



دائرة الطاقة
DEPARTMENT OF ENERGY

IMPORTANT NOTE

This is an unofficial translation intended as a guide only, and should not be relied upon in the event of any dispute or legal proceedings. Where there is a conflict between this unofficial translation and the original Arabic version, the Arabic version will prevail.

Department of Energy Chairman Decision No (44) of 2019 concerning the District Cooling Regulation

Chairman of the Department of Energy

- Following perusal of Law No (1) of 1974 concerning the restructuring of government body in the Emirate of Abu Dhabi and its amendments;
- Law No (4) of 1983 concerning the regulation of building works and its amendments;
- Law No (3) of 2015 concerning the regulation of real estate sector in the Emirate of Abu Dhabi;
- Law No (1) of 2017 concerning the financial system of the Government of Abu Dhabi;
- Law No (5) of 2018 concerning the establishment of the Department of Urban Planning and Municipalities;
- Law No (7) of 2018 concerning the re-organization of Department of Economic Development;
- Law No (11) of 2018 concerning the establishment of the Department of Energy;
- The Executive Council Chairman Resolution No (26) of 2018 concerning additional competencies to the Department of Energy;
- Pursuant to what has been presented to the Executive Council and upon the approval of the Executive Council on the same,

We issued the following:

Article (1)

The District Cooling Regulation attached to this decision shall be adopted.

Article (2)

Entities and companies and companies engaged in district cooling activities in the Emirate of Abu Dhabi shall settle their legal status according to the provisions of the Regulation.

Article (3)

The Regulation shall be published in the official gazette and shall come into force on the date of publication.

**Eng. Awaidha Murshed Al Marar
Chairman**

Issued in Abu Dhabi on 2/9/2019
Encl: The District Cooling Regulation



District Cooling Regulation

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Department Objectives and Competencies

The Department of Energy (“**Department**”) is established pursuant to Abu Dhabi Law No. (11) of 2018 as a regulatory entity for the energy sector in the Emirate of Abu Dhabi. The Department aims at providing services relating the energy sector, seeking to achieve progress and keeping pace with global developments in the sector.

Law No (11) of 2018 states that the Department of Energy will oversee the activities of the production, storage, and distribution of chilled liquid for purposes of central cooling, which encompasses the District Cooling (‘DC’) activities.

Within its jurisdiction, the Department is responsible for regulating the DC activities in all respects. The Department shall license all facilities, entities and persons carrying out DC activities as well as monitor their commitment to provide the optimum level of service.

Therefore, the Department has issued the District Cooling Regulation (“**The Regulation**”) to ensure that DC is applied in areas where the system is technically and economically feasible as well as to ensure that premises located in licensed areas are complying with the Regulation.

The Regulation is also available in Arabic. It may also be downloaded from the Department website at www.doe.gov.ae.

In case of any conflict between the Arabic and English versions of this Regulation, the Arabic version published in the official gazette of Abu Dhabi shall prevail.

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1. Legal Framework of the Regulation

1.1 Preliminary provisions

- 1.1.1 This Regulation is the first version of the “District Cooling Regulation” and the schedules and annexes attached to it are considered part thereof. This Regulation and the schedules and annexes are hereinafter referred to as “ the “**DC Regulation**” or “**Regulation**”.
- 1.1.2 DoE has issued this Regulation in accordance with the provisions of Law No (11) of 2018 following the Executive Council’s approval.
- 1.1.3 The DoE Chairman may adopt or issue any Regulation, policies, decisions, circulars, or executive and operational codes to implement the provisions of this Regulation without contravening the legislations in force.
- 1.1.4 The DoE Chairman shall determine in a decision issued by him any additional District Cooling activities other than the activities mentioned in this regulation and which also require a licence from DoE.
- 1.1.5 It is prohibited for any facility or individual to carry out District Cooling activities without obtaining a License from DoE in accordance with the rules and procedures set forth by the DoE .
- 1.1.6 The DoE Chairman may exempt any individual from complying with the provisions of this Regulation for a certain period on conditions determined by the exemption decision. The Chairman may also cancel, amend, or extend any general or special exemption issued under the provisions of this Clause.
- 1.1.7 The DoE Chairman may delegate any of the DoE functions listed in this Regulation to any government company reporting to DoE to the extent needed and to the interest of work, after obtaining the approval of the Executive Council.

1.2 Commencement

- 1.2.1 This Regulation shall come into force as of the date of its publication in the official gazette of the Emirate (“**Effective Date**”).
- 1.2.2 The DoE Chairman may specify period(s) during which the Persons subject to this Regulation shall be allowed to settle their legal status.
- 1.2.3 The DoE shall periodically review the Regulation and the implementation and compliance with it. The DoE Chairman may amend or cancel the DC Regulation after obtaining the Executive Council’s approval.
- 1.2.4 The schedules and annexes to the Regulation may be amended by the DoE subject to a three-month’ notice of its intention to do so.

1.3 Scope

- 1.3.1 Each part of the DC Regulation sets out the relevant facilities, and entities concerned with implementing the provisions of each part, and shall be in the Regulation under “**Application and Scope**” section of each part of this DC Regulation.

- 1.3.2 Nothing in this Regulation is intended to conflict with or affect the operation of:
- (a) UAE Federal Law No (24) of 1999 for the Protection and Development of the Environment and its executive orders; and
 - (b) Decree of the Crown Prince, Chairman of the Executive Council No. (42) of 2009 Concerning The Environmental Health and Safety Management System in the Emirate of Abu Dhabi (EHSMS) or any amended legislation replacing the mentioned decision.

1.4 Enforcement

- 1.4.1 Pursuant to Articles (10) and (11) of Law No. (11) of 2018, all individuals, facilities, and entities shall comply with the provisions of this Regulation and the rules, policies, decisions, circulars, codes and licenses issued thereunder.
- 1.4.2 Without prejudice to any other stricter punishment provided in any other legislation, an administrative fine of not more than (AED 10,000,000) ten million dirhams shall be imposed on anyone who contravenes the provisions of this Regulation and the rules, policies, decisions, circulars, codes and licenses issued thereunder pursuant to Law No (11) of 2018.
- 1.4.3 After Executive Council's approval, the DoE Chairman shall issue the fines and administrative penalties table for violating any of this Regulation's provisions, rules, policies, decisions, circulars, codes and licenses issued thereunder. The conciliation procedures and administrative penalties procedures shall be applied in accordance with the approved and adopted Regulation as per Law No (11) of 2018.
- 1.4.4 The DoE shall remove the violations at the expense of the violator if the latter does not remove them at the time specified by DoE.
- 1.4.5 The DoE by itself or by any other authorized Persons, after Executive Council's approval, shall supervise the implementation of this Regulation and the rules, policies, decisions, circulars, codes and licenses issued thereunder.

2. Interpretation and Definitions

2.1. Interpretation

- 2.1.1 Words and expressions other than those defined in this Regulation which are defined in Law No (11) of 2018, shall have the meanings ascribed to them in Law No (11) of 2018.
- 2.1.2 Words using the singular or plural number also include the plural or the singular number respectively.
- 2.1.3 Unless otherwise specified, days shall mean calendar days.

2.2 Definitions

- 2.2.1 In implementing the provisions of this Regulation, the following words shall have the meanings assigned next to each of them unless the context indicated otherwise:

Country	:	United Arab Emirates.
Emirate	:	Emirate of Abu Dhabi
DoE	:	Department of Energy.
DPM	:	Department of Urban Planning and Municipalities.
EAD	:	Environment Agency Abu Dhabi.
Effective Date	:	the effective date of this Regulation.
Law	:	Law No (11) of 2018 concerning the establishment of the Department of Energy.
DC Applicability Regulation	:	the “ <i>District Cooling Applicability Regulation</i> ” issued by the DoE further to the approval of the Executive Council, as may be amended, supplemented or replaced by the DoE from time to time.
DC Codes	:	the DC technical codes established, maintained, reviewed and amended from time to time as appropriate by the DoE.
Entity	:	means an individual, company, association, society, partnership, corporation, municipality, institution, government organisation, agency or group.
District Cooling or DC	:	means the cooling of facilities through centralized DC Systems and Networks using a cooling medium from the cooling plant producing the cooling energy.
Conventional Cooling	:	means cooling systems for Premises that would be installed in the absence of District Cooling.
Air Conditioning	:	means the process of treating air to simultaneously control its temperature, humidity and cleanliness, and distribution of this air to meet the requirements of the conditioned space.
Cooling Capacity	:	means the removal of heat energy, expressed in megawatts hour cooling or kilowatts hour cooling.

- Cooling Load** : means the rate of removal of heat energy, expressed in megawatts cooling or kilowatts cooling.
- Chilled Water** : means cool water used in a closed hydronic system (typically chemically treated) for Air Conditioning or process cooling applications.
- Chilled liquid** : means Chilled Water or any other medium used for purposes of DC Services provision.
- Building** : means any building and associated structures and facilities constructed or to be constructed by, or on behalf of Customers.
- Facility** : means any land, building or premise.
- Unit** : means any defined part of a Building, including an apartment, townhouse, home unit, retail unit, commercial unit or other form of segregated accommodation or dwelling within a Building, which is leased or owned by a Customer.
- Building System** : means the Building cooling system using chilled water and associated equipment within a Building.
- Comfort Cooling** : means cooling of space within Premises primarily used or intended to be used for any of the following:
 (a) residential and/or commercial purposes; or
 (b) the provision of public services within the Emirate, provided that, in each case, such Premises are not used or intended to be used for industrial purposes or in connection with the cooling of space within industrial Facilities.
- DC System** : means the equipment (including the DC Plant and the DC Network) comprising a system for the centralized production and distribution of Cooling Energy in the form of Chilled Water from a central chiller plant to multiple Premises through a network of underground pipes.
- Cooling Tower** : means a heat removal device using water to reject heat to the atmosphere and cool the condenser side of a chiller, using evaporation (latent heat of vaporisation) to reject heat from condenser water.
- DC Network** : means the distribution piping system (including all piping, pumps, valves and fittings) and related equipment to be operated and maintained by the DC Wholesale Provider (“Offtaker”) for purposes of transporting Chilled Water from one or more DC Plant(s) or Temporary Plant(s) to Building(s) or to distribution pipelines that comprise a portion of DC Retailer Facilities.
- DC Plant** : Means the plant, including pumping stations, chillers, TES facilities, Cooling Towers, associated electrical substations, emergency power supply equipment, systems control, switchgear, electrical installation auxiliary equipment, piping and other installations and ancillary equipment, used or useful in the production of cooling energy and the distribution of Chilled Water, operated and maintained for purposes of supporting the provision of DC Provider Services, to be installed on a DC Plot.

Temporary Plant	:	means a DC Plant providing Chilled Water on a temporary basis until the permanent DC Plant is ready. A Temporary Plant is, subject to the DoE's approval, intended to operate for a maximum of five (5) Years.
Cooling Plant Area	:	the land in which the DC Plant will be constructed and operated.
Metering Code	:	means the DC measurement and metering codes established, maintained, reviewed and amended from time to time as appropriate by DoE.
Licensed Entity	:	an entity holding a DC license from DoE.
License	:	a licence issued by the DoE to perform Wholesome DC Services, DC Retail Services or Integrated DC Services. The DoE Chairman, by a decision issued by him, shall determine any other activities in connection with the DC which may require a license from DoE.
Derogation	:	a derogation issued by DoE to any or all Licensed Entities relieving it or them from complying with DoE licensing conditions for a period of time and as determined by the derogation decision. DoE may extend or amend the derogation as deemed appropriate.
Exemption	:	has the same meaning of Clause (7.2).
Licensed DC Services	:	means provision of DC Services to a cooling scheme that meets the requirements of Criteria No (1) and Criteria No (2) and is not included within Exempted DC Services or Prohibited DC Activities.
Exempted DC Services	:	provision of District Cooling to a DC Scheme: <ul style="list-style-type: none"> (a) that: <ul style="list-style-type: none"> (i) has less than the Qualifying Cooling Load; (ii) comprises of only one (1) Offtaker; and (iii) such Offtaker does not enter into a Retail Transaction, provided that a Prohibited DC Activity shall not be considered an Exempted DC Service; or (b) comprising of Offtakers that require District Cooling primarily for purposes other than Comfort Cooling;
Licensed Areas for DC Services	:	has the same meaning of Authorised Service Area for DC Services in the DC Applicability Regulation.
Prohibited DC Activities	:	means the provision of District Cooling services to a DC Scheme with less than the Qualifying Cooling Load that has only one (1) Offtaker and where such Offtaker enters into a Retail Transaction.
DC Services Procurer	:	an Entity, typically a real estate developer, that procures the services of a DC Provider ("Offtaker") for the purpose of providing Licensed DC Services to its proposed DC Scheme.
Offtake Supplier, Offtaker for DC Services Supplier	:	any entity that produces and distributes cooling energy through chilled water using DC System for the purpose of offtake supplies or integrated offtaking supplies.

- Customer** : means an Entity that includes, but not limited to, (A) an owner of Premises, a Building or an apartment, home Unit or other form of segregated accommodation within a Building, or (B) an owners' association in relation to a Building, or an industrial Facility, that, in each case, benefits from Air Conditioning sourced from a DC System, that contracts with the Licensee [or its agents] and pays (directly or indirectly) for the provision of District Cooling services.
- Offtaker Or Bulk Customer** : who owns or operates and manages a Building within a DC Scheme that is directly connected to the DC Network or through heat exchanger stations.
- DC Services Tariff** : means a rate or charge for, or in connection with, the provision of, District Cooling services, for the establishment and maintenance of interconnections with a DC Network, or for maintenance and improvement of a DC System which may be assessed by a Licensee or prospective Licensee in accordance with a Licence condition, an Exemption, a Regulation or by direction of the DoE and calculated in accordance with the DoE's requirements set out in Clause 4.5.1
- Supporting Services Fees** : DC Support Services' fees mentioned in clause No. 4.5.1.
- Capacity Fee** : DC Services Capacity fees mentioned in clause No. 4.5.1.
- Connection Fee** : DC Network connection fees mentioned in clause No. 4.5.1 .
- Consumption Fee** : DC Services consumption fees mentioned in clause No 4.5.1.
- Disconnection Fee** : disconnection fees mentioned in clause 6.2.
- CPI** : means the UAE Consumer Price Index as published by the UAE Federal Competitiveness and Statistics Authority.
- Conventional Cooling Assumptions** : means the general, technical and financial assumptions associated with the estimate of Conventional Cooling costs as set out in Annex 4 of this DC Regulation.
- DC Scheme** : means each real-estate development (including a master-development and/or a sub-development) or a group of Buildings within a Licensed Area that is, or are connected to or served by, or are intended to be connected to or served by, one or more DC Systems.
- Commercial Operation** : means operation of a Facility following completion of commissioning and initiation of operations
- DC Criteria (1)** : means a DC Scheme that:
- (A) has at least the Qualifying Cooling Load; and
 - (B) comprises of one (1) or more Offtakers that require District Cooling primarily for Comfort Cooling purposes

- DC Criteria (2)** : means a DC Scheme that:
- A. has less than the Qualifying Cooling Load; and
 - B. comprises of two (2) or more Offtakers that require District Cooling primarily for Comfort Cooling purposes.
- Integrated DC Services** : means any activity related to the generation and distribution of Cooling Energy by means of Chilled Water using DC Plants as well as metering, selling and supplying this water to the end-users.
- Offtaker DC Services** : activities carried out by Offtaker (excluding the integrated DC Services) connected to the production and distribution of cooling energy through chilled water and DC System for purposes of supplying the DC Services to retailers.
- DC Retailer** : means all activities in connection to procuring Licensed DC Services from one of the Offtakers and re-sell it to end-users.
- Transmission System of the Offtaking Supplier** : means the Facilities used to transmit cooling energy through chilled water from the Offtaker's facilities to the DC Retailer or to the Building's Cooling System and includes, but not limited to, metering equipment of the Offtaker.
- Offtaker Facilities** : means equipment and facilities, including DC Plants and Networks and Transmission System and any other equipment owned, designed, installed and operated by the DC Retailer as required for the supply of DC Retailer Services to Customers via connection and return points.
- DC Retail Supplier or Supplier** : means an Entity which either:
- (a) acquires Cooling Energy from an Offtaker for the purpose of resale to Customers; or
 - (b) an Offtaker licenced to undertake Integrated DC Services that supplies and/or sells Cooling Energy to Customers.
- either directly or through one or more agents that undertake Customer invoicing, metering and/or billing collection services.
- DC Retailer Facilities** : means equipment and Facilities owned, designed and installed by the DC Retailer as required for the supply of DC Retailer Services to Customers.
- Licensing Retail Supplier** : means a licence granted to an Entity to undertake or perform DC Retailer Services in accordance with Law No.(11) of 2018 and this Regulation.
- DC Services Agreement** : means an agreement for the supply, provision, sale or purchase of Cooling Energy by means of Chilled Water from:
- (a) an Offtaker undertaking DC Wholesale Services to an Offtaker or DC Retailer;
 - (b) an Offtaker undertaking Integrated DC Services to an end-user Customer; or
 - (c) DC Retailer to an end-user Customer.
- Existing Facilities** : means facilities (such as DC Systems or Buildings) which entered into Commercial Operation prior to the Effective Date.
- Existing DC Schemes** : means each DC Scheme for which procurement orders or offers were issued by the DC Procurer prior to the Effective Date

Existing Meters	:	means a Meter which was installed before the effective date of the DC Metering Code
Financial Model Requirements	:	means the requirements set out in Annex 3 of this DC Regulation.
Full Build Out	:	Has the meaning given to that term in Clause (4.4.1).
Full Price Regulation	:	means that the applicable DC Scheme: (a) is served with DC Services by a licensed Offtaker; and (b) the Offtaker of such Licensed DC Services is a DC Retailer that has entered into a Retail Transaction.
KPIs	:	means the key performance indicators as determined by the DoE from time to time
Levelised Cost	:	means the life-cycle costs of the District Cooling or Conventional Cooling project and is the ratio between: (a) the Net Present Value of all total capital and operating costs of a District Cooling project or Conventional Cooling project (as applicable); and (b) the Net Present Value of all Cooling Energy consumed of a District Cooling project or Conventional Cooling project (as applicable) calculated in accordance with the DoE's requirements as set out in Clause 4.4.1.
Annual Information Request	:	means a request for information produced by the DoE requesting the annual information and submissions, the format, content and deadline of which, is determined and amended by the DoE from time to time.
Terms and conditions of DC Services Agreement	:	has the meaning mentioned in Part 6
Net Present Value (NPV)	:	means an economic or financial calculation which discounts a stream of costs at the relevant date on which such costs are calculated or determined, to reflect the time value of money.
New Building	:	means a Building which entered into Commercial Operation after the Effective Date.
New DC Scheme	:	means a DC Scheme for which a formal request for proposal or an initial procurement notice in respect of the provision of DC Provider Services (Standalone) or Integrated DC Service is issued by the DC Procurer after the Effective Date.
New Meters	:	means a Meter which has been installed after the effective date of the DC Metering Code.
Partial Price Regulation	:	means that the applicable DC Scheme: (a) is served or to be served by a DC Provider that is providing or will provide Licensed DC Services; and (b) the Offtaker of such Licensed DC Services will not enter into a Retail Transaction and there are no residential Customers in the relevant DC Scheme.

Qualifying Cooling Load	:	means, with respect to a DC Scheme, a maximum projected Cooling Load of such DC Scheme, assuming final completion of such DC Scheme's full development and build-out submitted to the DoE in accordance with applicable DC Regulation that is equal to or exceeds 17.6 MWc, provided that, the Cooling Load of any Existing Buildings within such DC Scheme or any industrial facilities within such DC Scheme shall be excluded when determining the Qualifying Cooling Load.
Regulated Procurer of DC Services	:	has the meaning mentioned in Clause 4.2.1.
Regulated RFP	:	has the meaning mentioned in Clause 4.3.
Affiliate Project	:	any project in which the Licensed Entity holds 50% or more of the share capital or the Licensed Entity has the right to appoint the majority of the members of the projected board.
Retail Transaction	:	means an arrangement pursuant to which an Offtaker or DC Retailer, through the issuance of a periodic District Cooling Service Invoice, requires an end-user Customer to pay charges for, or otherwise financially compensate the Offtaker or DC Retailer (directly or indirectly) for, the provision of District Cooling services.
Return on Investment	:	means a calculation made in good faith by the Licensee in accordance with generally accepted financial principles, which shall set forth the pre-tax compounded annual internal rate of return realized from the provision of District Cooling services to a New DC Scheme or to a Building or group of Buildings.
Total DC Cost	:	Means the aggregate amount of all charges and tariffs payable by: (a) each Offtaker within a DC Scheme, in circumstances where there is no Retail Transaction; or (b) all end-user Customers within a DC Scheme, in circumstances where there is a Retail Transaction; in each case, in connection with the receipt of District Cooling or Conventional Cooling (as applicable) and on the basis that such charges and tariffs are calculated over the life-cycle of the relevant District Cooling project or Conventional Cooling project (as the case may be) on a Net Present Value basis and in accordance with the DoE's requirements set out in Clause 4.4.1.
Meter	:	means a set of equipment for measuring Cooling Energy and Cooling Load and which may refer to an Offtaker Meter or DC Retailer Meter
MWhc	:	means a unit of Cooling Energy equal to 1,000 kWhc
kWhc	:	Means a unit of Cooling Energy

3. DC Technical and Metering Codes

3.1. General

- 3.1.1 The DC Code and the DC Metering Code are developed to ensure that DC Systems and Meters meet or exceed prescribed levels of reliability, efficiency and sound water management.
- 3.1.2 All Licensees, Offtakers and DC Retailers shall use all reasonable endeavours to ensure compliance with the DC Code and the DC Metering Code.
- 3.1.3 Offtakers undertaking Licensed DC Services shall operate all DC Systems in accordance with the following four fundamental principles:
- (a) notwithstanding diversity in the design of the DC System, the maximum Cooling Load requirements contracted with each Customer must at all times be fully met;
 - (b) the Offtaker shall use its best endeavours to ensure that any interruptions in the provision of Licensed DC Services are minimized, and in any event, remain less than the amount stipulated for such interruptions in the KPIs;
 - (c) the Offtaker shall use its best endeavours to optimise energy and water consumption, and in any event, ensure such consumption remains more efficient than the amount stipulated in the relevant KPIs; and
 - (d) the Offtaker shall, in accordance with its Licence conditions, use its best endeavours to minimise adverse environmental, health and safety impacts.
- 3.1.4 Offtakers undertaking Licensed DC Services shall, at their own expense, make any changes necessary to bring the DC Systems in compliance with the fundamental principles set out in Clause 3.1.3 above.

3.2. Application and Scope

- 3.2.1. The DC Metering Code shall apply to Offtakers and DC Retailers relative to each New Meter and each Existing Meter used for billing purposes in the provision of District Cooling, as specified in the DC Metering Code.
- 3.2.2. The requirements set out in the DC Code and/or the DC Metering Code shall be interpreted in a manner that is consistent with and shall remain subject to any mandatory requirements or specific prohibitions of the DC Regulation, any mandatory requirements in a Licensee's Licence or the requirements of the Law.
- 3.2.3. If there is a conflict between the DC Code, the DC Metering Code, the DC Regulation, the Licence or the Law, the DoE shall, on its own or when requested to do so by a Licensee, provide any requested clarifications and determine the prevailing provisions.
- 3.2.4. The requirements set out in the DC Code and the DC Metering Code are not intended to prevent or hinder other innovative and/or energy efficient solutions. Entities to whom this Part 3 applies shall at all times seek to design in the most efficient way and shall have the right to apply for a Derogation from any specific requirement in this Part 3, the DC Code and/or the DC Metering Code. Evidence and related technical studies/justifications for any Derogations requested by a Licensee shall be submitted to the DoE for review.

3.3. Environment, Health and Safety

3.3.1. An Offtaker that requires a Licence from the DoE shall:

- (a) with respect to the installation, operation and maintenance of a DC System (and any associated equipment), comply with the directives issued by the relevant Entity including the DoE, EAD and DPM;
- (b) prior to the construction of a DC System, obtain the required approvals relating to environmental protection from EAD;
- (c) ensure that any discharge emanating from a DC System is in compliance with the applicable standards set out in the relevant air, noise, land and/or marine Regulation; and
- (d) for the purposes of verifying compliance with any relevant environmental Regulation, permit any authorised representative of the relevant Entity or the DoE to inspect, at any time, any of license applicant's DC Systems.

3.4. DC Code

3.4.1. The design, fabrication and installation of a DC System shall be in accordance with the DC Code.

3.4.2. Each person or entity providing District Cooling Services that requires a Licence must comply with those requirements of the DC Code that are applicable to it depending on the type of Licence it holds, including, without limitation, monitoring its own performance levels for key activities against all key performance indicators specified in the DC Code and reporting to the DoE at such times and in such format and levels of detail as may be prescribed from time to time in the DC Code.

3.4.3. Each Licensee shall submit to the DoE a completed annual information submission required pursuant to the DC Code in accordance with the timetable and in a format determined by the DoE from time to time.

3.5. DC Metering

3.5.1. The design, fabrication and installation of New Meters shall be in accordance with the DC Metering Code.

3.5.2. If, based on the results of any periodic inspection and testing conducted in accordance with the DC Metering Code, an Existing Meter does not meet all requirements of the DC Metering Code for New Meters, it shall be reconditioned or replaced in accordance with the requirements of the DC Metering Code.

3.5.3. Each Licensee must comply with those requirements of the DC Metering Code that are applicable to it depending on the type of Licence it holds.

4. DC Market Competition Regulation

4.1. General

- 4.1.1. The Regulation in this Part 4 have been developed to enhance market competition in the District Cooling sector in Abu Dhabi through making compulsory (subject to certain pre-defined criteria) a competitive tendering process in relation to the appointment of Offtakers by DC Procurers, within a DC Authorised Service Area, served or to be served by District Cooling.

4.2. Application and Scope

- 4.2.1. Subject to Clause 4.2.2, the Regulation in this Part 4 shall apply to any DC Procurer intending to procure the services of an Offtaker to provide Licensed DC Services to a New DC Scheme (such DC Procurer, a "**Regulated DC Procurer**").
- 4.2.2. For the avoidance of doubt, a DC Procurer shall not be considered a Regulated DC Procurer for the purposes of this DC Regulation and shall not be required to comply with the requirements of this Part 4 if it intends to procure the services of an Offtaker:
- (a) to provide Licenced DC Services to any Existing DC Schemes or to any Existing Buildings within a geographical area of a DC Scheme already exclusively allocated to an Offtaker pursuant to a written contract entered into prior to the Effective Date; or
 - (b) to provide Exempt DC Services.
- 4.2.3. Any Entity that does not hold a valid Licence from the DoE to undertake DC activities and wishes to participate in a competitive tender for Regulated DC Procurers, shall be required to furnish such information to the DoE as the DoE may reasonably require in order to evaluate and assess compliance with the requirements set out in this DC Regulation.

4.3. Regulated RFP – Minimum Process Requirements

- 4.3.1. Each Regulated DC Procurer should continue to have the discretion to run a competitive tender for District Cooling using their existing procedures, protocols, forms and documents. The provisions below establish minimum best practice criteria which should be followed to promote the efficiency, integrity and competitiveness of any District Cooling competitive tender.
- 4.3.2. Each Regulated DC Procurer shall comply or procure compliance with the following mandatory competitive procurement process requirements when seeking to obtain the services of an Offtaker:
- (a) prepare a comprehensive request for proposal document meeting the minimum requirements set forth in Clause 4.4.1 (the "**Regulated RFP**");
 - (b) deliver a copy of the Regulated RFP to the DoE for approval prior to its submission to the prospective Offtakers;
 - (c) advertise the Regulated RFP in the UAE national press;
 - (d) procure that not less than three (3) prospective Offtakers are invited to respond to the Regulated RFP and that at least three (3) Offtakers are not Affiliates or

Related Undertakings of the DC Procurer and/or any other Offtaker that is invited to respond to the Regulated RFP;

- (e) ensure that:
- i. the pre-selected Offtakers meet or exceed the minimum technical requirements set out in the Regulated RFP;
 - ii. only commercial envelopes of Offtakers that continue to meet the minimum technical requirements set out in the Regulated RFP are opened;
 - iii. provided sub-paragraphs i and ii above have been complied with, the relevant DC Services Agreement is awarded to the Offtaker with the Best Value commercial bid. For purposes of this sub-paragraph iii the term “**Best Value**” means the lowest Total DC Price (in case of Full Price Regulation Conditions) or the lowest Levelised Cost (in case of Partial Price Regulation Conditions) from the bidders, as the case may be, which should be lower than the Levelised Cost of the best alternative Conventional Cooling solution]; and
 - iv. subject to obtaining the DoE’s approval in accordance with Clause 4.7 below, the DC Services Agreement to be entered into by the Offtaker incorporates, and does not derogate from the minimum contractual requirements set out in, Part 6 of this DC Regulation in any respects.

4.4. Regulated RFP – Content Requirements

4.4.1. Each Regulated RFP shall, as a minimum, include the following:

- (a) reasonable detail and clarity with respect to the underlying DC Scheme, including, without limitation:
- i. a good faith estimate of the anticipated total number and types of Customers to be served within the DC Scheme, which shall (where applicable) be broken down by each phase of the Regulated DC Procurer’s real-estate development project and, in all cases, shall include an estimate of the total number and types of Customers assuming full build-out following completion of all phases of the relevant real-estate development project (“**Full Build Out**”);
 - ii. a good faith estimate of the number of residential Premises and / or residential Customers to be served within the DC Scheme at Full Build Out (if any);
 - iii. scheduled dates for completion of construction for each phase of the DC Scheme and anticipated dates for commencement of the supply and/or sale of Licensed DC Services to Customers in respect of each phase of the relevant DC Scheme;
 - iv. details of the maximum Cooling Load requirements of the DC Scheme for each phase of the Regulated DC Procurer’s real-estate development project and the maximum Cooling Load requirements for such DC Scheme at Full Build Out;
 - v. discount rate, electricity and water prices, value, range, formula or mechanism for other parameters or assumptions approved by the DoE to calculate and evaluate the Levelised Cost, DC Tariff and Total DC Price

proposed by prospective Offtakers for the underlying DC Scheme in accordance with Clause 4.5;

- vi. the sole criterion for the award of contract, in accordance with Clause 4.7, will be the lowest and most competitive District Cooling Levelised Cost from Offtakers for the underlying DC Scheme, which should also be lower than the Levelised Cost of the best alternative Conventional Cooling solution; and
 - vii. a requirement to comply with the licensing criteria as requested from time to time whereby the DoE shall not issue a licence to any person unless it is satisfied that the prospective Offtaker has an appropriate financial position and technical and managerial competence.
- (b) a requirement that responding Offtakers employ the following formula for the calculation of District Cooling Levelised Cost:
- i.
$$\text{Levelised Cost} = \left(\frac{\text{NPV (total capital and operating costs over project lifecycle)}}{\text{NPV (total Cooling Energy consumption over project lifecycle)}} \right)$$
- (c) a requirement that the potential Offtaker meets minimum technical and financial qualifications necessary to obtain a Licence;
- (d) a requirement that the potential Offtaker provide their final technical and commercial bids in separate sealed envelopes;
- (e) a requirement that each potential Offtaker provides bank guarantees and/or other commercially reasonable credit support in support of its bid;
- (f) a requirement that each potential Offtaker must furnish such information to the DoE as the DoE may reasonably require in order to evaluate and assess compliance with the requirements set out in this DC Regulation;
- (g) a requirement that each potential Offtaker provides, at a minimum, the information set out in Clause 4.5.1; and
- (h) forms of the DC Services Agreement to be entered into by the potential Offtaker and (where applicable) forms of the DC Services Agreement to be entered into by any end-user Customers ultimately to be served by the potential Offtaker, in each case that incorporate and do not derogate from the minimum contractual requirements set out in Part 6 of this Regulation in any respects.

4.5. Regulated RFP – Required Information and Evidence

- 4.5.1. Each Regulated DC Procurer shall procure that each pre-qualified potential Offtaker shall, as part of its response to the Regulated RFP, submit to the Regulated DC Procurer the following information, documentation and/or evidence in order to satisfy the DoE's subsequent regulatory review and reduce the risk of additional information being requested by the DoE:
- (a) its financial model, which should, as a minimum, meet the Financial Model Requirements;
 - (b) reasonable documentary evidence setting out the basis for its DC Tariff calculation and the financial model including all relevant assumptions;

- (c) its proposed DC Tariff based on the following four (4) components as of the reference date specified in the RFP, which components will be adjusted over the lifecycle of the relevant DC project in accordance with Clause 5.4:
- i. a fixed, one-time connection charge that recovers the capital costs of the Offtaker's DC Network and the Offtaker's ETS Equipment (the "**Connection Charge**");
 - ii. a fixed, recurrent capacity charge in respect of the Cooling Load required or reserved by a Customer that recovers the capital costs of the Offtaker's DC Plant and its fixed operation and maintenance costs (the "**Capacity Charge**");
 - iii. a variable recurrent consumption charge in respect of the applicable Customer's usage that recovers the Offtaker's variable operation and maintenance costs (the "**Consumption Charge**"); and
 - iv. to the extent payable by end-user Customers, variable administrative and other related charges, such as, but not limited to, billing and collection charges, re-connection charges and consumption and temperature-return-related surcharges (the "**Ancillary DC Charges**");
- (d) if the Partial Price Regulation Conditions apply:
- i. its estimate of the Levelised Cost of meeting the maximum Cooling Load requirements for the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the relevant Regulated RFP) on the basis that District Cooling services are provided to the applicable Offtaker(s) solely from the Regulated DC Provider;
 - ii. its estimate of the Levelised Cost of meeting the maximum Cooling Load requirements for the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the relevant Regulated RFP) on the basis that the best alternative Conventional Cooling solution in the Emirate is provided to such DC Procurer's DC Scheme;
 - iii. its estimate of the Total DC Price payable by all Offtakers that will receive District Cooling services from the Regulated DC Provider in the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the Regulated RFP); and
 - iv. its estimate of the Total DC Price that would be payable by all Offtakers in the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the Regulated RFP) assuming that such Offtakers were receiving the best alternative Conventional Cooling solution in the Emirate;
- (e) if the Full Price Regulation Conditions apply:
- i. its estimate of the Levelised Cost of meeting the maximum Cooling Load requirements for the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the relevant Regulated RFP) on the basis that District Cooling services are ultimately provided to end-user Customers solely from the Regulated DC Provider; and
 - ii. its estimate of the Levelised Cost of meeting the maximum Cooling Load requirements for the Regulated DC Procurer's DC Scheme at full-build out (as set out in the relevant Regulated RFP) on the basis that the best

alternative Conventional Cooling solution in the Emirate is provided to such DC Procurer's DC Scheme;

- iii. its estimate of the Total DC Price payable by all end-user Customers in the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the Regulated RFP) assuming that such end-user Customers received District Cooling services from the Regulated DC Provider; its good-faith estimate of the Total DC Price that would be payable by all end-user Customers in the Regulated DC Procurer's DC Scheme at Full Build Out (as set out in the Regulated RFP) assuming that such end-user Customers were receiving the best alternative Conventional Cooling solution in the Emirate;
- (f) its Conventional Cooling Assumptions; and
- (g) evidence that the prospective Regulated DC Providers satisfy the DoE's licensing criteria, in accordance with the Licensing Guidelines issued by the DoE, including but not limited to:
- i. evidence of the prospective Regulated DC Providers' financial standing to engage in the DC Services for which a Licence will be sought;
 - ii. evidence of the prospective Regulated DC Providers' technical competencies to engage in the DC Services for which a Licence will be sought;
 - iii. evidence of the prospective Regulated DC Providers' legal competencies to engage in the DC Services for which a Licence will be sought;
 - iv. evidence of the prospective Regulated DC Providers' managerial competencies to engage in the DC Services for which a Licence will be sought; and
 - v. the details of the DC schemes (including ownership, capacity, customers and licensing) served by the prospective Regulated DC Providers separately for inside and outside the Emirate.
- 4.5.2. Prior to declaring the selected bidder with respect to the Regulated RFP from amongst the Regulated DC Providers, the Regulated DC Procurer shall:
- (a) prepare and submit to the DoE an evaluation summary setting out in reasonable detail each technical and commercial proposal of each responding Regulated DC Provider;
 - (b) submit to the DoE the financial models (and any related methodology and explanation documents) received by the Regulated DC Procurer from each responding Regulated DC Provider;
 - (c) if requested by the DoE, submit the final technical and commercial proposals of the Regulated DC Providers selected for the award of the relevant DC Services Agreement; and
 - (d) have obtained the written approval of the DoE based on an evaluation made by the DoE in accordance with Clause 4.6.1, below and on the basis of the DoE's decision pursuant to Clause 4.7.1 below.

4.6. Evaluation by the DoE

- 4.6.1. The DoE shall review the information provided by the Regulated DC Procurer and/or Regulated DC Providers pursuant to Clauses 4.3 to 4.5 (inclusive) above to evaluate whether:
- (a) the requirements set out in Clauses 4.3 to 4.5 (inclusive) above have been complied with;
 - (b) the pricing arrangements included in the relevant Regulated DC Procurer's commercial proposal comply with the requirements of Part 5 of this DC Regulation; and
 - (c) where applicable, the agreed form of DC Services Agreements to be entered into between the proposed Regulated DC Provider(s) and the Regulated DC Procurer incorporate and do not derogate in any respect from the applicable Minimum CSA Terms.

4.7. DoE's Right to Approve

- 4.7.1. Based on its evaluation in accordance with Clause 4.6.1, the DoE shall confirm in writing to the Regulated DC Procurer whether its proposed selection of the final Regulated DC Provider is approved or not.
- 4.7.2. With respect to any Regulated RFP process, the DoE shall have the power and authority to refuse to grant its approval of the proposed selection of the final Regulated DC Provider in the following circumstances:
- (a) any amendment is made or agreed to be made to the Regulated RFP after its formal submission to the DoE by the Regulated DC Procurer;
 - (b) any deviations are made from the requirements set forth in Clauses 4.3 to 4.5 (inclusive);
 - (c) the cancellation or suspension of a Regulated RFP after its submission to the DoE;
 - (d) the DoE determines that:
 - i. the pricing arrangements included in the relevant bidder's commercial proposal to comply with the requirements of Part 5 of this DC Regulation; or
 - ii. where applicable, determine whether the proposed DC Services Agreements represent the minimum requirements of Part 6 of this DC Regulation; and
 - (e) if, as a result of any formal complaint received by the DoE with respect to the Regulated DC Procurer's compliance requirements set out in Regulation 4.3 to 4.5 and further to appropriate investigation by the DoE, the DoE (acting reasonably) determines not to approve the proposed selection.
- 4.7.3. In the event that the DoE decides not to grant its approval of a Regulated DC Procurer's proposed selection of the final Regulated DC Provider, the DoE may (in its sole discretion):
- (a) subsequently approve the proposed selection by the Regulated DC Procurer, either based on the information previously submitted by the Regulated DC Procurer or subject to any conditions, waivers or requirements as the DoE may determine (in its sole discretion);

- (b) issue directions to the Regulated DC Procurer requiring it to cancel or suspend the relevant Regulated RFP process; and/or
 - (c) issue directions to the Regulated DC Procurer requiring that it cancel the Regulated RFP process submitted to the DoE and replace it with a new Regulated RFP process meeting the requirements of this Part 4.
- 4.7.4. In the event that the DoE decides not to approve the Regulated DC Procurer's proposed selection of the Regulated DC Provider, the DoE shall provide the Regulated DC Procurer with reasons in writing for its decision, in such detail and containing such reasonable supporting information as the DoE may, in its absolute discretion, deem appropriate.

5. Pricing Instructions

5.1. General

The Regulation in this Part 5 have been developed to enhance transparency and fairness of DC Tariffs and charges applied by Licensees in their District Cooling contractual services arrangements in the Emirate.

5.2. Application and Scope

- 5.2.1. The Regulation in this Part 5 shall apply during the Regulated RFP stage of a District Cooling project and after a binding DC Services Agreement has been awarded and entered into by a Licensee.
- 5.2.2. The Regulation in this Part 5 apply to all Regulated DC Providers and to any Licensees that have been awarded and have entered into a binding DC Services Agreement to undertake Licenced DC Services.
- 5.2.3. Existing DC Systems will be grandfathered into the price Regulation by the DoE on a case-by-case basis as may further be described in guidelines issued by the DoE from time to time.

5.3. Price Control

- 5.3.1. Each Regulated DC Provider shall ensure that, and shall provide the DoE with reasonable written information and documentary evidence supporting its good-faith determination that, the Levelised Cost of its proposed provision of Licensed DC Services to the Regulated DC Procurer's DC Scheme at Full Build Out is lower than the Levelised Cost of providing the best alternative Conventional Cooling solution in the Emirate to meet the cooling requirements of the relevant Regulated DC Procurer's DC Scheme.
- 5.3.2. If the Partial Price Regulation Conditions apply, then the Regulated DC Provider shall, in addition to complying with the requirements set out in Clause 5.3.1 above:
 - (a) submit to the DoE for its approval, the proposed DC Tariff and charges payable by each Offtaker in the relevant Regulated DC Scheme that receives or will receive Licensed DC Services from that Regulated DC Provider; and
 - (b) ensure that the Total DC Price payable by all Offtakers of Licensed DC Services in the relevant Regulated DC Scheme is lower than the Total DC Price that would be payable by such Offtakers of Licensed DC Services based on the best alternative Conventional Cooling solution in the Emirate that is capable of meeting the cooling requirements of the relevant Regulated DC Procurer's DC Scheme.
- 5.3.3. If the Full Price Regulation Conditions apply, the Regulated DC Provider shall, in addition to complying with the requirements of Clauses 5.3.1 and 5.3.2 above:
 - (a) submit to the DoE for its approval, the proposed DC Tariff and charges payable by all end-user Customers in the relevant Regulated DC Scheme that will ultimately receive Licensed DC Services from that Regulated DC Provider; and
 - (b) ensure that the Total DC Price payable by all end-user Customers of Licensed DC Services in the relevant Regulated DC Scheme is lower than the Total DC Price that would be payable by all end-user Customers of Licensed DC

Services based on the best alternative Conventional Cooling solution in the Emirate that is capable of meeting the cooling requirements of the relevant Regulated DC Procurer's DC Scheme.

5.3.4. The DoE, after Executive Council's approval, shall assess whether or not to approve the Regulated DC Provider's proposed DC Tariff and charges, based on the following:

- (a) the information provided by the Regulated DC Provider pursuant to Clauses 4.5.1 and Clauses 5.3.1 to 5.3.3 (inclusive);
- (b) the DoE's internal assessment and determination of the applicable Levelised Cost and Total DC Price using the best alternative Conventional Cooling solution in the Emirate to meet the cooling requirements of the relevant Regulated DC Procurer's DC Scheme;
- (c) the DoE's comparison between the Levelised Cost proposed by the relevant Regulated DC Provider in accordance with this DC Regulation to meet the cooling requirements of the relevant Regulated DC Procurer's DC Scheme and the DoE's internal assessment and determination (made in accordance with paragraph (b) above) of the Levelised Cost of the best alternative Conventional Cooling solution; and
- (d) the DoE's comparison between the Total Price payable by Offtakers of Licensed DC Services and/or end-user Customers (as applicable) as proposed by the relevant Regulated DC Provider to meet the cooling requirements of the relevant Regulated DC Procurer's DC Scheme and the DoE's internal assessment and determination (made in accordance with paragraph (b) above) of the Total Price that would be payable by Offtakers of Licensed DC Services or end-user Customer based on the best alternative Conventional Cooling solution.

5.3.5. If:

- (a) the DoE approves the Regulated DC Provider's proposed DC Tariff and charges in accordance with this Part 5; and
- (b) such Regulated DC Provider is awarded a DC Services Agreement by the Regulated DC Procurer following the DoE's approval of the proposed selection of the final Regulated DC Provider in accordance with Clause 4.7 above,

the relevant Regulated DC Provider may revise, on an annual basis, the approved DC Tariff and charges according to a value, range, formula or mechanism to be determined by the DoE in accordance with Clause 4.7 and based on the :

- (a) CPI and water and electricity prices in the Emirate; and
- (b) absence of the Regulated DC Provider's recorded windfall profits.

5.4. DC Tariff Structure, Cost Recovery and Allocation

5.4.1. The Connection Charge shall be payable by any of the following Entities:

- (a) the real-estate developer of the relevant DC Scheme served or to be served by a DC Provider's DC System for the provision of Licensed DC Services at the time of physical connection of such DC Scheme to the DC Provider's DC System; or

- (b) the owner of the relevant Building(s) served or to be served by a DC Provider's DC System for the provision of Licensed DC Services at the time of physical connection of such owner's Building(s) to the DC Provider's DC Network.
- 5.4.2. A DC Provider that is performing Licensed DC Services may only charge a Connection Charge as determined through the competitive tendering process pursuant to Part 4 (or approved by the DoE in the case of an Existing DC Scheme) to recover the efficient capital costs of the DC Network and the DC Provider ETS Equipment plus a reasonable Return on Investment and cost of debt financing for such capital costs incurred. The Connection Charge is not subject to any adjustment or indexation on an annual basis or otherwise from the reference date specified in the RFP pursuant to Part 4.
- 5.4.3. The Capacity Charge shall be payable by the following Entities in the following circumstances:
- (a) if the Partial Price Regulation Conditions apply, then the Capacity Charge shall be paid by the relevant Offtaker receiving Licensed DC Services from the DC Provider; and
 - (b) if the Full Price Regulation Conditions apply, then the Capacity Charge shall be paid by following:
 - i. with respect to each Unit within that DC Scheme, the owner(s) of that Unit; and
 - ii. with respect to the common areas of a Building within that DC Scheme, the Building owner or owners' association in respect of such Building.
- 5.4.4. A DC Provider that is performing Licensed DC Services may only charge a Capacity Charge as determined through the competitive tendering process pursuant to Part 4 (or approved by the DoE in the case of an Existing DC Scheme) to recover the efficient capital costs of the DC Plant along with a reasonable Return on Investment and reasonable costs of debt financing for such capital costs, and its fixed operation and maintenance costs in connection with the provision of such Licensed DC Services. The fixed operation and maintenance cost related portion of the Capacity Charge is subject to an adjustment or indexation on an annual basis against the CPI and the remaining portion of the Capacity Charge is not subject to any adjustment or indexation on annual basis or otherwise from the reference date specified in the RFP pursuant to Part 4.
- 5.4.5. The Consumption Charge is payable by the following Entities in the following circumstances:
- (a) if the Partial Price Regulation Conditions apply, then the Consumption Charge shall be paid by the relevant Offtaker receiving Licensed DC Services from the DC Provider; and
 - (b) if the Full Price Regulation Conditions apply, then the Consumption Charges shall be paid by the following:
 - i. with respect to each Unit, the registered tenant of such Unit (whether or not such tenant is in occupation of the relevant Unit) or, in the event there is no registered tenancy agreement in relation to such Unit, the owner of the Unit; and
 - ii. with respect to the common areas of a Building within that DC Scheme, the Building owner or owners' association in respect of such Building.
- 5.4.6. A DC Provider that is performing Licensed DC Services may only charge a Consumption Charge to recover its variable operation and maintenance costs.

5.4.7. The Consumption Charge comprises the following three components:

- (a) Electricity component is subject to an adjustment or indexation against the change in electricity tariff charged by the relevant distribution company in the Emirate to the Regulated DC Provider from the reference date specified in the RFP pursuant to Part 4 to each date of change in electricity tariff;
- (b) Water component is subject to an adjustment or indexation against the change in water tariff charged by the relevant distribution company in the Emirate to the Regulated DC Provider from the reference date specified in the RFP pursuant to Part 4 to each date of change in water tariff; and
- (c) Remaining component is subject to an adjustment or indexation against the CPI from the reference date specified in the RFP pursuant to Part 4 to the average CPI for the calendar year preceding 1 January of a calendar year.

5.4.8. A DC Retailer or a DC Provider that is performing Integrated DC Services shall ensure that any invoice in respect of Consumption Charges payable by a residential Customer is calculated based on the actual Cooling Energy consumed by such Customer.

5.4.9. Ancillary DC Charges shall be payable by the following Entities in the following circumstances:

- (a) if the Partial Price Regulation Conditions apply, then Ancillary DC Charges shall be paid by the relevant Offtaker receiving Licensed DC Services from the relevant DC Provider; and
- (b) if the Full Price Regulation Conditions apply, then Ancillary DC Charges shall be paid:
 - i. with respect to each Unit, by the registered tenant of such Unit (whether or not such tenant is in occupation of the relevant Unit) or, in the event there is no registered tenancy agreement in relation to such Unit, the owner of the Unit; and
 - ii. with respect to the common areas of a Building within that DC Scheme, by the Building owner or owners' association in respect of such Building.

5.4.10. If a DC Provider is providing or intends to provide Licensed DC Services to an Offtaker and the Premises of such Offtaker receiving such Licensed DC Services includes one (1) or more residential Customers that have not entered into a Retail Transaction with the Offtaker, such Offtaker shall be obligated to:

- (a) obtain a DC Retailer Licence;
- (b) enter into a Retail Transaction with each such residential Customer on the basis of DC Tariffs and charges approved by the DoE in accordance with this DC Regulation; and
- (c) ensure that any invoice in respect of Consumption Charges payable by such residential Customer is calculated based on the actual Cooling Energy consumed by such Customer.

5.5. Provision of Information

5.5.1. Without prejudice to the DoE's right to request other information required by the DoE under this DC Regulation or pursuant to the terms of the Licensee's Licence, each Licensee shall, on an annual basis and no later than the date specified below, submit to the DoE such

information as the DoE requires to monitor the costs and prices associated with the provision of Licensed DC Services within each DC Scheme, including but not limited to:

- (a) submitting (in reasonable detail) its responses to the Annual Information Request no later than [30 June] in each calendar year;
- (b) as soon as reasonably practicable and in any event no later than 31 March after the end of the calendar year to which they relate, a Licensee's audited annual financial statements for the preceding calendar year prepared in accordance with applicable accounting standards in the UAE;
- (c) submitting a statement (the "**DC Scheme Return**") for a calendar year, as soon as reasonably practicable and in any event no later than 30 April after the end of the relevant calendar year, listing accounting, pricing and other information audited or verified otherwise as per the DoE's requirements for each DC Scheme;
- (d) details of all Customers currently served, including type of Customers served (e.g. residential/commercial/office/individual tenants), the number of Customers served, plot, Building and Unit numbers of each Customer;
- (e) details of DC Tariffs and charges payable by Customers (including details of any DC Tariffs to be amended in the following year) and all terms and conditions of cooling service agreements;
- (f) details of the volume of Cooling Energy delivered to the DC Schemes and covered by the Licensee's Licence;
- (g) details of all profits made and revenues earned from the provision of District Cooling and from the provision of Licensed DC Services;
- (h) details of all operating and capital costs incurred from the provision of District Cooling and from the provision of Licensed DC Services; and
- (i) an updated financial model, which should, as a minimum, meet the Updated Financial Model Requirements.

5.6. Publication

- 5.6.1. Each Licensee shall ensure that any approved DC Tariff and/or charges are clearly set out in the applicable DC Services Agreement to which it is a party.
- 5.6.2. Each Licensee shall publish details of the DC Tariffs and charges applicable to each DC Scheme on its website or otherwise publish the same in such manner as the DoE from time to time requires.

5.7. Prohibited Activities

- 5.7.1. Notwithstanding the approval of a Licensee's DC Tariffs and charges in relation to a DC Scheme, no Licensee shall:
 - (a) provide Licensed DC Services to a residential Customer without entering into a Retail Transaction on the basis of DC Tariffs and charges that are approved by the DoE in accordance with this DC Regulation;

- (b) make any adjustment to its DC Tariffs and charges other than adjustments approved by the DoE pursuant to Clause 4.7.4 or otherwise permitted in writing by the DoE; and
- (c) be entitled to earn directly or indirectly a Rate of Return from the provision of District Cooling in any DC Scheme higher than a threshold as specified by the DoE from time to time which in the case of a New DC Schemes will be 3 percentage points higher than the Rate of Return in the Financial Model at the time of competitive tendering pursuant to Part 4.

5.8. DoE's Right of Action

- 5.8.1. If a Licensee or a Regulated DC Provider fails to comply with any of its obligations under Clauses 5.3 to 5.7 (inclusive), the DoE may (in its sole and absolute discretion):
- (a) refuse to approve the DC Tariff and charges, in which case such charges may not be applied by the relevant Licensee and the relevant Regulated DC Provider's bid in response to a Regulated RFP may not be approved by the DoE;
 - (b) approve the proposed DC Tariff and charges, either in the form submitted to the DoE or subject to any conditions, waivers or requirements as the DoE may determine in its sole discretion; and/or
 - (c) issue directions requiring the relevant Licensee or the relevant Regulated DC Provider to reduce its DC Tariff and/or charges and the relevant Licensee or relevant Regulated DC Provider shall be required to comply with such directions within the timeframes prescribed by the DoE.

6. District Cooling Services - Contractual Frameworks

6.1. General

6.1.1. Minimum terms of DC Services Agreements, as set out in Annex [1] of this DC Regulation (“**Minimum CSA Terms**”), have been developed pursuant to this Part 6 of the DC Regulation to ensure consistency across the key legal and contractual frameworks applicable to the sale and/or supply of District Cooling services and maintaining the fair and equitable balance between the need to protect Customers and not adversely impacting the reasonable commercial requirements of Licensed DC Retailers and Licensed DC Providers in the District Cooling sector in the Emirate.

6.2. Application and Scope

6.2.1. The requirements set forth in this Part 6 shall not apply to a DC Services Agreement (an “**Excluded CSA**”) if all the following conditions are satisfied:

- (a) the relevant DC Services Agreement is in respect of the provision of Licensed DC Services;
- (b) the relevant DC Services Agreement is between a DC Provider and an Offtaker;
- (c) there is no Retail Transaction entered into or to be entered into by the relevant Offtaker; and
- (d) there are no residential Customers ultimately receiving or being required to pay for Licensed DC Services supplied by the relevant Offtaker under the relevant DC Services Agreement.

6.2.2. The requirements set forth in this Part 6 shall not apply to a DC Services Agreement to the extent that Exempted DC Services are being provided thereunder. Where any DC Services Agreement includes provisions from time to time relating to Retail Transactions [with residential Customers], those provisions will need to comply with the Minimum CSA Terms. Where the DoE has reasonable grounds to believe an Excluded CSA contains provisions relating to any Retail Transaction [with residential Customers], the DoE may request to review such purportedly Excluded CSA.

6.2.3. Parties to an Excluded CSA may not agree to any amendments to such Excluded CSA without the prior written approval of the DoE (such approval not to be unreasonably withheld).

6.2.4. The requirements set forth in each set of Minimum CSA Terms shall be interpreted in a manner that is consistent with, and shall remain subject to any mandatory requirements or specific prohibitions of, the DC Regulation, any mandatory requirements included in a Licence or the requirements of Law No.11 of 2018.

6.2.5. The requirements set out in each set of Minimum CSA Terms are not intended to prevent or hinder other innovative and/or bespoke contractual arrangements. Licensees to whom Part 6 of this DC Regulation is applicable shall at all times be encouraged to seek to allocate rights, interests, obligations, liabilities, roles and responsibilities under their respective DC Services Agreements in a manner that achieves a fair and equitable balance between:

- (a) protecting the legitimate interest of Customers; and
- (b) not adversely impacting the reasonable commercial requirements of Licensees,

and Licensees have the right to apply for a Derogation from any specific requirement in this Part 6 to achieve this end.

6.2.6. In particular, the Minimum CSA Terms shall provide for certain protections for Customers who are the registered owners of Premises:

- (a) any owner of any Premise may install, at their own cost, Conventional Cooling systems, equipment or machinery and shall be free to use Conventional Cooling at the same time as benefitting from any DC System; and
- (b) any owner of Premises may to permanently disconnect from a DC System provided that the following cumulative conditions are satisfied:
 - i. the Customer has fully settled any amounts due to the relevant DC Provider;
 - ii. the Customer has provided three (3) months' written disconnection notice to the DC Provider;
 - iii. the DC Provider will carry out the disconnection in order to ensure correct and safe operation. The Customer shall provide relevant access in order to facilitate the DC Provider activities;
 - iv. prior to the disconnection, the Customer shall pay a Disconnection Fee to the DC Provider. The methodology and amount of any Disconnection Fee shall be approved in writing by the DoE taking into consideration the relevant costs incurred by the DC Provider in disconnecting in addition to the Capacity Charge payments due by the Customer to the DC Provider under any DC Services Agreement over the remaining term of the DC Services Agreement or the expected period for the DC Provider to find equivalent load, whichever is shorter; and
 - v. if the Premises are rented, then a no objection certificate has been obtained from each current tenant of such Premises.

6.2.7. The parties to any Excluded CSA shall negotiate and include a provision for the termination of a DC Services Agreement upon payment of a Disconnection Fee by the Customer to the DC Provider which reflects the remaining Capacity Charge payments due under the relevant DC Services Agreement (over the remaining term of the DC Services Agreement or the expected period for the DC Provider to find equivalent load, whichever is shorter) and the cost of such disconnection.

6.2.8. In the event of a dispute concerning the relevant Disconnection Fee under paragraph 6.2.6 or the termination fee under paragraph 6.2.7, then the Customer may refer the matter to the DoE for a final determination on the amount of such fee. The DoE shall provide its view within 20 working days of receipt of complete information in relation to the disputed fee.

Evidence and related justifications for any Derogations requested by a Licensee shall be submitted to the DoE for review and approval (with or without conditions), modification or rejection.

6.3. DC Services Agreements

- 6.3.1. An Entity that holds a valid Licence to undertake Integrated DC Services must, to the extent that it enters into a Retail Transaction with residential Customers, enter into a DC Services Agreement with such Customer that complies with the mandatory contractual requirements for the applicable DC Services Agreement set forth in [Annex [1] of this DC Regulation issued pursuant to the terms of its Licence.
- 6.3.2. An Entity that holds a valid Licence to undertake DC Provider Services (Standalone) must, to the extent that it is providing Licensed DC Services,:
- (a) enter into a DC Services Agreement with an Entity that holds a valid DC Retailer Licence; and
 - (b) ensure that any terms in such DC Services Agreement that relate to Retail Transaction with residential Customers comply with the mandatory contractual requirements for the applicable DC Services Agreement set forth in [Annex [1] of this DC Regulation issued pursuant to the terms of its Licence.
- 6.3.3. An Entity that holds a valid DC Retailer Licence and does not hold a valid DC Provider Licence (Standalone) or an Integrated DC Services Licence must, to the extent that it is providing DC Retailer Services:
- (a) enter into a DC Services Agreement with an Entity that holds a valid DC Provider Licence (Standalone) or that holds a valid Integrated DC Services Licence; and
 - (b) enter into a DC Services Agreement with the end-user Customer that complies with the mandatory contractual requirements for the applicable DC Services Agreement set forth in [Annex [1] of this DC Regulation issued pursuant to the terms of its Licence.

7. Connection to DC Systems in Authorised Service Areas

7.1. Connection to DC Systems in Service Areas

7.1.1. Areas designated by the DoE as DC Authorised Service Areas shall be subject to the following rules and requirements:

- (a) Regulated DC Providers shall:
 - (i) require a Licence to provide Licensed DC Services to any New DC Scheme in a DC Authorised Service Area; or
 - (ii) require an amendment to an existing Licence for the expansion of an Existing DC System.
- (b) If multiple DC Systems are not exempt from serving a Building or a DC Scheme, in each case, within a DC Authorised Service Area, the Regulated DC Provider with the shortest connection-path to the relevant Building shall be preferred.
- (c) The Developer through timely and effective communication, shall ensure that the stakeholders related to all New Buildings to be built in the development are in full knowledge of the availability of DC System infrastructure in the development and thereby may plan, design, construct and commission such Buildings as DC Ready Buildings described in DC Code and subsequently connect such Buildings to the DC Network of the development.

7.2. Exemptions

7.2.1. DoE shall grant an Exemption to a DC Provider from connecting a Customer to a DC System if:

- (a) the available Licensed Capacity in the DC System is reserved for a potential Customer; or
- (b) the DoE deems the Exemption justified.
- (c) a Customer who is the registered owner of a Premises, has requested in writing the full disconnection from a DC System

8. Review of DoE decision

8.1. Application for review

- 8.1.1. An application to review a decision by the DoE under this Regulation must be made in writing to the DoE and submitted with any relevant supporting documents or evidence.

8.2. DoE request for information

- 8.2.1. The DoE may request from any Entity making an application for review under this Part 8, any information or documentation it considers reasonable and necessary in the circumstances and the Entity must provide such information within an agreed period of time.

8.3. DoE decision

- 8.3.1. The DoE shall make its decision within sixty (60) days of receiving an application for review.

- 8.3.2. The DoE shall notify the Entity which made the application for review of its decision within five (5) working days in the Emirate of making its decision.

- 8.3.3. The DoE may:

- (a) make any decision it sees fit in the circumstances; and/or
- (b) issue directions as it sees fit to the Entity which made the application for review and to any third party.

- 8.3.4. Any decisions or directions issued by the DoE are binding on the Entity which made the application for review and any third party stated in this decisions or directions.

- 8.3.5. Failure to comply with decisions or directions shall be considered as a failure to comply with the Regulation.

9. Failure to comply with Regulation

9.1. Reporting failures

9.1.1. Any failure to comply with this Regulation or any act that may be considered as a failure to comply with this Regulation must be reported to the DoE.

9.2. Enforcement procedures

9.2.1. In case of failure to comply with this Regulation, the DoE may issue an improvement notice or other enforcement instrument under Law No.(11) of 2018 to the non-complying Entity.

9.2.2. Such notice or instrument shall include:

- (a) the name of the Entity;
- (b) the clause which has been violated;
- (c) a grace period in which to comply; and
- (d) the administrative fines and sanctions to be imposed against the Entity in case it does not comply with the Regulation within such grace period.

9.2.3. DoE may impose administrative fines and sanctions against violators of the provisions of this Regulation, policies, decisions, circulars, and notices issued thereunder as prescribed in Clause 1.4 of this Regulation.

10. Governing Law

10.1. Governing Law

This Regulation and the rights and duties of any parties hereunder shall be governed by the laws of the Emirate and the federal laws of the UAE as applied by the courts of the Emirate.

Annex [1]
Minimum CSA Term

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Part 1 – Mandatory Key Terms for Supply of DC Retail Licensed DC Services

1. Status and Application

- a) In the exercise of the powers conferred to the DoE pursuant to the Law, the DoE has issued these mandatory contractual terms and conditions (these **Key Terms**) which, as a condition of each Licensee's Licence and subject to the sub-paragraph b) below, must as a minimum, be substantially incorporated into (and may not be derogated from in) each agreement, contractual terms or similar arrangement governing the provision of Licensed DC Services (a **Cooling Services Agreement** or **CSA**) by a licensed DC Retailer or a licensed DC Provider providing Integrated DC Services (each a **Licensed DC Supplier**), in each case to a Customer prior to the purchase, initiation, sale or provision of such Licensed DC Services.
- b) The Key Terms shall not apply to a CSA if all the following conditions are satisfied:
 - i. The relevant CSA is in respect of the provision of Licensed DC Services;
 - ii. The relevant CSA is between a DC Provider and an Offtaker;
 - iii. There is no Retail Transaction entered into or to be entered into by the relevant Offtaker; and
 - iv. There are no Residential Customers ultimately receiving or required to pay for Licensed DC Services supplied by the relevant Offtaker under the CSA.
- c) The Key Terms shall not apply if only Exempted DC Services are being provided under the applicable CSA.

2. Non Compliance

Subject to paragraph 1b) and 1c) above, these Key Terms are deemed to be incorporated in each CSA entered into between a Licensed DC Supplier and a Customer and any provision in a CSA that is inconsistent with these Key Terms in any respect is void and unenforceable and, to the extent applicable, shall be severed from the CSA.

3. Definitions

In these Key Terms unless the context otherwise requires:-

Actual Demand means, in respect of a Customer's Unit, in any one (1) hour period during a billing period, the maximum use of Cooling Energy, as measured at each Retail-Service ETS Room by the applicable Customer Metering Equipment;

B&C Agent means an agent appointed by and acting for and on behalf of either a DC Provider undertaking Integrated DC Services or on behalf of a DC Retailer for purposes of undertaking Customer invoicing, metering and/or billing collection services in respect of Cooling Energy in the form of Chilled Water supplied by such DC Provider or by such DC Retailer (as the case may be) to Customers;

Building means buildings and any associated structures and facilities constructed or to be constructed by, or on behalf of, Customers;

Building Owner means the developer and/or owner (whether freeholder or leaseholder) of a Building to which Licensed DC Services are to be provided by the Licensed DC Supplier;

Building System means a Chilled Water system and associated equipment within a Building;

Capacity Charge means, in respect of a billing period under the CSA, the fixed recurrent charge(s) in respect of the Contract Capacity, as determined in accordance with the CSA and complying with the requirements of the regulations issued by the DoE;

Chilled Water means cool water used in a closed hydronic system (typically chemically treated) for air conditioning or process cooling applications;

Chilled Water Specification means the temperature of Chilled Water as further described and agreed in the CSA;

Comfort Cooling means cooling of space within Premises primarily used or intended to be used for:

- a) residential and/or commercial purposes; and
- b) the provision of public services within the Emirate of Abu Dhabi provided that in each case, such Premises are not used or intended to be used for industrial purposes or in connection with the cooling of space within industrial facilities.

Consumption Charge means, in respect of a billing period under the CSA, the variable recurrent usage charge or charges payable to the Licensed DC Supplier, as determined in accordance with the terms of the CSA and complying with the requirements in the DC Regulation;

Contract Capacity means the capacity of Licensed DC Services, in KWc, contracted by the Licensed DC Supplier and the Customer under the CSA and specified in the Contract Particulars, as may be adjusted from time to time;

Contract Particulars means the details set out in Schedule 1 of these Key Terms;

Coolant means Chilled Water or any other medium used for the purposes of providing District Cooling services;

Cooling Energy means the removal of heat energy, expressed in MegaWatt-hours or KiloWatt-hours cooling;

Cooling Load means the rate of removal of thermal heat load, expressed in MegaWatts cooling or KiloWatts cooling;

Cooling Services Agreement or CSA has the meaning given in Part 1 paragraph 1a) (*Status and Application*) above;

Customer means a person or entity that includes, but is not limited to:

a Building Owner that contracts with the Licensed DC Supplier for Licensed DC Services;
and

an Individual Customer;

Customer Metering Equipment means any apparatus owned, operated and maintained by the Licensed DC Supplier used in or in connection with a Building System for the purpose of determining the Cooling Energy and Chilled Water flow;

DC Authorised Service Area has the meaning given to that term in the District Cooling Applicability Regulation established, maintained, reviewed and amended as appropriate by the DoE;

DC Criteria 1 means a DC Scheme that:

- a) has at least the Qualifying Cooling Load; and
- b) comprises of one (1) or more Offtakers that require District Cooling primarily for Comfort Cooling purposes;

DC Criteria 2 means a DC Scheme that:

- a) has less than the Qualifying Cooling Load; and
- b) comprises of only one (1) Offtaker that requires District Cooling primarily for Comfort Cooling purposes;

DC Network means all distribution pipelines (supply and return) and related equipment to be operated and maintained by a licensee for transporting Coolant between one or more DC Plant(s) and one or more Building(s);

DC Plants means the plant, including pumping stations, chillers, thermal energy facilities, cooling towers, associated electrical substations, emergency power supply equipment, systems control, switchgear, electrical installation, auxiliary equipment, piping and other installations and ancillary equipment, used or useful in the production of Cooling Energy and the distribution of Chilled Water, operated and/or maintained for purposes of supporting the provision of District Cooling services, to be installed on an area of land on which a DC Plant is to be built and operated;

DC Provider means an Entity which generates and distributes Cooling Energy by means of Chilled Water using a DC System in accordance with the provisions of Law, No. (11) of 2018 for the purpose of furnishing DC Provider Services (Standalone) or Integrated DC Services;

DC Provider ETS Equipment means a facility used to transfer Cooling Energy in the form Chilled Water from DC Provider Facilities to DC Retailer Facilities or to a Building System, including (without limitation) DC Provider Metering Equipment;

DC Provider Facilities means equipment and facilities including the DC Plant, the DC Network, the DC Provider ETS Equipment and any other type of equipment installed, designed, constructed, operated and maintained by the DC Provider undertaking DC Provider Services (Standalone) for the purpose of providing Licensed DC Services to a DC Retailer or to Buildings up to the applicable points of delivery and points of return;

DC Provider Services (Standalone) means any activity other than the provision of Integrated DC Services by a DC Provider related to the generation of Cooling Energy by means of Chilled Water using one or more DC Plants and the distribution of such Cooling Energy to Licensed DC Suppliers;

DC Retailer means an Entity which acquires Cooling Energy by means of Chilled Water from a DC Provider for the purpose of resale of such acquired Cooling Energy and (where the context requires) includes an Entity that undertakes Integrated DC Services by supplying and/or selling Cooling Energy to end-user Customers by means of Chilled Water (either directly or indirectly through one or more B&C Agents);

DC Retailer Facilities means equipment and facilities owned, designed and installed by:

- a) the DC Retailer as required for the supply of DC Retail Services to end-user Customers; or
- b) the DC Provider to the extent it is providing integrated DC Services to end-user Customers

in each case, either directly or indirectly through one or more B&C Agents.

DC Retail Services means any activity by a DC Retailer related to:

- a) the purchase of DC Provider Services from a DC Provider and the resale of such acquired Cooling Energy to Customers; and/or
- b) undertakes integrated DC Services by supplying and/or selling Cooling Energy by means of Chilled Water

in each case, to end-user Customers (either directly or indirectly through one or more B&C Agents);

DC Scheme means each real-estate development (including a master development and/or a sub-development) or a group of Buildings within a DC Authorised Service Area that is, or are connected to a or served by, or are intended to be connected to or served by, one or more DC Systems;

DC System means the equipment comprising a system for the centralized production and distribution of Cooling Energy in the form of Chilled Water from a central chiller plant to multiple Premises through a network of underground pipes;

DoE means the Department of Energy

District Cooling means the cooling of Premises by central cooling networks and systems using a Coolant from a central chiller plant;

Emergency means an event or circumstance (including the leakage of a material quantity of water) occurring in or around any Building System, the DC Retailers Facilities or the DC Provider Facilities, irrespective of the cause, which results in, or reasonably could be expected to result in:

- a) death of or injury to the health or safety of any person;
- b) grave loss of, or material damage or disruption to, any property or the environment; or
- c) an event or a circumstance that requires the immediate partial or total shutdown of the relevant Building System, the DC Retailer Facilities or the DC Provider Facilities in order to comply with, or to avoid breaching, any order of Legal Requirements or Good Utility Practice;

Exempted DC Services means the provision of District Cooling to a DC Scheme:

- a) that:
 - i. has less than the Qualifying Cooling Load
 - ii. comprises of only one (1) Offtaker; and
 - iii. such Offtaker does not enter into a Retail Transaction, provided that, for the avoidance of doubt, a Prohibited DC Activity shall not be considered an Exempted DC Service; or

- b) comprising of Offtakers that require District Cooling primarily for purposes other than Comfort Cooling;

Good Utility Practice means the skill, care, timeliness and diligence reasonably to be expected of (as the context may require) an appropriately qualified operator in the district energy industry in UAE with experience in carrying out such services for projects of a similar type, nature and complexity to the Licensed DC Services;

Governmental Instrumentality means the government of the Emirate of Abu Dhabi, any ministry, department, branch or body affiliated thereof, and any person under the direct or indirect control of any such government exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or any other governmental entity, instrumentality, agency, authority, corporation, committee or commission, or any independent regulatory authority, in each case within the Emirate of Abu Dhabi, and any successor to the Licensed DC Supplier of any of the foregoing;

Individual Customer means a Unit owner (whether as a freeholder or a leaseholder), Unit tenant or other Unit occupier in a Building, including a Building Owner in such capacity, to whom Licensed DC Services are provided and sold by the Licensed DC Supplier;

Interruption of Service means a failure by the Licensed DC Supplier to provide Licensed DC Services in accordance with the terms of the CSA, other than for a Planned Interruption of Services;

Integrated DC Services means an Entity performing Licensed DC Services through producing Cooling Energy by means of Chilled Water using one or more DC Plants for distribution, sale and supply to end-user Customers, either directly or through one or more B&C Agents appointed by such Entity;

KiloWatt-hour cooling or KWCh means a unit of Cooling Energy;

Key Terms has the meaning given to it in Part 1, paragraph 1 (*Status and Application*) above;

Law means Law No (11) of 2018 concerning the establishment of the Department of Energy.

Legal Requirement mean all laws (including the Law), authorizations, consents, decrees, licenses, permits, waivers, privileges, exceptions, actions, approvals, no objection certificates from and filings with all Governmental Instrumentalities required for the delivery of the Licensed DC Services in accordance with this CSA, and any injunction or final non appealable judgment directly applicable to the relevant Party, or any Governmental Instrumentality having jurisdiction over the matter in question;

Licensed DC Services means, in accordance with the terms of the CSA and these Key Terms:

- a) the delivery of Chilled Water meeting the applicable Chilled Water Specification at the Point(s) of Delivery by the Licensed DC Supplier to a Customer within a DC Scheme that meets all of the requirements of either DC Criteria 1 or DC Criteria 2 and provided such activity does not constitute an Exempted DC Service; and
- b) receiving returned Chilled Water at the relevant Point(s) of Return;

Licensed DC Supplier has the meaning given in Part 1, paragraph 1a) (*Status and*

Application);

MegaWatt-hour cooling or **MWhc** means a unit of Cooling Energy equal to 1,000 kWhc;

Parties means the parties to a CSA;

Planned Interruption of Services means the removal from service of equipment within the DC Provider Facilities or DC Retailer Facilities to perform maintenance or repair work on such equipment resulting in an interruption to the provision of Licensed DC Services, where such interruption has been notified in advance to relevant Customers;

Point of Delivery means the point at which Cooling Energy is supplied from the DC Retailer Facilities or the DC Provider Facilities (in case the DC Provider is performing Integrated DC Services) to the Building System of a Customer which, in each case, shall be the point agreed in the CSA;

Point of Return means the point at which Chilled Water is returned from the Building System of a Customer and/or heat exchanger(s) connected to such Building System, in each case, being the point agreed in the CSA;

Premises means any land, Building, structure or air-conditioned space;

Prohibited DC Activity means the provision of District Cooling services to a DC Scheme with less than the Qualifying Cooling Load that has only one(1) Offtaker and where such Offtaker enters into a Retail Transaction;

Offtaker means an Entity that owns, operates or manages in bulk, a Building within a DC Scheme that is connected to the DC Network of the relevant DC Scheme pursuant to either an indirect connection (i.e. using one or more heat exchanger stations to transfer Cooling Energy through one or more heat exchanger stations);

Qualifying Cooling Load means, with respect to a DC Scheme, a maximum projected Cooling Load of such DC Scheme, assuming final completion of such DC Scheme's development plan submitted to the DoE in accordance with applicable DC Regulation) has been achieved that is equal to or exceeds (5,000TR)¹, provided that, the Cooling Load of any Existing Buildings within such DC Scheme or any industrial facilities within such DC Scheme shall be excluded when determining the Qualifying Cooling Load;

Retail-Service ETS Equipment means the equipment used to transfer Cooling Energy from DC Retailer Facilities or the DC Provider Facilities (where the DC Provider is performing Integrated DC Services) to the Customer's Building System, which will include:

- a) in the case of a direct connection, pipes, valves, instrumentation, controls and Customer Metering Equipment; and
- b) in the case of an indirect connection, heat exchanger(s), pipes, valves, sensors, Customer Metering Equipment, instrumentation and controls;

Retail-Service ETS Room means a room housing the Retail-Service ETS Equipment and associated Customer Metering Equipment;

Retail Transaction means an arrangement pursuant to which an Offtaker or Licensed DC Supplier, through the issuance of a periodic District Cooling service invoice, requires an end-user Customer to pay charges for, or otherwise financially compensate the Offtaker or

¹ Note: to be replaced with metric equivalent

Licensed DC Supplier (directly or indirectly through one or more B&C Agents) for, the provision of District Cooling services;

Tariff means a rate or charge for, or in connection with, the provision of, District Cooling services, for the establishment and maintenance of interconnections with a DC Network, or for maintenance and improvement of all or a part of a DC System which may be assessed by a Licensee in accordance with a Licence condition, an Exemption, a Regulation or by direction of the DoE;

Temperature Differential Event has the meaning given to that term in Part 2, Section 6, paragraph 2;

Term means the term of the CSA, as more particularly described in the Contract Particulars of the CSA;

UAE means the United Arab Emirates; and

UAE Dirham or AED means the lawful currency of the UAE;

Unit means any defined part of a Building, including an apartment, townhouse, home unit, retail unit, commercial unit or other form of segregated accommodation or dwelling within a Building, which is leased or owned by an Individual Customer.

4. **Interpretation**

For the purposes of these Key Terms:

- a) the words “**include**” and “**including**” shall be read respectively as "include, without limitation" and "**including, without limitation**", unless expressly provided otherwise;
- b) unless otherwise expressly stated in these Key Terms, all references in this Key Terms to Sections and Schedules shall be to the Sections and Schedules of these Key Terms;
- c) unless otherwise expressly stated in these Key Terms the meaning of all terms defined shall be equally applicable to both the singular and plural forms of such terms;
- d) whenever this document refers to a number of days or months, such number shall refer to calendar days and months;
- e) all periods of time shall be based on, and computed according to, the Gregorian calendar; and
- f) as used in these Key Terms, a reference to a Party (or Parties), the DoE or to any other person includes a reference to its successors, permitted transferees and assigns

Part 2 – Key Terms

Section 1 - Contract Particulars

1. Contract Particulars substantially in the form attached hereto at Schedule 1 shall, as a minimum, be included in the CSA and should be filled in to the fullest extent possible by the Parties in the CSA.

Section 2 - Prices, Charges and Fees

1. All fees, prices, charges and costs to which a Customer may be subject or liable shall be expressed in UAE Dirham terms and must be clearly specified in the CSA, and any such prices, charges and fees must be set, and may only be adjusted, in accordance with the terms of the Licensed DC Supplier's licence and applicable DC Regulation issued from time to time.
2. Without limitation to paragraph 1 above, unless otherwise required pursuant to a Legal Requirement, the CSA shall only require a Customer to pay to the Licensed DC Supplier those Tariffs and charges that are correctly allocated to the Customer in accordance with the requirements of the DC Regulation. For the avoidance of doubt, a CSA with an Individual Customer that is a tenant or occupant (and is not an owner of the relevant Unit) shall not require such Customer to pay a Capacity Charge.
3. Unless otherwise agreed in the CSA, the Licensed DC Supplier shall have the right to require each [Individual] Customer to pay a deposit or provide equivalent payment security not to exceed the greater of:
 - (a) AED 1,000; or
 - (b) an amount equal to the one (1) month average (calculated by reference to the last twelve (12) months' invoices) of the aggregate Capacity Charges payable by a Customers in the applicable DC Scheme.
4. Each CSA with an [Individual] Customer shall require such deposit or equivalent payment security be returned to the Customer on transfer or termination of the Licensed DC Services, subject to the relevant Customer settling all undisputed invoices rendered in accordance with the CSA and these Key Terms with the Licensed DC Supplier before transferring or terminating the Licensed DC Services.

Section 3 - Exclusivity

1. The CSA shall include an acknowledgement and undertaking from the Customer that, for the duration of the Term and subject to paragraph 2 below:
 - a) the Licensed DC Supplier shall be the exclusive supplier of Licensed DC Services to the Customer's Building and/or to the Customer's Unit to which Licensed DC Services are delivered;
 - b) the Licensed DC Services provided to the Customer shall be used by the Customer exclusively to cool the Customer's Building and/or the Customer's Unit to which Licensed DC Services are delivered;
 - c) unless agreed by the License DC Supplier, the Customer shall not:
 - (i) procure any Licensed DC Services for the Building or the Unit from sources other than the Licensed DC Supplier; and

- (ii) share or sell to another Customer, or transmit off Building or the Unit any Chilled Water purchased from the Licensed DC Supplier.
- 5. The CSA shall allow the Customer to procure back-up supply of Chilled Water from sources other than the Licensed DC Supplier:
 - (a) in the event of an Interruption of Service (other than where such Interruption of Service is caused by the negligent act, omission or default of the Customer) or a Planned Interruption of Service, which is continuing;
 - (b) during an Emergency (other than where such Emergency is caused by the negligent act or omission or default of the Customer) if the Licensed DC Supplier has ceased the provision of Licensed DC Services required to meet the needs of the Customer during such Emergency; or
 - (c) if the Licensed DC Supplier is unwilling or unable to provide Licensed DC Services (other than where caused by the negligent act or omission or default of the Customer or a material breach of the CSA by the Customer).
- 6. Each CSA entered into by a DC Retailer that is not undertaking Integrated DC Services and which is receiving DC Provider Services shall include an acknowledgement from the Customer that the DC Retailer is being supplied Chilled Water from the Licensed DC Provider on an exclusive basis and shall include an undertaking that the Customer shall not (unless otherwise agreed by the DC Retailer) employ any other means of air conditioning for its Building or Unit and cause such facility to operate in parallel with the DC Retailer Facilities within a Building or take any other action that would cause the Licensed DC Supplier to be in breach of its exclusivity obligations to such DC Provider as agreed in the District Cooling provider services agreement between the DC Retailer and the DC Provider.
- 7. Each CSA entered into by a DC Retailer that is not undertaking Integrated DC Services and which is receiving DC Provider Services shall provide that the Customer shall include an enforceable provision in any sale and purchase agreement or lease for the Building and/or a Unit that the new owner of the Building, new Unit owner, new Unit tenant or other new Unit occupier is required to obtain Chilled Water for air conditioning purposes exclusively and solely from the DC Provider and will procure that provisions are fully and promptly enforced.

Section 4 - Contract Capacity

- 1. Unless otherwise agreed to in the CSA, the Contract Capacity shall be fixed for the duration specified in the Contract Particulars, subject to revision as agreed by the Parties or otherwise permitted under CS A.
- 2. The CSA shall provide that if, at any stage, the Actual Demand exceeds the Contract Capacity (**Excess Demand**):
 - (a) the Licensed DC Supplier shall not be required to meet any such Excess Demand, but shall be required to use its commercially reasonable endeavours to meet, such Excess Demand; and
 - (b) the Customer shall not bring any claim against the Licensed DC Supplier in respect

of its failure to meet the Customer's Actual Demand and, to the extent that the Customer is required to pay the Capacity Charge in accordance with the CSA and the DC Regulation, shall continue to pay the Capacity Charge in full despite any failure to meet Actual Demand to the extent caused by such Excess Demand.

Section 5 – Licensed DC Supplier Responsibilities

1. Unless otherwise expressly agreed by the Parties to the CSA, the CSA shall require the Licensed DC Supplier to assume responsibility for the design, construction, installation, testing and commissioning (according to the DC Regulation) of its own facilities, which in the case of a DC Retailer that is not also providing Integrated DC Services, shall include the DC Retailer Facilities.
2. The CSA shall require the Licensed DC Supplier, at its own cost and in accordance with Good Utility Practice, to provide to the Customer the Licensed DC Services up to the Contract Capacity at all times during the Term on a 24 hour basis, subject to such Licensed DC Services being restricted or interrupted at certain times if there is:
 - (a) an Emergency;
 - (b) a Planned Interruption of Service (such as for the carrying out of major overhauls);
 - (c) other maintenance or repairs which do not amount to a Planned Interruption of Service; or
 - (d) the occurrence of any force majeure event.
3. The CSA shall require the Licensed DC Supplier to provide to the Customer copies of the "Design Code for District Cooling-Ready Buildings" produced as part of the DC Regulation.

Section 6 - Customer Responsibilities

1. The CSA shall require the Customer to ensure:
 - (a) [a safe and secure space within or adjacent to the Customer's Building that is reasonable and appropriate for the installation, inspection, testing, servicing, maintenance, operation, and replacement of the Retail-Service ETS Equipment, the Customer Metering Equipment free of charge, which space shall satisfy the location criteria described in the DC Regulation (if any);
 - (b) that it does not extract fluids from the Retail-Service ETS Equipment;
 - (c) that it does not use Cooling Energy from a zone that lies upstream with respect to the Customer Metering Equipment;
 - (d) that it does not execute works on, or damage the DC Retailer Facilities or cause, undertake or permit any action that results in the DC Retailer being in breach of its obligation (if any) not to damage the DC Provider Facilities;
 - (e) compliance with applicable Legal Requirements, the Law and DC Regulation in order to have the Customer's Building ready to receive Licensed DC Services;
 - (f) [the design of Customer Building Systems adhere to the "Design Standards for District Cooling-Ready Buildings" produced as part of the DC Regulation and
 - (g) [at all times that the Building has the necessary power supply and utility

infrastructure, which shall be in good working order necessary to receive Licensed DC Services]².

2. The CSA shall require the Customer to ensure that it does not cause or voluntarily permit any action which results in the temperature of the Chilled Water at the Point of Return being outside of the minimum acceptable tolerances agreed in the CSA(a Temperature Differential Event).
3. Without prejudice to Section 14 (*Emergencies*), the CSA shall require that the Customer does not cause or voluntarily permit any action which interferes with the provision of the Licensed DC Services, the return of Chilled Water, or the operation, maintenance, repair, replacement, construction, installation, expansion, removal or permitted alteration of the DC Retailer Facilities or causes the DC Retailer to breach any of the DC Retailer's obligations to the DC Provider with respect to avoiding interference with the provision of DC Provider Services(Standalone) to the DC Retailer, the return of Chilled Water, or the operation, maintenance, repair, replacement, construction, installation, expansion, removal or permitted alteration of the DC Provider Facilities.
4. Subject to any reasonable notice periods and/or other reasonable requirements agreed in the CSA, the CSA shall require the Customer to grant to the Licensed DC Supplier and its respective subcontractors and employees:
 - a) unimpeded access from 7am to 9pm to each Retail-Service ETS Room, and/or other location housing the Customer Metering Equipment, for the purposes of inspection, repair and maintenance of the DC Retailer Facilities (and the ability to access such areas between 9pm and 7am in the event of an Emergency); and
 - (a) all rights of way, access rights, easements, permits, licenses and other rights with respect to the DC Retailer Facilities and Building Systems owned or controlled by the Customer, as may be reasonably necessary for the Licensed DC Supplier to perform its obligations and exercise its rights under the CSA, including (where applicable) to connect or enable the connection of the Building System with the DC Retailer Facilities and to inspect, operate and maintain the Customer Metering Equipment.

Section 7 - Planned and Other Interruptions of Services

1. Upon becoming aware of an actual or likely Interruption of Service, the CSA shall require either Party to promptly and without delay notify the other.
2. The CSA shall require the licensed DC Supplier to use its commercially reasonable endeavours in accordance with Good Utility Practices to resume Licensed DC Services as soon as possible following an Interruption of Service.
3. The CSA shall provide that any Interruption of Service not exceeding two (2) calendar days shall not be grounds for abatement of any of Customer's payment obligations under the CSA.
4. In scheduling any Planned Interruption of Service, the CSA shall require the Licensed DC Supplier to:

² Note: this provision shall only be mandatory to a Building Owner Customer.

- (a) limit the interruption of Licensed DC Services so as to ensure as far as reasonably possible that the Contract Capacity is available in accordance with Section 4, paragraph 1; and
- (b) ensure that the Planned Interruption of Service occurs during the winter (or low cooling mode) months and outside of normal business hours in Abu Dhabi, so as to minimise disruption to the Licensed DC Services.

Section 8 – Customer Metering Equipment

1. Subject to applicable DC Regulation, the CSA shall provide that the Customer Metering Equipment shall:
 - (a) be used for billing purposes between the Licensed DC Supplier and the Customer; and
 - (b) be subject to testing at regular intervals by the Licensed DC Supplier as provided in the DC Regulation.
2. The CSA shall provide that the Licensed DC Supplier shall be responsible for affixing a seal or lock on the Customer Metering Equipment and no person, except a duly authorised representative of the Licensed DC Supplier, shall be permitted to break or replace a seal or a lock belonging to the Licensed DC Supplier or to interfere with the operation of Customer Metering Equipment (or their connections and regulators) or to intervene in or undertake the operation of any other item of service equipment owned or furnished by the Licensed DC Supplier in connection with the provision of Licensed DC Services other than where such action is required:
 - (a) pursuant to any Legal Requirements;
 - (b) to avoid injury to persons or significant damage to property; or
 - (c) on the occurrence of any Emergency.
3. The CSA shall provide that if a Customer doubts the accuracy of the Customer Metering Equipment serving the Building or any Unit owned, occupied or leased by it, the relevant Customer may request in writing that it be tested by an independent organization located in the UAE.
4. If the Customer Metering Equipment is found to be accurate within the tolerance defined in the DC Regulation, the CSA shall require the relevant Customer to pay for reasonable testing charges; otherwise, the CSA shall require the Licensed DC Supplier to pay for such testing charges.
5. The CSA shall require that any inaccurate Customer Metering Equipment be reconditioned or replaced free of charge by the Licensed DC Supplier.

Section 9 - Invoicing and Payment

1. The CSA shall require the Licensed DC Supplier to issue invoices for Licensed DC Services provided to the Customer monthly based on readings on the Customer Metering Equipment and which shall include itemised charges applicable to the invoice. Invoices shall be sent by email with a notification sent by SMS to such customer when such invoice is dispatched.
2. The CSA shall require that invoices are due and payable when rendered to the Customer

and (other than in respect of connection or disconnection charges, which shall be paid in advance) will be paid in arrears within the payment period specified in each invoice (such period being a minimum of twenty (20) working days from the invoice dispatch date).

Section 10 - Discontinuation of Licensed DC Services

1. Subject to applicable Legal Requirements, the terms of the Licensed DC Supplier's licence, the DC Regulation and paragraph 5 below of this Section, the CSA shall provide that the Licensed DC Supplier may discontinue the supply of Licensed DC Services to a Customer if there is a payment default and/or other material breach of the CSA, which is continuing beyond any agreed grace periods specified in the CSA.
2. The CSA shall provide that the Licensed DC Supplier shall have the right to suspend Licensed DC Services in relation to a Customer at any time to prevent fraudulent use of Cooling Energy (including any tampering with or alteration of Customer Metering Equipment or piping connected to or within a Customer's Building or Unit in any manner to unlawfully use Chilled Water supplied by Licensed DC Supplier), to protect its property or to protect its services to other Customers.
3. The CSA shall provide that the Licensed DC Supplier shall be required to give reasonable prior written notice to the Customer for any discontinuance of Licensed DC Services made in accordance with this Section 10 (*Discontinuation of Service*).
4. Each CSA with an Individual Customer shall only require that Individual Customer to pay the Capacity Charge during any discontinuance of Licensed DC Services if that Individual Customer is the owner of the relevant Unit and such discontinuance. For the avoidance of doubt, a tenant or occupant that is not an owner of the relevant Unit shall not require such Customer to pay the Capacity Charge.]³
5. The CSA shall provide that the Licensed DC Supplier shall not have the right to discontinue the supply of Licensed DC Services to a Customer:
 - (a) solely on account a Temperature Differential Event unless the applicable temperature differential surcharges remain unpaid by the relevant Customer for more than the minimum number of consecutive days prescribed by the DC Regulation; or
 - (b) solely on account of non-payment of a disputed invoice if the relevant Customer has:
 - (a) paid all undisputed invoices; and
 - (b) notified the Licensed DC Supplier in writing within ten (10) working days of receipt of an invoice of any disputed invoice amounts, together with reasonable evidence supporting the basis of such dispute,

provided that the Licensed DC Supplier shall have the right to discontinue the supply of Licensed DC Services to the relevant Customer if, following agreement of the Parties or a final determination that a withheld disputed payment was, in fact valid, the relevant

³ Note: to be confirmed whether Capacity Charges will continue to be payable during the period of discontinuance of Cooling Services.

Customer fails to pay the amounts the due within the applicable payment period specified in the CSA.

6. The CSA shall provide that the Licensed DC Supplier shall restore service as soon as practicable and within two (2) working days in any event following a disconnection of Licensed DC Services made in accordance with the DC Regulation and the equivalent of Section 10 (*Discontinuation of Service*) as incorporated into the CSA, provided that the Customer has paid the applicable re-connection fee (where a re-connection fee is payable in accordance with the CSA and the DC Regulation).

Section 11 - Liability and Consequential Loss

1. The CSA shall provide that the Licensed DC Supplier shall exercise reasonable diligence and care to furnish and deliver the Licensed DC Services to the Customer, in accordance with the CSA and the DC Regulation. Notwithstanding the foregoing, (and subject to any applicable force majeure provisions and any applicable indemnities in respect of negligent acts or omissions of the Parties, in each case, as agreed in the CSA), where the CSA is entered into by a DC Retailer that is not undertaking Integrated DC Services and which is receiving DC Provider Services, such CSA shall include provisions relieving the DC Retailer from liability arising as result of any delay or failure on the part of the DC Provider to deliver such Licensed DC Services to the DC Retailer, if such delay or failure is caused by a force majeure event.
2. The CSA shall provide that neither Party to the CSA shall be liable to the other Party for any lost business, lost profits or revenues from others or be liable for other special or consequential damages, and all claims in respect thereof shall be irrevocably waived by the Licensed DC Supplier and the Customer in the CSA.
3. The CSA shall provide that the Customer is responsible for all disturbances induced by its own activities on the DC Retailer Facilities or on the Customer's Building System.
4. The CSA shall provide that the Licensed DC Supplier is responsible for all disturbances induced by its own activities on the DC Retailer Facilities or on the Customer's Building System.

Section 12 - Termination

1. Upon the occurrence of a material breach of the CSA by a Party (or any other termination events mutually agreed by the Parties to the CSA), the CSA shall give the non-defaulting Party the right (subject to any termination procedures mutually agreed to in the CSA) to terminate the CSA.
2. The CSA may be terminated by either Party in the event of a prolonged force majeure event that hinders or prevents the Licensed DC Supplier from performing any of its material obligations under the CSA for a continuous period mutually agreed to in the CSA.
3. After the date on which the CSA is terminated or expires in accordance with its terms, the Licensed DC Supplier may, subject to the requirements of the Licensed DC Supplier's Licence and customer care and supply code issued in accordance with the requirements of such licence, physically disconnect the applicable DC Retailer Facilities from the Building System and remove the relevant DC Retailer Facilities applicable to that Customer.
4. The CSA shall provide that the Customer must give the Licensed DC Supplier at least 24

hours' notice, before vacating the Building or a Unit after termination of the CSA. In the absence of such notice, the relevant Customer will be held responsible for all Licensed DC Services used and damage to all apparatus which are/or have become the property of the Licensed DC Supplier.

Section 13 - Governing Law and Dispute Resolution

1. The CSA shall be governed by the laws of the Emirate of Abu Dhabi and shall include provisions pursuant to which either Party may have recourse to the DoE in the event of any unresolved disputes and/or concerns with respect to charges, tariffs and service standards and both Parties shall be bound by the decision of the DoE.

Section 14 - Emergencies

1. Nothing in these Key Terms or in any CSA will restrict either Party from taking immediate action (including, with respect to the Licensed DC Supplier, the suspension of the provision of the Licensed DC Services) pursuant to any Laws or to avoid injury to persons or significant damage to property on the occurrence of any Emergency, provided that such Party shall notify the other Party promptly following the taking of such immediate action.
2. The CSA shall include adequate notice provisions including telephone numbers, fax numbers and email addresses of all Parties in order that the Customer will be able to contact the Licensed DC Supplier or its authorised representative, and shall be able to make such contact 24/7 in the event of an Emergency.

Schedule 1 - Contract Particulars

Item No	Item Description	Data
1	DETAILS OF THE BUILDING	<p><i>[insert description of the Building, including:</i></p> <p style="padding-left: 40px;">Name of Building (if any)</p> <p style="padding-left: 40px;">Building Plot no.</p> <p style="padding-left: 40px;">Building Address/ Location</p> <p style="padding-left: 40px;">Building completion date</p> <p style="padding-left: 40px;">Gross floor area of building in square meters]</p>
2	[DETAILS OF THE ANY RELEVANT UNITS WITHIN THE BUILDING	<p><i>insert description of any Unit within the Building owned, leased or occupied by the Customer, including:</i></p> <p style="padding-left: 40px;">Name of Building (if any)</p> <p style="padding-left: 40px;">Unit Address/ Location</p> <p style="padding-left: 40px;">ADCC Number for the Unit (if any)</p> <p style="padding-left: 40px;"><i>Gross floor area of Unit in square meters]</i>⁴</p>
3.	SCHEDULED COMMENCEMENT DATE	<p><i>[insert relevant date on which Licensed DC Services are scheduled to commence, which date may be adjusted based on the terms agreed to between the Licensed DC Supplier and the Customer in the CSA]</i></p>
4.	DURATION OF TERM OF CONTRACT	<p><i>[insert number of years from the Commencement Date. The term of the contract may be adjusted, extended or renewed based on the terms agreed to between the Licensed DC Supplier and the Customer in the CSA]</i></p>
5	CONTRACT CAPACITY ⁵	<p><i>[insert number] KWc</i></p>

⁴ Note: Delete as applicable.

⁵ Note: Contract capacity will not be included in the contract particulars of a CSA with an Individual Customer that is a tenant or occupant of a Unit.

Annex [2]

Financial Model Requirements

1. The financial model should be prepared on Microsoft Excel and should:
 - (a) adhere to best practice standards and techniques;
 - (b) reflect the assumptions included in the technical proposal of the Bidder;
 - (c) include, as a minimum, all the general, technical and financial assumptions as illustrated in the following District Cooling general, technical and financial assumptions:

Assumption	Unit of Measurement
Type of Development	<i>Specify if residential, commercial, etc.</i>
Surface Area of the Development served by the DC Plant	km ²
Total DC Capacity	kW _c TR
Water type	<i>Specify if potable water or recycled water</i>
Diversity Factor	%
Equivalent Full Load Hours	hours
Equipment Lifetime	years
Average Electricity Consumption	kWh/kWh _c kWh/TRh
Average Water Consumption	l/kWh _c l/TRh
DC Plant (including TES) CAPEX (with a break-down of main components)	AED/KW _c AED/TR
TSE Polishing Infrastructure (only in case of plants utilizing non-potable water)	AED/KW _c AED/TR
ETS CAPEX	AED/KW _c AED/TR
Network CAPEX (with a break-down of main components)	AED/KW _c AED/TR
Yearly O&M costs (including Metering / Billing)	AED/kW _c AED/TR
Water treatment cost of chemicals	AED/m ³
Inflation Rate	%
DC provider's nominal discount rate	%
DC Plant footprint	m ² /kW _c m ² /TR
ETS footprint	m ² /kW _c m ² /TR

- (d) be capable of generating the calculations of all the project financial indicators for each year of the project life-cycle including, but not limited to, the projected revenues, costs (CapEx and OpEx) and profits;
- (e) be capable of generating the calculation of DC tariffs, including the Connection Charge, Capacity Charge, Consumption Charges and Ancillary DC Charges;
- (f) Include the calculation of revised tariffs in case of a potential expansion in the DC plant capacity (change in tariff for each 1,000 TR of incremental capacity); and
- (g) Reflect any further details and features as specified by the DoE to the DC Procurer in relation to the RFP for Part 4 or to the Regulated DC Provider from time to time.

Annex [3]

Updated Financial Model Requirements

1. The updated annually submitted financial model must have the same structure as the original financial model of the Licensee that was approved by the DoE.
2. The updated financial model must include at least the same amount of information/data as was included in the original financial model of the Licensee that was approved by the DoE.
3. All data in the updated financial model should be updated, reconciled, and based on the most recent information available to the Licensee, including but not limited to:
 - (a) actual financials (costs, revenues, profits); and
 - (b) projected financial results for the upcoming years until the end of the life-cycle of applicable DC Systems of the Licensee that are serving the relevant DC Scheme.
4. The updated financial model must be capable of generating the calculations of all the project financial indicators for the relevant year of the project life-cycle including, but not limited to, the projected revenues, costs (CapEx and OpEx) and profits.
5. The updated financial model should reflect any further details and features as specified by the DoE to the DC Procurer in relation to the RFP for Part 4 or to the Regulated DC Provider from time to time.

Annex [4]

Conventional Cooling Assumptions

Assumption	Unit of Measurement
Equivalent Full Load Hours	hours
Equipment Lifetime	years
Average Electricity Consumption	kWh/kWh _c kWh/TRh
Water-Cooled system CapEx	AED/kW _c AED/TR
Yearly O&M Cost	AED/kW _c AED/TR
Water Treatment Cost	AED/m ³