



مكتب التنظيم و الرقابة
Regulation & Supervision Bureau

Shuweihat Asia Power Company Generation Licence

Licence

28 April 2011

ED/L01/026

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water, wastewater and electricity sector of the Emirate of Abu Dhabi

Document	Approved by	Recipients of controlled copies
ED/L01/026	Director General	Shuweihat Asia Power Company Bureau

Shuweihat Asia Power Company

Generation Licence

Licence ED/L01/026

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Licence development

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Type of Licence

Part 1 – The licence

1. Grant of licence

The Bureau hereby grants an electricity generation licence (“**Licence**”) to **Shuweihat Asia Power Company** to carry out the activities referred to in Part 1, Paragraph 4 below.

This Licence is granted in exercise of the powers conferred on the Bureau by Article (82) of Law No (2).

2. Conditions of licence

This Licence is granted subject to the Conditions in Part 2 of this Licence and for the period referred to in Part 1, Paragraph 3 below.

This Licence is subject to modification in accordance with its terms or with Law No (2).

This Licence is also subject to revocation in accordance with Condition 13 of Part 2 of this Licence.

3. Licence term

This Licence:

- (a) is effective from 28 April 2011 and
- (b) unless revoked in accordance with the provisions of Condition 13 of this Licence,

shall continue unless it is terminated by not less than 25 years notice in writing by the Bureau to the Licensee.

4. Licensed Activities

The activity permitted to be carried out by the Licensee pursuant to this Licence is the generation of electricity up to a maximum contracted capacity of 1,600 Megawatts (MW) at the facility known as **Shuweihat 3 (S3)** in the Emirate of Abu Dhabi.

5. Definitions

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

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ADWEC means Abu Dhabi Water and Electricity Company;

Affiliate means in relation to the Licensee, any holding company or subsidiary of the Licensee or any subsidiary of a holding company of the Licensee;

Ancillary Services means:

- (a) such services as the Licensee may be required to have available in association with any Generation Unit pursuant to the relevant Electricity Transmission Code;
- (b) such services as the Licensee may have agreed to have available in association with any Generation Unit pursuant to an agreement with a Licensed Transmission Operator; or
- (c) such services as are provided for in an agreement with ADWEC to which the Licensee is a party,

and which may be offered for sale to a Licensed Transmission Operator or ADWEC for the purpose of securing stability of operation of the relevant Transmission System;

Bureau means the Regulation and Supervision Bureau for the Water, Wastewater and Electricity Sector as established under Law No (2);

Condition means a condition set out in Part 2 of this Licence, as may be modified from time to time;

Distribution Code means in relation to any distribution company a electricity distribution code or codes required to be drawn up by the Licensed Distribution Operator and approved by the Bureau, as from time to time revised with the approval of the Bureau;

Distribution System means the system consisting (wholly or mainly) of electrical lines owned or operated by a Licensed Distribution Operator and used for the distribution of electricity to the point of delivery to premises and includes any plant owned or operated by the Licensed Distribution Operator in connection with the distribution of electricity;

Electricity Transmission Code means the transmission code of that name required to be prepared by a Licensed Transmission Operator and approved by the Bureau, as from time to time revised with the approval of the Bureau;

Environment Policy means a written policy designed to protect the environment from the effects of the Licensed Activity, together with operational objectives and management arrangements to give effect to such policy, as may be amended from time to time;

Generation Business means the authorised business of the Licensee or any affiliate or any Related Undertaking in the generation of electricity;

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Generation Unit means any plant or apparatus for the generation of electricity including a facility comprising one or more generation units;

Health and Safety Policy means a written policy designed to protect the health and safety of the general public, of construction workers and other persons employed directly or indirectly by the Licensee or allowed to work on or access the Licensee's System by the Licensee from the effects of the Licensed Activity, together with operational objectives and management arrangements to give effect to such policy, as may be amended from time to time;

Law No (2) means Law No (2) of 1998 Concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi, as amended;

Licensed Activity means the activity permitted to be carried out by the Licensee pursuant to the terms of this Licence;

Licensed Distribution Operator means a Person who is authorised by a licence granted under Law No (2) to distribute electricity;

Licensed Operator means any Person (other than the Licensee) who is authorised by a licence granted under Law No (2) to undertake a regulated activity, as defined in Law No (2);

Licensed Transmission Operator means a Person who is authorised by a licence granted under Law No (2) to transmit electricity;

Licensee means the Person to whom this Licence is granted;

Licensee's System means the electric lines owned or operated by the Licensee for the transport of electricity from Generation Units to the point(s) of connection with the Transmission and/or Distribution Systems;

Metering and Data Exchange Code means the code of that name required to be prepared by a Licensed Transmission Operator and approved by the Bureau, as amended from time to time with the approval of the Bureau;

Person means any person, company, body corporate, establishment, partnership or other entity having an independent legal personality;

Related Undertaking means in relation to the Licensee any undertaking in which the Licensee has a participating interest, amounting to 30% or more of such undertaking's share capital or in respect of which the Licensee has the right to appoint a majority of the directors to that undertaking;

TRANSCO means Abu Dhabi Transmission and Despatch Company;

Transmission Licence means the licence issued to a Licensed Transmission Operator, as modified from time to time;

Transmission System means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by TRANSCO or a Licensed Transmission Operator and used for the transmission of electricity from one Generation Unit to a

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sub station or to another Generation Unit and includes any plant owned or operated by a Licensed Transmission Operator in connection with the transmission of electricity;

UAE means the United Arab Emirates.

6. Interpretation

For the purpose of this Licence:

- (a) where any obligation of the Licensee is required to be performed within a specified time limit that obligation shall be deemed to continue after that time limit if the Licensee fails to comply with that obligation within that time limit;
- (b) in construing a Condition or Paragraph, the heading or title of any Condition or Paragraph shall be disregarded;
- (c) unless the context otherwise admits, any reference to a numbered Condition is a reference to the Condition bearing that number or prefix in this Licence and any reference to a Paragraph is to the Paragraph bearing that number or prefix in the Condition in which the reference occurs;
- (d) terms used in this Licence shall unless the context otherwise admits have the same meaning as ascribed to them in Law No (2); and
- (e) words in the singular include the plural and those in the plural include the singular.

Granted by



Nicholas Carter

Director General

Regulation and Supervision Bureau

28 April 2011



Part 2 – Generation conditions

Condition 1 – Part 2 Conditions

1. The conditions in this Part 2 shall apply to the Licensed Activity forming the Generation Business of the Licensee.

Condition 2 – Prohibited activities

1. The Licensee shall not, and shall procure that any Affiliate or Related Undertaking of the Licensee (whether on its own account or in combination with any other) shall not:
 - (a) purchase or otherwise acquire electricity for the purpose of sale or other disposition to third parties;
 - (b) transmit electricity or otherwise convey electricity by any other means, except to the extent necessary to deliver electricity into the Transmission System;
 - (c) engage in the distribution or supply of electricity to any premises;
 - (d) generate electricity in excess of the capacity given in Part 1, Paragraph 4;
 - (e) without consent in writing of the Bureau, hold any economic interest, whether by the ownership of shares or otherwise, in entities which, on their own account or in combination with other entities, provide more in aggregate than 25% of the production capacity of production facilities which generate electricity in the Emirate of Abu Dhabi.
2. The Licensee shall not without the prior written consent of the Bureau carry on any activity other than the Licensed Activity or those other activities necessarily ancillary thereto.
3. The Licensee shall in carrying out the Licensed Activity comply at all times with Law No (2).

Condition 3 – Compliance with Transmission Codes

2. The Licensee shall comply with the provisions of the Electricity Transmission Code insofar as they are applicable to it.
3. The Bureau may (following consultation with the relevant Licensed Transmission Operator) issue directions relieving the Licensee of its obligations under Paragraph 1 of this Condition 3 in respect of such parts of the Electricity Transmission Code to such extent as may be specified in those directions.

Condition 4 – Compliance with Distribution Codes

1. The Licensee shall comply with the provisions of the Distribution Code of any Licensed Distribution Operator insofar as applicable to it.
2. The Bureau may (following consultation with the relevant Licensed Distribution Operator directly affected thereby) issue directions relieving the Licensee of its obligations under Paragraph 1 of this Condition 4 in respect of such parts of a Distribution Code of any Licensed Distribution Operator to such extent as may be specified in those directions.

Condition 5 – System Planning

1. The Licensee shall plan and develop the Licensee's System in accordance with
 - (a) a standard not less than that applicable to a Licensed Transmission Operator and a Licensed Distribution Operator as approved from time to time by the Bureau (as regards their respective systems); or
 - (b) such other standard of planning as the Licensee may adopt from time to time, subject to consultation with any Licensed Transmission Operator and any other Licensed Operator liable to be materially affected thereby and with the approval of the Bureau.
2. The Bureau may (following consultation with a Licensed Transmission Operator and any other Licensed Operator liable to be materially affected thereby) issue directions relieving the Licensee of its obligations under Paragraph 1 of this Condition 5 in respect of such parts of the Licensee's System as may be specified in those directions.

Condition 6 – Central Scheduling, Despatch and Metering

1. The Licensee shall submit all Available Generation Units forming part of a generating station which is capable of providing 10 megawatts per day or more to the Total System, to Central Despatch by a Licensed Transmission Operator.
2. The Licensee shall at such times and in such manner as may be required under an Electricity Transmission Code, provide a Licensed Transmission Operator with all information reasonably required by it to enable it, in conformity with the conditions of its Transmission Licence:
 - (a) to operate the system of Central Despatch; and
 - (b) to operate the Scheduling System.
3. The Licensee shall comply with the provisions of the Metering and Data Exchange Code insofar as applicable to it.
4. The Bureau may (following consultation with any Licensed Operator) issue directions relieving the Licensee from its obligations under Paragraph 3 of this Condition 6 in respect of such parts of the Metering and Data Exchange Code to such extent as may be specified in those directions.
5. In this Condition 6:

Available	in relation to any Generation Unit means a Generation Unit which is both (a) available in accordance with the relevant Electricity Transmission Code and (b) declared as available for the generation of electricity;
Central Despatch	means the process of issuing direct instructions for despatch of available Generation Units by a Licensed Transmission Operator under the conditions of a Transmission Licence;
Scheduling System	means a system identifying the economic cost of electricity from available Generation Units to be delivered or transferred to the Total System (subject to other system needs);
Total System	means the Transmission and Distribution Systems of all Licensed Operators which are located in the Emirate of Abu Dhabi;
Transmission Licence	means the licence issued to a Licensed Transmission Operator, as from time to time modified.

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Condition 7 – Ancillary Services

1. The Licensee shall from time to time upon request by a Licensed Transmission Operator or ADWEC offer terms for the provision by the Licensee of Ancillary Services from any operating Generation Unit of the Licensee.

Condition 8 – Provision of Information to the Bureau

1. Subject to Paragraph 2 of this Condition 8, the Licensee shall submit to the Bureau, in such manner and at such times as the Bureau may require, such Information and shall procure and submit to it such reports, as the Bureau may consider necessary in the light of the Conditions or as it may require for the purpose of performing:-
 - (a) the functions assigned to it by or under Law No (2); and
 - (b) any functions transferred to it under Law No (2).
2. Without prejudice to the generality of Paragraph 1 of this Condition 8, the Bureau may call for the submission of accounting Information.
3. In this Condition 8:
Information shall include any documents, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Bureau) of any description specified by the Bureau.

Condition 9 – Health and Safety

1. The Licensee shall, taking due account of any guidance issued to it by the Bureau and applicable health and safety standards prevailing in the Emirate of Abu Dhabi and the UAE, establish a Health and Safety Policy, together with operational objectives and management arrangements to give effect to such policy.
2. The Licensee shall review the Health and Safety Policy, its operational objectives and management arrangements periodically and otherwise as appropriate.
3. The Licensee shall, upon the establishment and any material change of the Health and Safety Policy, promptly send the Bureau a copy of the amended policy together with a general description of the operational objectives and management arrangements.
4. The Licensee shall act with regard to the Health and Safety Policy and operational objectives and use its reasonable endeavours to operate the management arrangements effectively.

Condition 10 – Fees

1. The Licensee shall, at the times stated hereunder, pay to the Bureau fees of the amount specified in, or determined under this Condition 10.
2. In respect of the year beginning on 1 January 2012 and in each subsequent year, the Licensee shall pay the Licence fees to the Bureau in accordance with its Current Scale of Charges and Services.
3. The fees shall be paid by the Licensee to the Bureau within one month of the Bureau giving notice to the Licensee of its charges, in writing.
4. In this Condition 10:
Current Scale of Charges and Services means the publication prepared and issued by the Bureau to all Licensed Operators, identifying the fee structure and charges for all licence holders, as amended from time to time by the Bureau.

Condition 11 – Insurance Against Third Party Liability

1. The Licensee shall, in respect of the Licensed Activity, maintain insurance (including any Self Insurance) against third party liability (including, but without limitation, with respect to insurance type, cover, level and the identity of the insurer) with any modifications as may be required pursuant to Paragraph 5 of this Condition 11.
2. The Licensee shall promptly send the Bureau a copy of the insurance policy (including details of any Self Insurance) together with a general description of the insurance type, cover, level and the identity of the insurer.
3. The Licensee shall (except as otherwise agreed to by the Bureau), ensure that every insurance policy (other than any Self Insurance), maintained pursuant to Paragraph 1 of this Condition 11, bears an endorsement that 30 days notice shall be given to the Bureau, by the insurer (or the insurance broker), of any lapse or cancellation of the insurance policy.
4. The Licensee shall review the insurance policy (including any Self Insurance) against third party liability periodically, and otherwise as may be appropriate, and promptly send a copy of any updated or amended insurance policy to the Bureau.
5. The Bureau may notify the Licensee that the Bureau requires a modification to the insurance policy (including any Self Insurance) and the Licensee shall, no later than 60 days from the date of the notice from the Bureau (or such longer period as the Bureau may agree to) ensure that such a modification is made.
6. In this Condition 11:

Self Insurance means the Licensee's financial capacity to meet any liability to a third party in respect of which the Licensee does not otherwise have insurance cover.

Condition 12 – Environmental Matters

1. The Licensee shall, taking due account of any guidance issued to it by the Bureau and applicable environmental standards prevailing in the Emirate of Abu Dhabi and the UAE, establish an Environment Policy, together with the operational objectives and management arrangements to give effect to such policy.
2. The Licensee shall review the Environment Policy, the operational objectives and management arrangements periodically and otherwise as appropriate
3. The Licensee shall, upon the establishment and any material change of the Environment Policy, promptly send the Bureau a copy of the amended policy together with a general description of the operational objectives and management arrangements.
4. The Licensee shall act with regard to the Environment Policy and operational objectives and use its reasonable endeavours to operate the management arrangements effectively.

Condition 13 – Revocation

1. The Bureau may at any time revoke this Licence by not less than 30 days notice in writing to the Licensee:
 - (a) if the Licensee agrees in writing with the Bureau that this Licence should be revoked;
 - (b) if any amount payable under Condition 10 of Part 2 of this Licence is unpaid 30 days after it has become due and remains unpaid for a period of 30 days after the Bureau has given the Licensee notice that the payment is overdue;
 - (c) if the Licensee breaches any Condition of this Licence;
 - (d) if any information provided by the Licensee pursuant to this Licence or in its application for this Licence is found to be false or misleading;
 - (e) if the Licensee fails to comply with:
 - (i) a preliminary order (within the meaning of Article (107) of Law No (2)); or
 - (ii) a final order (within the meaning of Article (106) of Law No (2)); or
 - (iii) an order which has been confirmed under Article (109) of Law No (2), and such failure is not rectified to the satisfaction of the Bureau within three months after the Bureau has given notice to the Licensee, provided that no notice shall be given by the Bureau before the expiration of the period within which an application under Article (121) of Law No (2) could be made questioning the validity of the final or preliminary order or before the proceedings relating to any such application are finally determined;
 - (f) if the Licensee ceases to carry on the Licensed Activity permitted by this Licence;
 - (g) if the Licensee:
 - (i) has been adjudicated insolvent or if the General Assembly passes a resolution to wind up the licence or if the Licensee suffers a loss of 50% of the share capital and a resolution to wind up the Licensee is passed by the shareholders representing at least 25% of the share capital of the Licensee;
 - (ii) suffers a change in its Control;
 - (h) if the Licensee is convicted of having committed an offence under Law No (2) in making its application for this Licence;
 - (i) on expiry of the duration of the existence of the Licensee as specified in its memorandum and articles of association; or

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- (j) on the dissolution of the Licensee by the operation of Law No (2) or any other applicable law in the UAE on its merger with another entity.
- 2. Any notice issued pursuant to Paragraph 1 of this Condition 13 shall specify:
 - (a) the basis upon which the Bureau is revoking this Licence; and
 - (b) the date upon which the revocation will take effect
- 3. For the purpose of Paragraph 1(g)(ii) of this Condition 13 there is a change in the Control of the Licensee whenever a person obtains Control of the Licensee who did not have Control of the Licensee when this Licence was granted.
- 4. In this Condition 13:

Control means, in respect of a Person, the first Person, by another, the second Person, that the second Person (whether alone or with others and whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise):

- (i) has the power to appoint and / or remove all or the majority of the members of the board of directors or other governing body of the first Person or of any other Person; or
- (ii) controls or has the power to control the affairs and policies of the first Person or of any other Person which controls the first Person; or
- (iii) is the parent undertaking of the first Person or of any other Person which controls the first Person; or
- (iv) possesses or is, or will be at a future date, entitled to acquire:
 - A) 30% or more of the share capital or issued share capital of, or of the voting power in, the first Person or any other Person which controls the first Person; or
 - B) such part of the issued share capital of the first Person or any other Person which controls the first Person as would, if the whole of the income of such Person were in fact distributed, entitle the second Person to receive 30% or more of the amount so distributed; or
 - C) such rights as would, in the event of the winding up of the first Person or any other Person which controls the first person or in any other circumstances, entitle the second Person to receive 30% or more of the assets of the first Person which would then be available for distribution,

and, for those purposes, there shall be attributed to any Person the rights and powers of:

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- (i) any nominee of his;
- (ii) any one or more Persons which he, or he and associates of his, controls; and
- (iii) any one or more associates of his.

General Assembly means a general meeting of the shareholders of the Licensee according to procedures set out in the Licensee's memorandum and articles of association and any relevant law under which the Licensee was established.

Condition 14 – Regulations

1. The Licensee shall comply with all regulations issued by the Bureau pursuant to Law No (2) insofar as applicable to it.

Condition 15 – Transfer of Licence

1. The Licensee or any Authorised Person is hereby authorised to transfer this Licence, subject to Paragraphs 2, 3 and 4 of this Condition 15.
2. This Licence shall not be transferred except with the prior written consent of the Bureau.
3. In deciding whether to give its consent under Paragraph 2 of this Condition 15, the Bureau shall apply the same criteria as it would apply if it were deciding whether to grant a corresponding licence to the transferee and the Bureau may require the transferee to provide the same information as it would require if the transferee were applying for the corresponding licence.
4. A consent under Paragraph 2 of this Condition 15 may be given subject to compliance with:
 - a) such modifications or other conditions as the Bureau considers necessary or expedient for the purpose of protecting the interests of consumers; and
 - b) such incidental or consequential modifications or conditions as it considers necessary or expedient.
5. In this Condition 15:

Authorised Person means any person (individual or corporate) acting on behalf of the Licensee pursuant to a security power of attorney, assignment or other security document that has previously received the consent of the Bureau pursuant to Article (127) of Law No (2).