



مكتب التنظيم والرقابة
Regulation & Supervision Bureau

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

ABU DHABI OIL REFINING COMPANY (TAKREER)

**ELECTRICITY GENERATION
LICENCE EXEMPTION**

17 JUNE 2001



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GENERATION LICENCE EXEMPTION

Part 1 THE EXEMPTION

1. Grant of Exemption

The Regulation and Supervision Bureau for the Water and Electricity Sector in the Emirate of Abu Dhabi hereby grants exemption to the Abu Dhabi Oil Refining Company from the requirement to be licensed to carry out the activity referred to in paragraph 4 below.

This exemption is granted in exercise of the powers conferred on the Bureau by Article (79) of Law No (2) of 1998 Concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi .

2. Conditions of Exemption

This exemption is granted subject to the Conditions in Part II of this exemption and for the period referred to in paragraph 3 below.

This exemption is subject to modification or revocation in accordance with Condition 11 below.

3. Term of Exemption

This exemption shall come into force on 17 June 2001 and, unless revoked in accordance with the provisions of Condition 11, shall continue until 17 June 2007 or such later date as may be notified in writing by the Bureau through a modification to this exemption.

4. Permitted activities

The activity permitted to be carried out by TAKREER pursuant to this exemption is the generation of electricity in its facilities at Ruwais up to a maximum installed capacity of approximately 656 megawatts for providing electricity to the transmission systems up to a maximum capacity of 300 MW for sale to the Abu Dhabi Water and Electricity Company

5. Definitions

The following words and expressions used in this exemption shall have the following meanings:

: means the Abu Dhabi Water and Electricity Company;



"Ancillary Services" means:

- (a) such services as TAKREER shall be required to have available in association with the connection to the transmission systems pursuant to the relevant Electricity Transmission Code; or
- (b) such services as TAKREER may have agreed to have available in association with the connection to the transmission systems pursuant to an agreement with a licensed transmission operator or ADWEC

and which may be offered for sale to a licensed transmission operator or ADWEC for the purpose of securing stability of operation of the relevant transmission system.

"Bureau": the Regulation and Supervision Bureau for the Water and Electricity Sector in the Emirate of Abu Dhabi;

"Distribution Code": in relation to any distribution company, an electricity distribution code or codes required to be drawn up by the licensed distribution operator and approved by the Bureau as from time to time revised with the approval of the Bureau;

"distribution systems": the system consisting (wholly or mainly) of electrical lines owned or operated by a licensed distribution operator and used for the distribution of electricity to the point of delivery to premises and includes any plant owned or operated by the licensed distribution operator in connection with the distribution of electricity.

"Electricity Transmission Code": the transmission code of that name required to be prepared by a licensed transmission operator and approved by the Bureau as from time to time revised with the approval of the Bureau;

: this exemption granted by the Bureau to TAKREER from the requirement to be licensed under the Law to generate electricity in Ruwais, as the same may be modified by the Bureau from time to time;

"Exempted Activities": the activities permitted to be carried out by TAKREER pursuant to the terms of this exemption;

"generation unit": any plant or apparatus for the generation of electricity including a facility comprising one or more generation units;

"Law": Law No (2) of 1998 concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi;

"licensed distribution operator": a person who is authorised by a licence granted under the Law to distribute electricity;



"licensed operator": the Abu Dhabi Water and Electricity Company or any person who is authorised by a licence granted under the Law to desalinate, transmit, distribute, store or supply water or generate, transmit, distribute or supply electricity;

"licensed transmission operator": a person who is authorised to transmit electricity and/or water;

"Metering and Data Exchange Code": the code of that name required to be prepared by a licensed transmission operator and approved by the Bureau as from time to time revised with the approval of the Bureau;

"TAKREER": the person to whom this exemption is granted, that is the Abu Dhabi Oil Refining Company;

"TAKREER's System": means the electric lines owned or operated by TAKREER for the transport of electricity from generation units in Ruwais to the point of connection with the transmission systems; and

"transmission systems": the system consisting (wholly or mainly) of high voltage electric lines owned or operated by the Abu Dhabi Despatch and Transmission Company or a licensed transmission operator and used for the transmission of electricity from one generation unit to a sub station or to another generation unit and includes any plant owned or operated by a licensed transmission operator in connection with the transmission of electricity.



6. Interpretation

For the purpose of this exemption:

- (a) where any obligation of TAKREER is required to be performed within a specified time limit that obligation shall be deemed to continue after that time limit if TAKREER fails to comply with that obligation within that time limit;
- (b) in construing a Condition, the heading or title of any Condition or paragraph shall be disregarded;
- (c) any reference to a numbered Condition is a reference to the Condition bearing that number or prefix in this exemption and any reference to a paragraph is to the paragraph bearing that number or prefix in the Condition in which the reference occurs; and
- (d) terms used in this exemption shall unless the context otherwise admits have the same meaning as ascribed to them in the Law.

GRANTED BY

17 June 2001

**Zaal Mohammed Al Hameri
Chairman**



Part 2 GENERATION CONDITIONS

Condition 1 Part II Conditions

The Conditions in this Part II shall apply to the Exempted Activities of TAKREER.



Compliance with Electricity Transmission Code

1. TAKREER shall comply with the provisions of the Electricity Transmission Code in so far as they are applicable to it.
2. The Bureau may (following consultation with the relevant licensed transmission operator) issue directions relieving TAKREER of its obligation under paragraph 1 in respect of such parts of the Electricity Transmission Code and to such extent as may be specified in those directions.



Condition 3 Compliance with Distribution Code

1. If at any time TAKREER systems in Ruwais are connected with the distribution system of any licensed distribution operator, TAKREER shall comply with the provisions of the Distribution Code of the licensed distribution operator insofar as applicable to it.

2. The Bureau may (following consultation with any licensed distribution operator directly affected thereby) issue directions relieving TAKREER of its obligations under paragraph 1 in respect of such parts of a Distribution Code of any licensed distribution operator and to such extent as may be specified in those directions.



Condition 4 System planning

1. TAKREER shall plan and develop TAKREER's System in accordance with a standard not less than that applicable to a licensed transmission operator and a licensed distribution operator as approved from time to time by the Bureau (in respect of their respective systems) or such other standard of planning as TAKREER may, following consultation with any licensed transmission operator and any other licensed operator liable to be materially affected thereby and with the approval of the Bureau, adopt from time to time.

2. The Bureau may (following consultation with a licensed transmission operator and any other licensed operator liable to be materially affected thereby) issue directions relieving TAKREER of its obligation under paragraph 1 in respect of such parts of TAKREER's System as may be specified in those directions.



Condition 5 Central scheduling, despatch and metering

1. TAKREER shall submit available capacity up to a maximum of 300 MW for providing power into the transmission systems, to central despatch by a licensed transmission operator.
2. TAKREER shall at such times and in such manner as may be provided under an Electricity Transmission Code provide a licensed transmission operator with all information reasonably required by it to enable it, in conformity with the conditions of its transmission licence:
 - (a) to operate the system of central despatch; and
 - (b) to operate the scheduling system.
2. TAKREER shall comply with the provisions of the Metering and Data Exchange Code in so far as applicable to it.
3. The Bureau may (following consultation with any licensed operator) issue directions relieving TAKREER from its obligations under paragraph 3 in respect of such parts of the Metering and Data Exchange Code and to such extent as may be specified in those directions.
4. In this Condition:

"available"	in relation to capacity means a block of capacity which is available for central despatch by the licensed transmission operator for the generation of electricity;
"central despatch"	means the process of issuing direct instructions for despatch of available generation units by a licensed transmission operator under the conditions of the transmission licence;
"scheduling system"	means a system identifying the economic cost of electricity from available generation units to be delivered or transferred to the total system (subject to other system needs);
"total system"	means the transmission and distribution systems of all licensed operators which are located in the Emirate of Abu Dhabi; and
"transmission licence"	means the licence issued to a licensed transmission operator as amended from time to time.



Condition 6 Ancillary Services

TAKREER shall from time to time or upon request by a licensed transmission operator or ADWEC offer terms for the provision by TAKREER of Ancillary Services in respect of the interconnection to the transmission systems.



Condition 7 Compliance with Supply Regulations

1. TAKREER 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.
2. TAKREER shall provide to the Bureau such information concerning the matters contemplated by the regulations referred to in paragraph 1 as the Bureau may require from time to time.



Condition 8 Provision of information to the Bureau

1. Subject to paragraph 3, TAKREER shall furnish to the Bureau, in such manner and at such times as the Bureau may require, such information and shall procure and furnish to it such reports, as the Bureau may consider necessary in the light of the Conditions or as it may require for the purpose of performing:-
 - (a) the functions assigned to it by or under the Law; and
 - (b) any functions transferred to it under the Law.
2. Without prejudice to the generality of paragraph 1, the Bureau may call for the furnishing of accounting information.
3. In paragraphs 1 and 2, "information" shall include any documents, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Bureau) of any description specified by the Bureau.



Condition 9 Health and safety

1. TAKREER shall, taking due account of any guidance issued to it by the Bureau and applicable health and safety standards prevailing in the Emirate of Abu Dhabi, within 6 months beginning with the day on which this exemption comes into force establish a written policy designed to protect the health and safety of the general public and persons employed by TAKREER from the effect of the Exempted Activities, together with operational objectives and management arrangements to give effect to such policy. TAKREER shall review the policy, the operational objectives and management arrangements periodically and otherwise as appropriate.
2. TAKREER shall, upon the establishment and any material change of them, promptly send the Bureau a copy of the policy together with a general description of the operational objectives and management arrangements.
3. TAKREER shall act with regard to the policy and operational objectives and use its reasonable endeavours to operate the management arrangements effectively.



Environmental matters

1. TAKREER shall, taking due account of any guidance issued to it by the Bureau and applicable environmental standards prevailing in the Emirate of Abu Dhabi within 6 months beginning with the day on which this exemption comes into force establish a written policy designed to protect the environment from the effect of the Exempted Activities, together with operational objectives and management arrangements to give effect to such policy. TAKREER shall review the policy, the operational objectives and management arrangements periodically and otherwise as appropriate.
2. TAKREER shall, upon the establishment and any material change of them, promptly send the Bureau a copy of the policy together with a general description of the operational objectives and management arrangements.
3. TAKREER shall act with regard to the policy and operational objectives and use its reasonable endeavours to operate the management arrangements effectively.



Condition 11 Revocation

1. The Bureau may at any time revoke this exemption by not less than 30 days notice in writing to TAKREER:
 - (a) if TAKREER agrees in writing with the Bureau that this licence should be revoked;
 - (b) if TAKREER ceases to carry on its business in the Exempted Activities;
 - (c) if TAKREER:
 - (i) has been adjudicated insolvent or if the general assembly passes a resolution to wind up TAKREER or if TAKREER suffers a loss of 50% of the share capital and a resolution to wind up TAKREER is passed by the shareholders representing at least 25% of the share capital of TAKREER;
 - (ii) ceases to be an Affiliate of the Abu Dhabi National Oil Company (ADNOC);
 - (d) on expiry of the duration of the existence of TAKREER as specified in its memorandum and articles of association; or
 - (h) on the dissolution of TAKREER by operation of law or its merger with another entity.
2. The Bureau may at any time modify this exemption by not less than 30 days notice in writing to TAKREER.
3. For the purpose of paragraph 1(c)(ii) of this Condition, the term Affiliate has the meaning ascribed to it by the Electricity and Water (Licence Exemption) Order No.1 of 1999 issued by the Bureau.



Condition 12 Transfer of Exemption

This exemption shall not be capable of being transferred except with the prior written consent of the Bureau.