



مكتب التنظيم والرقابة
Regulation & Supervision Bureau

**THE REGULATION AND SUPERVISION BUREAU FOR THE WATER AND
ELECTRICITY SECTOR IN THE EMIRATE OF ABU DHABI**

**THE ELECTRICITY AND WATER (LICENCE EXEMPTION)
ORDER No. 1 OF 1999**

CONTENTS

ARTICLE (1) CITATION AND COMMENCEMENT	3
ARTICLE (2) INTERPRETATION	3
ARTICLE (3) EXEMPTIONS UNDER ARTICLE (79) OF THE LAW	4
ARTICLE (4) MODIFICATIONS AND REVOCATION	17

THE ELECTRICITY AND WATER (LICENCE EXEMPTION) N° 1 ORDER 1999

The Regulation and Supervision Bureau for the Water and Electricity Sector in the Emirate of Abu Dhabi in exercise of its powers conferred under Article (79) of Law No (2) of 1998 Concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi, after consultation with the Abu Dhabi Water and Electricity Authority, **hereby makes the following Order:**

ARTICLE (1) Citation and commencement

This order shall be referred to as the Electricity and Water (Licence Exemption) Order N° 1 1999 and shall come into effect on 1 February 1999.

ARTICLE (2) Interpretation

In this order:

1. Definitions

“**Affiliate**”: means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by such Person. For the purposes of this definition, "control" means direct or indirect ownership of more than 50% of the outstanding capital stock or other equity interests that have ordinary voting powers;

“**Bureau**”: means the Regulation and Supervision Bureau for the Water and Electricity Sector in the Emirate of Abu Dhabi;

“**gallon**”: means imperial gallons;

“**Law**”: means Law (No 2) of 1998 Concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi;

“**Licensed Operator**”: means a person who is authorised by a licence granted by the Bureau pursuant to Article (82) of the Law, to desalinate or store water or to generate electricity;

“**Net Declared Power Capacity**”: means, in respect of a generating facility (whether comprised of one or more generating units), the highest level of electrical output (measured at the main alternator terminals) which can be maintained indefinitely without causing damage to the plant less that part of the electrical output consumed by the plant;

“Net Declared Water Capacity”: means, in respect of a desalination facility (whether comprised of one or more desalination units), the highest level of physical water output (measured at the point of connection of the facility to the system of any other person) which can be maintained indefinitely without causing damage to the plant less that part of the water output consumed by the plant;

“Person”: means any individual, corporation, joint stock company, limited liability company, partnership, joint venture, trust, unincorporated organisation, government body, or any other entity;

"Self-Contained Site": means a single area of land comprising one or more premises used or occupied by one or more persons in relation to which the primary purpose of water and electricity supply is not private residential use and which has, within such area no supplies of water or electricity made by a licensed operator;

Terms defined in Law

2. Words and expressions, other than those defined in paragraph 1 above, which are defined in the Law shall have the meanings ascribed to them in the Law.

Paragraph references

3. References to paragraphs and Articles shall be to paragraphs of Articles in this Order and to Articles in this Order.

ARTICLE (3) Exemptions under Article (79) of the Law

General

1. The persons listed in paragraph 3 below may, to the extent and for the purposes specified in paragraph 3, subject to the conditions specified in paragraph 4 and for the periods specified in paragraph 5, conduct the regulated activities specified in paragraph 3 without being required to be authorised to do so by a licence granted by the Bureau under Article 82 of the Law. Accordingly, for those periods, to that extent, for those purposes and subject to compliance with those conditions, such persons shall not be in breach of Article (72) of the Law.

Affiliates

2. The exemptions conferred by paragraph 1 on those persons referred to in paragraphs 3(a) shall apply to the persons specified and each of their affiliates.

Exempt persons and activities

3. The following persons or classes of persons shall be exempt as described in paragraph 1 in relation to the following regulated activities:

Generation and desalination

- (a) in respect of the desalination of water, the generation of electricity or the combined generation of electricity and desalination of water:

ADNOC

- (i) subject to the conditions referred to in paragraph 4(a)(i), and for the period referred to in paragraph 5(a)(i) the Abu Dhabi National Oil Company;

Small producers

- (ii) subject to the conditions referred to in paragraph 4(a)(ii) and for the period referred to in paragraph 5(a)(ii):
 - (1) persons who provide electrical output from generation production facilities in respect of which the aggregate of the Net Dependable Power Capacity is less than 50 megawatts other than where any one generation facility owned or operated by such person has a Net Declared Power Capacity greater than 10 megawatts; and
 - (2) persons who provide water output from desalination production facilities in respect of which the aggregate of the Net Dependable Water Capacity is less than 2,500,000 gallons other than where any one desalination facility owned and operated by such person has a Declared Net Water Capacity greater than 500,000 gallons per day;

Self suppliers

- (iii) subject to the conditions referred to in paragraph 4(a)(iii) and for the period referred to in paragraph 5(a)(iii), persons who generate electricity and/or desalinate water solely for the purposes of self supply, for those purposes;

Part self-suppliers

- (iv) subject to the conditions referred to in paragraph 4(a)(iv) and for the period referred to in paragraph 5(a)(iv), persons whose production facilities are used partly for self supply and partly for other purposes;

Water and electricity transmission - ADNOC

- (b) in respect of the transmission of water by trunk mains pipeline and the transmission of electricity, subject to the conditions referred to in paragraph 4(b), and for the period referred to in paragraph 5(b), the Abu Dhabi National Oil Company.

Water and electricity distribution

- (c) in respect of the distribution of water by mains pipeline and the distribution of electricity:

ADNOC

- (i) subject to the conditions referred to in paragraph 4(c)(i) and for the period referred to in paragraph 5(c)(i), the Abu Dhabi National Oil Company;

Self suppliers

- (ii) subject to the conditions referred to in paragraph 4(c)(ii) and for the period referred to in paragraph 5(c)(ii), persons exempted from the requirement to be authorised by licence in respect of the desalination of water, generation of electricity or the combined generation of electricity and desalination of water pursuant to paragraph 3(a)(iii) and (iv), for the purposes of self supply;

Free local distribution

- (iii) subject to the conditions referred to in paragraph 4(c)(iii) and for the period referred to in paragraph 5(c)(iii), persons who distribute water and/or electricity to the premises of final customers where the supply of

that water or electricity is made by a licensed operator and the final customer pays no fee or other price for such distribution (whether or not such fee is separately charged or is part of the price of electricity or water), for such purposes;

Self-Contained Sites

- (iv) subject to the conditions referred to in paragraph 4(c)(iv) and for the period referred to in paragraph 5(c)(iv), persons who distribute water and/or electricity to the premises of final customers within a Self-Contained Site, for such purposes;

Irrigation

- (v) subject to the conditions referred to in paragraph 4(c)(v) and for the period referred to in paragraph 5(c)(v), in relation to water only, the Department of the Municipality of Abu Dhabi and the Department of the Municipality of Al Ain for the purposes of the supply of water for irrigation purposes only;

Vehicle distribution

- (vi) subject to the conditions referred to in paragraph 4(c)(vi) and for the period referred to in paragraph 5(c)(vi), in relation to water only, persons who distribute water by road vehicle and not by pipe, for such purposes;

Water and electricity supply

- (d) in respect of the supply of water to premises and the supply of electricity to premises;

ADNOC

- (i) subject to the conditions referred to in paragraph 4(d)(i), and for the period referred to in paragraph 5(d)(i), the Abu Dhabi National Oil Company;

Bottled Water

- (ii) subject to the conditions referred to in paragraph 4(d)(ii), and for the period referred to in paragraph 5(d)(ii), persons who supply bottled mineral water;

Vehicle supply

- (iii) subject to the conditions referred to in paragraph 4(d)(iii) and for the period referred to in paragraph 5(d)(iii), in relation to water only, persons who supply water by road vehicle and not by pipe, for such purposes;

Self-Contained Sites

- (iv) subject to the conditions referred to in paragraph 4(d)(iv) and for the period referred to in paragraph 5(d)(iv), who supply water and/or electricity to the premises of final customers within a Self-Contained Site, for such purposes;

Irrigation

- (v) subject to the conditions referred to in paragraph 4(d)(v) and for the period referred to in paragraph 5(d)(v), in relation to water only, the Department of the Municipality of Abu Dhabi and the Department of the Municipality of the City of Al Ain for the purposes of the supply of water for irrigation purposes only;

Water storage

- (e) in respect of the storage of water:

ADNOC

- (i) subject to the conditions referred to in paragraph 4(e)(i) and the period referred to in Clause 5(e)(i) the Abu Dhabi National Oil Company;

Bottled water

- (ii) subject to the conditions referred to in paragraph 4(e)(iii) and for the period referred to in paragraph 5(e)(ii) persons storing water for the purpose of supply for drinking purposes in bottles or other containers or vessels having a capacity of less than 30 litres;

Self-supply

- (iii) subject to the conditions referred to in paragraph 4(e)(iii), and for the period referred to in paragraph 5(e)(iii), persons exempted from the requirement to be authorised by licence in respect of the desalination of water, generation of electricity or the combined generation of electricity

and desalination of water pursuant to paragraph 3(a)(iii) and (iv), for the purposes of self supply;

Self-Contained Sites

- (iv) subject to the conditions referred to in paragraph 4(e)(iv) and for the period referred to in paragraph 5(e)(iv), persons who are exempt under paragraph 3(c)(iv), for the same purposes are as referred to in that paragraph.

Free local storage

- (v) subject to the conditions referred to in paragraph 4(e)(v) and for the period referred to in paragraph 5(e)(v), persons who are exempt under paragraph 3(c)(iii), for the same purposes are as referred to in that paragraph.

Irrigation

- (vi) subject to the conditions referred to in paragraph 4(e)(vi) and for the period referred to in paragraph 5(e)(vi), persons who are exempt under paragraph 3(c)(v), for the same purposes are as referred to in that paragraph.

Conditions

- 4. The conditions referred to in paragraph 3 are that:

Generation and desalination

- (a) in the case of the exemptions described in the following sub-paragraphs of paragraph 3(a):

ADNOC

- (i) paragraph 3(a)(i):
 - (x) ADNOC shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to it; and
 - (y) ADNOC shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Small producers

- (ii) paragraph 3(a)(iii):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Self suppliers

- (iii) paragraph 3(a)(iv):
 - (x) the self supplier shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the self supplier shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Part self-suppliers

- (iv) paragraph 3(a)(v):
 - (x) the quantities of water and electricity not used for self supply do not in normal operating conditions exceed quantities referred to in paragraph 3(a)(ii);
 - (y) the self supplier shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (z) the self supplier shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Water and electricity transmission – ADNOC

- (b) ADNOC shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to it; and

- (c) ADNOC shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Water and electricity distribution

- (d) in the case of the exemptions described in the following sub-paragraphs of paragraph 3(c):

ADNOC

- (a) paragraph 3(c)(i):
 - (x) ADNOC shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to it; and
 - (y) ADNOC shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Self suppliers

- (ii) paragraph 3(c)(ii):
 - (x) the self supplier shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the self supplier shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Free local distribution

- (iii) paragraph 3(c)(iii):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Self Contained Sites

- (iv) paragraph 3(c)(iv):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Irrigation

- (v) paragraph 3(c)(v):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Water and electricity supply

- (d) in the case of the exemptions described in the following sub-paragraphs of paragraph 3(d):

ADNOC

- (i) paragraph 3(d)(i):
 - (x) ADNOC shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) ADNOC shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Bottled water

- (ii) paragraph 3(d)(ii), the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and

Vehicle supply

- (iii) paragraph 3(d)(iii):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Self-Contained Sites

- (iv) paragraph 3(d)(iv):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Irrigation

- (v) paragraph 3(c)(v):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Water storage

- (e) in the case of the permission described in the following sub-paragraphs of paragraph 3(d):

ADNOC

- (i) paragraph 3(d)(i):
 - (x) ADNOC shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to it; and
 - (y) ADNOC shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Bottled water

- (ii) paragraph 3(d)(ii):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Self-supply

- (iii) paragraph 3(d)(iii):
 - (x) the self supplier shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the self supplier shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Self-Contained Sites

- (iv) paragraph 3(d)(iv):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and

- (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Free local storage

- (v) paragraph 3(d)(v):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Irrigation

- (vi) paragraph 3(d)(vi):
 - (x) the person exempt shall comply with all supply regulations promulgated by the Bureau pursuant to Articles (62) to (68) of the Law, so far as applicable to him; and
 - (y) the person exempt shall provide to the Bureau such information concerning the matters contemplated by these Regulations as the Bureau may require from time to time; and

Periods

5. The permissions conferred by Article 3 paragraph 1 shall last for the following periods:

Generation and desalination

- (a) in the case of the exemptions described in the following sub-paragraphs of paragraph 3(a):

ADNOC

- (i) paragraph (i), for 12 months from the Transfer Date, unless revoked earlier by further regulations made by the Bureau under Article (74) of the Law;

Other cases

- (ii) in all other cases, for 5 years from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law;

Transmission - ADNOC

- (b) in the case of the permission described in paragraph 3(b), for 12 months from the Transfer Date or until revoked by further regulations made by the Bureau under Article (74) of the Law;

Distribution

- (c) in the case of the permission described in the following sub-paragraphs of paragraph 3(c):

ADNOC

- (i) paragraph (i), for 12 months from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law;

Other cases

- (ii) in all other cases, for 5 years from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law;

Supply

- (d) in the case of the permission described in the following sub-paragraphs of paragraph 3(d):

ADNOC

- (i) paragraph (i), for 12 months from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law; and

Other cases

- (ii) in all other cases, for 5 years from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law;

- (e) in the case of the permission described in the following sub-paragraphs of paragraph 3(e):

ADNOC

- (i) paragraph (i), for 12 months from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law; and

Other cases

- (ii) in all other cases, for 5 years from the Transfer Date, or until revoked by further regulations made by the Bureau under Article (74) of the Law.

Licensed Operators

- 6. The exemptions in paragraph 1 and described in paragraph 3, shall not apply to the regulated activities of a person who is a Licensed Operator.

ARTICLE (4) Modifications and revocation

This order is subject to modification or revocation by the Bureau at any time and from time to time.

Graeme Sims

On behalf of the Regulation and Supervision Bureau for the Water and Electricity Sector in the Emirate of Abu Dhabi

31 January 1999