

Council:	The Supreme Energy Council.
Authority:	Dubai Electricity and Water Authority.
Office:	Electricity and Water Sector Regulation and Control Office of the Emirate of Dubai.
Regulated Activities:	Any activity related to generating electricity, desalinating and adding minerals to water, or a combination of generating electricity and desalinating and adding minerals to water, for the purpose of supplying the Transmission System with produced electricity and/ or water.
Licence:	The document issued by the Office to a Licensed Entity, under which this Licensed Entity is permitted to conduct any Regulated Activities specified therein in accordance with its terms and Conditions.
Licensed Entity:	Any entity licensed by the Office to produce electricity and/ or water in the Emirate in accordance with the provisions of this Law, including the Project Company.
Exemption:	The exemption, granted by the Office to the Licensed Entity, from compliance with all or any requirements for obtaining a Licence to conduct any Regulated Activities.
Project Company:	A company established in accordance with the provisions of this Law with the aim of conducting the Regulated Activities in the Emirate.
Conditions:	The technical, financial and regulatory requirements stipulated in the Licence, as well as the conditions and circumstances under which the Exemption is granted to the Licensed Entity, which are issued by the Office as the case may be.
Main Assets:	Movable and immovable assets designated by the Licensed Entity as necessary to conduct the Regulated Activities, including all assets designated with the aim to operate the electricity generation and/ or water desalination facilities, whether owned by the Licensed Entity or assigned to it by the Authority. These include all real rights attached to the land on which such assets are located.
Transmission System:	The system belonging to the Authority which entirely or mainly comprise the following: 1. Water storage and transmission pipelines, utilities and facilities which are used to transmit water from one or more desalination facility to a pumping plant or storage facility, or otherwise transmit water between pumping plants; 2. High-voltage electricity cables and electricity installations and facilities owned or operated by the Authority and used to transmit electricity from a power

unit to a power substation or other electricity generation unit.

Applicability of the Law Article (3)

The provisions of this Law shall apply to all Regulated Activities and public and private entities conducting such activities in the Emirate, including free zones and special development areas.

Duties of the Office Article (4)

For the purposes of this Law, the Office shall have the following powers and duties:

1. To determine and establish, in coordination with the concerned Government entities, the relevant standards and controls for conducting Regulated Activities, including the standards and controls related to the technical, health, environmental and safety affairs, to regularly review and update such standards and controls and to submit the same to the Council for approval;
2. To receive and process applications for Licences and Exemptions related to conducting the Regulated Activities, and decide upon such applications after obtaining the approval of the Council;
3. To verify the compliance of any Licensed Entity with this Law, the Conditions of its Licence or the Exemption granted to it, and the approved controls and stipulations for conducting Regulated Activities in accordance with the relevant regulations and procedure laid down by the Office;
4. To determine and establish the rules and standards for operating the Transmission System and networking electricity generation and/ or water desalination facilities that belong to the Licensed Entity, and related to the Regulated Activities and Transmission System;
5. To prepare the necessary studies and research on the conduct of Regulated Activities in the Emirate by the Licensed Entities, and to make necessary proposals to develop such activities;
6. To take the relevant action and measures stipulated by this Law against any Licensed Entity or any other entity that violates the provisions of this Law.
7. To maintain and organise registers that include all data and information related to the Licensed Entities;

8. To seek assistance from experts and specialists who have the necessary qualifications and experience to enable the Office to perform its duties under this Law.
9. To represent the Emirate in conferences, symposia and meetings and before regional and international organisations in respect of all matters related to the conduct of Regulated Activities;
10. To provide opinion and consultation on all cases and matters referred to the Office by the Council and concerned Government entities.
11. To form the necessary committees and work teams, determine their duties and powers and delegate any powers vested in the Office by virtue of this Law to such committees and work teams;
12. Any other duties assigned to the Office by the Council.

Conduct of Regulated Activities **Article (5)**

- a. No public or private entity may conduct Regulated Activities in the Emirate unless it obtains in advance the relevant Licence from the Office. Such Licence shall be issued in accordance with the provisions of this Law and the decisions issued in pursuance thereof.
- b. Notwithstanding the provisions of Clause (a) of this Article, the Authority shall be exempt from the requirement to obtain the Licence referred to in this Law on the grounds that the Authority is the only entity authorised to carry out projects related to electricity and water production in the Emirate pursuant to its establishing Decree No. (1) of 1992 referred to above.

Determining the Regulated Activities **Article (6)**

The Council may, upon recommendation of the Authority, determine the Regulated Activities and facilities that may be managed or established by a Licensed Entity to achieve the objective of supplying electricity and/ or water to the Transmission System.

Establishment of the Project Company

Article (7)

In order to achieve the objectives of the Authority pursuant to Decree No. (1) of 1992 referred to above, the Authority may establish, whether on its own or in collaboration with third parties, all types of Project Companies including individuals, companies and corporations that are not holding the nationality of the United Arab Emirates.

Selecting a Partner

Article (8)

Notwithstanding the provisions of Law No. (6) of 1997 referred to above, a partner in a Project Company established to conduct the Regulated Activities shall be selected upon recommendation of the Authority in accordance with the relevant rules approved by the Council.

Grant of Real Rights

Article (9)

In return for any consideration it specifies, the Authority may grant a Project Company, for a period not exceeding ninety nine (99) years, usufruct or any other real right over any part of the land specified in the map attached to this Law or the land owned by the Authority.

Granting Licences and Exemptions

Article (10)

The Office is the only entity in the Emirate authorised to issue Licences or Exemptions under this Law. Licences and Exemptions shall be issued on a case by case basis, in accordance with the relevant technical, financial and regulatory conditions and requirements approved by the Council. For this purpose, the Office may:

1. Assess the application for Licence in accordance with the standards set out in Article (12) of this Law, and the relevant rules approved by the Council.
2. Coordinate with the concerned entities in the Emirate in relation to issuing Licences or Exemptions.

Application for Licence Article (11)

Applications for a Licence shall be submitted on the form approved by the Office and supported by the required data and information. The relevant prescribed fees shall be paid.

Criteria for Issuing the Licence Article (12)

Upon the recommendation of the Office, the Council shall adopt the technical, financial and administrative criteria required to determine when a Licence is issued to an applicant to conduct the Regulated Activities, including the criteria related to any third party with whom the applicant intends to subcontract to perform all or any of the Regulated Activities.

Exemption from Compliance with the Conditions of the Licence Article (13)

Upon request of the Licensed Entity, the Office may, to the extent that this is in compliance with its powers and duties, decide to exempt the Licensed Entity from compliance with certain Conditions set out in its Licence. The Office may also amend, extend or cancel this Exemption at any time. In all events, the Office must notify the exempted entity in writing with the nature, extent, conditions and term of this exemption, or any amendment or cancellation thereof.

Procedure for Exemption from Compliance with the Licence Article (14)

- a. Upon the request of the Licensed Entity, the Office may exempt the Licensed Entity from compliance with all or any conditions stipulated in its Licence to conduct the Regulated Activities, in accordance with the relevant rules adopted by the Office.
- b. The Exemption under this Article shall be granted by a document issued by the Office which shall include the terms and conditions that guarantee that the Licensed Entity shall conduct the Regulated Activities covered by the Licence.
- c. In case the Licensed Entity fails to comply with the terms of Exemption in line with the exigencies of public interest, the Office may wholly or partially cancel the Exemption by serving a written notice to this effect.

- d. When granting an Exemption, the Office must observe the following:
1. Request the Licensed Entity to submit the required data and information related to the request for exemption;
 2. Coordinate with the concerned Government entities.

Term of the Licence or Exemption Article (15)

The Licence or Exemption shall be valid for the period set out therein unless cancelled earlier pursuant to the circumstances and rules stipulated in this Law or in the Licence.

Announcement of Licences and Exemptions Article (16)

The Office must announce the Licences and Exemptions issued under this Law and any amendments thereto to the extent permitted and with any available means, including by publication and direct notification. Nevertheless, the Office may decide not to announce any particulars related to Exemptions it grants in cases in which it deems such announcement to be against the public interest.

Subcontracting Article (17)

- a. A Licensed Entity may not enter into a subcontract with any entity to conduct all or any Regulated Activities unless such subcontract is disclosed at the time of application for the Licence. Disclosure must include all data related to the subcontractor and the Regulated Activities it shall perform as well as any other data required by the Office.
- b. Notwithstanding the provisions of Clause (a) of this Article, if the Licensed Entity wishes, after the Licence is issued, to enter into subcontract with any entity or replace a subcontractor, the Licensed Entity must obtain the relevant prior written approval from the Office. If such approval is granted, the Licensed Entity must have its Licence amended to reflect such new subcontract or replacement of subcontractor.

**Amendment of the Licence or
Exemption Conditions
Article (18)**

The Office may, for any reason related to the public interest, amend any of the Conditions of the Licence or Exemption granted to the Licensed Entity, in which case the Office shall notify the Licensed Entity of such amendment indicating the details and grounds of the amendment. Upon receipt of the proposed amendment, the Licensed Entity may notify the Office in writing of its approval of the amendment, or reject the amendment in accordance with the procedure and time limits stipulated in Article (19) of this Law. An amendment shall be deemed valid if the Licensed Entity fails to provide the Office with its approval or objection within thirty (30) days from the date of notification of the amendment.

**Objection to Amendment of the
Licence Conditions
Article (19)**

- a. A Licensed Entity may object in writing to an amendment of the Licence Conditions within thirty (30) days from the date of being notified of such amendment, and may submit any documents and evidence supporting its objection.
- b. The Office shall process the objection referred to in Clause (a) of this Article within thirty (30) days from the date of submission, and shall take the decision to cancel or uphold the amendment.
- c. In cases in which the Office rejects the Licensed Entity's request to cancel the amendment, the Licensed Entity may file a grievance with the Council within twenty (20) days from the day of rejection of its request. The said grievance shall be decided by a committee to be appointed by the Council for this purpose.

**Standards for Conducting Regulated Activities
Article (20)**

Upon the recommendations of the Office and in coordination with the concerned Government entities in the Emirate, the Council shall issue the environmental, health and technical standards as well as the safety standards related to conducting Regulated Activities in order to ensure that Licensed Entities conduct the Regulated Activities in accordance with the best international practice adopted in this respect.

**Transfer of the Licence
Article (21)**

- a. A Licensed Entity may not transfer the Licence unless it obtains the relevant prior written approval of the Office.
- b. The approval referred to in Clause (a) of this Article shall be granted in accordance with the terms and conditions adopted in this respect by the Office.

**Transfer of Assets
Article (22)**

- a. A Licensed Entity may not dispose of the Main Assets in any manner whatsoever without obtaining the relevant prior written approval of the Office, otherwise any such disposition will be void. This includes, in particular, the following types of disposition:
 - 1. Selling or transferring the title of the Main Assets, or leasing such assets to third parties with or without consideration;
 - 2. Granting or approving the grant of any security interest in the Main Assets, or mortgaging such assets;
 - 3. Waiving or allowing waiver of any real right on the Main Assets;
 - 4. Creating or approving creation of any real right on the Main Assets.
- b. Notwithstanding the provisions of Clause (a) of this Article, the Office may, in accordance with the conditions it deems appropriate, approve granting any security interest or mortgage rights on any Main Assets of the Licensed Entity to the extent required to facilitate financing of electricity and water production.

**Sale of Electricity and Water
Article (23)**

By virtue of this Law, a Licensed Entity may not sell, supply or provide the produced electricity or water to any entity, whether inside or outside the Emirate, other than the Authority.

Applicable Law

Article (24)

- a. Contracts between the Licensed Entity and third parties for the purpose of conducting Regulated Activities, including the venues and rules for settlement of disputes, to the terms and conditions set out in such contracts. Matters not provided for in these contracts shall be subject to the applicable laws of the Emirate.
- b. Contracts between the Licensed Entity and the Authority or any other local Government entity in the Emirate shall be subject to the applicable laws of the Emirate in relation to the performance of such contracts, including the applicable law and the venue and rules for settlement of disputes related to such contracts.

Notices

Article (25)

To the extent reasonably permitted, the Office must notify and provide the Licensed Entity and the concerned entities in the Emirate with copies of all relevant decisions and their justification in order to enable such entities to plan, manage and finance their various activities, whether in the short or long term.

Compliance Notice

Article (26)

- a. Where the Office is satisfied that a Licensed Entity has violated any of the Licence or Exemption conditions, the Office shall serve a violation notice on such entity. When serving such notice, the following requirements shall be observed:
 - 1. To describe the violation and its nature;
 - 2. To indicate a time limit for remedying the violation;
 - 3. To specify the measures and penalties to be imposed by the Office in case the violation is not remedied within the specified time limit;
 - 4. To notify the Office with the action taken by the violating entity, and provide the Office with any additional data or information it deems necessary;
- b. The Licensed Entity must comply with the content of the notice served by the Office, failing which the Licensed Entity shall be subject to a fine of not less than one thousand Dirhams (1,000 Dhs) and not more than three million Dirhams (3,000,000 Dhs).

- c. In addition to the fine penalty, the Office may, subject to approval of the Council, take any of the following measures against the violating entity:
 - 1. To suspend the Licence for a period not exceeding three (3) months;
 - 2. To cancel the Licence or Exemption granted to the Licensed Entity.
- d. The penalties or measures provided for in this Article shall not prevent any interested party from claiming compensation from the violating Licensed Entity for the damage resulting from the violation it committed.

Objection to the Notice or Penalty Article (27)

- a. A Licensed Entity may submit to the Office a written objection to the notice served or penalty imposed on the Licensed Entity within thirty (30) days from the date of notice or notification of the penalty, provided that such objection shall be supported by the necessary documents and evidence.
- b. The Office must process the objection referred to in Clause (a) of this Article within thirty (30) days from the date of its submission.
- c. In case the Office rejects the Licensed Entity's request, set out in its objection, to cancel the notice or penalty, the Licensed Entity may file a grievance with the Council within twenty (20) days from the date of rejection of its request. The said grievance shall be decided by a committee formed by the Council for this purpose.

Publication of the Compliance Notice Article (28)

The Office must:

- 1. Publish the compliance notice or any amendment or cancellation thereto using any means it deems appropriate;
- 2. Provide any entity with a copy of the compliance notice or any amendment thereto or cancellation thereof where the Office is satisfied that such entity is affected by the violation committed by the Licensed Entity.

Implementing the Compliance Notice Article (29)

The compliance notice issued by the Office shall be deemed as a writ of execution enforceable by the execution department of Dubai Courts where the Licensed Entity fails to implement the content of such notice.

Auditing and Inspection Article (30)

The Office is authorised to audit and inspect the Licensed Entity, and for this purpose it may:

1. Request any document which is under the control or in the possession of any Licensed Entity or access any information it deems necessary within the timeframe it determines for this purpose;
2. Allow any Office employee or any authorised person to enter the Licensed Entity and its various premises in order to gain access to all its records, documents, procedures, regulations, equipments, facilities, and premises.

Penalties Article (31)

Without prejudice to any higher penalty stipulated by any other law, any person who:

1. Conducts any of the Regulated Activities without a licence issued by the Office;
2. Intentionally provides erroneous or misleading declarations or information for the purpose of obtaining a Licence or an Exemption;
3. Declines, without acceptable reason, to provide documents or information requested by the Office in a timely manner;
4. Intentionally changes, destroys, or hides any document or information requested under this Law;
5. Undertakes, either individually or in association with a third party, any act that might lead to restrict, affect or obstruct competition in any of the Regulated Activities, that might damage the interests of electricity and water consumers, or that might adversely affect public interest in any way whatsoever;

shall be punished by imprisonment for a period not exceeding one (1) year or a fine not exceeding three million Dirhams (3,000,000 Dhs) or by both penalties.

Judicial Officers
Article (32)

Any employees of the Office who are appointed pursuant to decision of the chairman of the Council shall be authorised as judicial officers in identifying violations of the provisions of this Law and of the resolutions and by-laws issued thereunder. Those judicial officers shall have the right to enter Licenced Entity premises, to audit all their operations, and to draft violation reports.

Fees
Article (33)

- a. In consideration of the Licences and services it provides under this Law, the Office shall collect the fees approved pursuant to a decision of the Chairman of the Executive Council upon the recommendation of the Department of Finance.
- b. The fees and fines that have been collected pursuant to this Law and the decisions issued thereunder shall accrue to the account of the public treasury of the Government of Dubai.

Adjustments
Article (34)

All entities operating in the field of Regulated Activities at the time this Law comes into force must adjust their conditions in accordance with the provisions of this Law within a maximum of six (6) months of the effective date of this Law.

Decisions and By-laws
Article (35)

The Council shall issue the decisions and by-laws necessary for the implementation of the provisions of this Law.

Repeals
Article (36)

Any provision in any other legislation shall be repealed to the extent that it contradicts the provisions of this Law.

Publication and Commencement of the Law
Article (37)

This Law shall be published in the Official Gazette and shall come into force on the day on which it is published.

Mohammed bin Rashid Al Maktoum
Ruler of Dubai

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Corresponding 1 Jumada al-Ula 1432 A.H.