must concern rights that, according to laws and regulations, are fully controlled by the disputing parties. In the context of construction cost claims arising from time extensions or delays, BANI often has to determine whether such rights constitute a civil domain capable of being autonomously negotiated by Commitment-Making Officers (CMOs). This analysis is also intended to identify whether elements of state administrative actions exist therein. The ambiguity of these boundaries risks bringing BANI into the realm of reviewing official actions, which, in theory, lies outside the reach of commercial arbitration.

Procurement dispute resolution through arbitration is also regulated in Article 85 of Presidential Regulation Number 12 of 2021. This provision provides parties with the option to choose dispute resolution services outside the court, including BANI arbitration, to enhance the effectiveness of infrastructure project implementation. However, this forum choice often neglects the fact that CMO actions in signing or terminating contracts are manifestations of administrative authority. Such authority stems from the attribution or delegation of power (Sebastian et al., 2025; Wisnuaji et al., 2025). Consequently, BANI's standing becomes ambiguous when it must decide disputes arising from administrative acts that directly affect state finances and the continuity of public electricity services.

Technical dynamics in strategic electricity projects, such as Change Order instructions in substation construction, demonstrate how the private authority of arbitrators intersects with administrative legality. Article 54 of Presidential Regulation Number 46 of 2025 governs contract changes through strict technical evaluation and budget adjustments. If a dispute arises over such instructions, BANI is required not only to apply contract law but also to consider whether the changes meet the validity requirements for administrative actions (Qadri et al., 2025; Setiyawan et al., 2025). Weaknesses in analyzing this intersection may lead to the issuance of arbitration awards that conflict with efficiency and transparency principles in energy-sector budget management. This is specifically regulated in national electricity regulations.

The relationship between contractors as private legal subjects and public officials as state representatives creates an imbalance of standing if measured solely by the *pacta sunt servanda* principle. Public officials are bound by the principles set out in Article 11 of Law Number 30 of 2014. This provision demands that every action be based on lawful authority and procedure. BANI's standing as a private institution in examining such official actions raises fundamental questions regarding supervisory authority (Hardi et al., 2024; Junaedi et al., 2025). Critically, BANI must not ignore elements of state sovereignty in electricity sector construction contracts. This considers that every licensing and electricity access dispute possesses broad socio-economic impacts for society.

The limitations of BANI's role are also evident in the handling of *force majeure* clauses in goods/services procurement within energy SOEs. Article 4 of Presidential Regulation Number 12 of 2021 establishes the procurement objective to produce the greatest benefit value. Consequently, the interpretation of contract implementation obstacles cannot be detached from state asset protection interests. BANI awards based solely on contract provisions, without weighing public policy and national energy security risks, are often considered to fail to reflect holistic justice (Barnado & Karim, 2024; Triwijaya et al., 2025). This emphasizes that BANI's institutional standing in government contracts bears a moral-juridical

burden to maintain a balance between business certainty for investors and state administration accountability.

In conclusion, the dichotomy between private and public authority at BANI indicates that the arbitration institution functions as a quasi-judicial body. This function is limited to the commercial aspects of public contracts. BANI does not hold the standing to try the validity of State Administrative Decisions, which are purely administrative, even though such decisions are the main triggers of contract disputes (Rossdiono & Taqwa, 2024). Determining BANI's precise institutional standing is crucial to prevent overlapping authority with state courts in supervising government actions (Sidik, 2024). Thus, an integrative framework between Constitutional Law and State Administrative Law is an absolute prerequisite for defining the extent to which party autonomy can be exercised without infringing public law principles.

C. Reconstruction of Adjudicative Limitation: Protection of Legality Principles and State Administration Accountability

The reconstruction of BANI's adjudicative limitation in government construction disputes culminates in the obligation to protect legality principles. This is regulated in Article 1 point 5, Article 7 section (1), and Article 8 section (1) of Law Number 30 of 2014⁵. Every CMO action in electricity sector construction contract disputes constitutes a representation of public authority subject to the General Principles of Good Governance (*Asas-Asas Umum Pemerintahan yang Baik*). Critically, this limitation is necessary to prevent the privatization of justice, which could undermine state administrative accountability solely for the sake of procedural arbitration efficiency. The affirmation of this legality principle becomes the main determinant in ensuring that non-state adjudicative processes remain within the corridor of clean and transparent governance (Waisapi, 2024; Lannyati & Sami'an, 2025; Wiraantaka et al., 2025).

BANI's functional limitation must be emphasized in light of the institution's lack of authority to review the validity of State Administrative Decisions (*Keputusan Tata Usaha Negara*), which are constitutive in nature. These actions include unilateral contract termination or blacklist sanction determination. Referring to Article 10 and Article 11 of Law Number 30 of 2014, reviewing the validity of official actions constitutes the absolute competence of the state administrative court. BANI has only the authority to examine the civil implications or damages arising from such actions. However, BANI cannot annul the administrative status of such public official decisions. Failure to distinguish between these contractual and administrative realms often triggers prolonged disputes that are detrimental

⁵Article 1, as amended by Article 175 point 1 of Government Regulation in Lieu of Law Number 2 of 2022.

to the sustainability of national strategic infrastructure (Sayuti, 2023; Lo et al., 2025; Sebastian et al., 2025).

In an operational context, the boundary of BANI's adjudicative role becomes crucial when handling Change Order disputes involving public official discretion. In accordance with Article 54 of Presidential Regulation Number 46 of 2025, contract changes must be supported by technical justification and lawful budget availability. BANI arbitrators must not set aside such administrative procedures solely on the grounds of party autonomy. Every award mandating an additional payment without prior administrative procedures risks being classified as an unlawful act detrimental to state finances.

Escalating the analysis to the annulment of an arbitration award by the district court reflects the existence of state judicial control over potential *ultra vires* conduct. This is regulated in Article 70 of Law Number 30 of 1999. Following the issuance of Constitutional Court Decision Number 15/PUU-XII/2014, the grounds for arbitration award annulment are no longer limited to the explanation of said article. The mechanism must be interpreted broadly to maintain national legal integrity. Studies of several court decisions indicate that annulment often occurs when arbitrators are deemed to have exceeded their authority by entering into public policy realms. Annulment is also triggered by the disregard of authoritative administrative evidentiary documents (Pertwi et al., 2024; Rossdiono & Taqwa, 2024; Ervianti et al., 2025). This affirms that the finality of BANI awards as regulated in Article 60 of Law Number 30 of 1999 remains relative.

Specifically in the electricity sector, BANI's authority limitations also stem from the electricity safety protection norms set out in Article 44 of Law Number 30 of 2009⁶. Every electrical construction work is required to meet right-of-way and safe distance standards to ensure public safety and national energy system security. Licensing disputes regarding substations or EHV Overhead Transmission Lines that intersect with state technical safety standards fall within the public law domain and are non-negotiable under private arbitration clauses (Junaedi et al., 2025; Rahmiko et al., 2025; Wisnuaji et al., 2025). A critical analysis indicates that adjudicative limitations in this sector must encompass technical and regulatory aspects. This is intended to prevent the issuance of arbitration awards that compromise national energy security standards.

The gap between the confidentiality of the arbitration process and the need for public transparency in state budget management demands a procedural synchronization mechanism. In government construction disputes, BANI is required to adopt information openness principles, especially when such awards imply significant payment obligations by the state. The existence of a Dispute

⁶Article 44, as amended by Article 42 point 27 of Government Regulation in Lieu of Law Number 2 of 2022.

Board as a preventive mechanism before entering the arbitration process can serve as an integrative model to mitigate disputes early. This practice has been implemented in the Asahan 3 HEPP project (Samsiati et al., 2022; Wisatrioda et al., 2025). However, if the dispute continues to BANI, the arbitrator's standing must be repositioned as a guardian of balance between service provider contractual rights and state public asset protection.

This reconstruction of limitation culminates in the formulation of an integration model between energy sovereignty (Constitutional Law) and administrative legality (State Administrative Law). This model requires that every arbitration award in the electricity sector must consider energy availability as a public interest that cannot be set aside (Hardi et al., 2024). Such a limitation does not aim to weaken BANI as an institution, but rather to enhance the legal certainty and acceptability of its awards in the eyes of state courts. With clear authority boundaries, BANI can resolve commercial disputes optimally without being trapped in a vortex of administrative authority conflicts.

Theoretically, this adjudicative limitation is a manifestation of the doctrine of limited delegation of authority in Indonesian public law. The state provides space for arbitration to assist in dispute resolution to accelerate strategic infrastructure development. However, the state, through judicial apparatus and administrative regulations, retains control over non-arbitrable public norms. The integration of all these legal instruments ensures that BANI's continued relevance as a strategic government partner in realizing national energy sovereignty. This is done without ignoring accountability principles and the just rule of law.

CONCLUSIONS AND SUGGESTIONS

BANI's role in resolving electricity sector construction contract disputes is legally valid but derivative and limited. Based on the synthesis of the Constitutional Law framework, BANI's standing as a non-state adjudicative forum remains under the umbrella of state legal sovereignty. Party autonomy cannot override the doctrine of state control over production branches that are important to the public's livelihoods. Delegating dispute-resolution authority to private institutions in national strategic infrastructure sectors must be viewed as a commercial efficiency measure. This effort must not infringe on the constitutional mandate for energy control in support of the people's prosperity. Thus, BANI's legitimacy in this sector applies only to the extent that it concerns purely civil relationship matters and does not conflict with national interests.

The reconstruction of BANI's authority limitations demonstrates the existence of rigid adjudicative role boundaries to protect legal principles and state administrative accountability. Research indicates that BANI lacks the authority to review the validity of constitutive administrative actions taken by public officials. This lack of competence

includes assessing official discretion regarding contract changes and determining administrative sanctions. This restriction is crucial to prevent overlapping authority with the state administrative court. It is intended to guarantee that every use of the state budget remains subject to lawful administrative control. The finality of arbitration awards in national strategic projects remains relative, as the scope for supervision remains open through the district court's annulment mechanism.

Integration between energy sovereignty and government legality demands a repositioning of BANI's role as a guardian of balance between service provider contractual rights and state public asset protection. Adjudicative limitation in the electricity sector must encompass compliance with electricity safety technical standards, which are in the public law domain and non-arbitrable. The final synthesis of this research asserts that the sustainability of BANI's function in government contracts relies heavily on its ability to operate within the corridors of administrative law. BANI must not interfere with public officials' discretionary authority. This limitation model becomes the key to creating accountable legal certainty in the implementation of future national strategic infrastructure development.

Based on these conclusions, recommendations are submitted to the Government and the House of Representatives to harmonize the regulations between Law Number 2 of 2017 and Law Number 30 of 2014. This step is necessary to reinforce the authority boundaries of arbitration institutions in public contracts. For government agencies and SOEs in the energy sector, it is suggested to formulate arbitration clauses more specifically while retaining space for administrative remedies. Furthermore, it is necessary to enhance the competence of legal practitioners and arbitrators regarding the specific characteristics of administrative law and energy sovereignty. This is intended so that the resulting awards are not vulnerable to judicial annulment. Future research is expected to explore public oversight mechanisms for transparency in arbitration processes involving state fund utilization.

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