



Regulatory Policy for Clean Energy Certificates



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1. Foreword

1.1 Context and Purpose of the Regulatory Policy (“**Policy**”)

- 1.1.1 The Department of Energy (“**DoE**”) is established pursuant to Abu Dhabi Law No. (11) of 2018 as a policy maker and regulatory entity for the energy sector in the Emirate of Abu Dhabi (the “**Emirate**”). Key objectives of the DoE include driving the future direction of the Emirate’s Energy Sector in all its forms and to create an efficient system that enables economic growth, energy security and sustainable development. The DoE’s mandate includes enacting policies and regulations and developing strategies to enable an effective energy transition to ensure the Emirate’s sustainable growth while protecting consumers and the environment.
- 1.1.2 This Policy sets out the implementation regulations for developing a clean energy certificate scheme (“**Certificate Scheme**”) in the Emirate, as a measure to support the carbon footprint reduction of power generation and to meet the growing interest of corporate clients and households to contribute to the fight against climate change.
- 1.1.3 This Certificate Scheme has been designed in accordance with international best practice, pursuing the principles of objectivity and non-discriminatory access to clean energy certificates for all consumers in the Emirate, allowing them to meet the low carbon electricity requirements in the most demanding markets and voluntary initiatives.
- 1.1.4 Clean energy certificates will be voluntary tradeable instruments which detail and evidence the generation of a specific amount of electricity from clean energy resources, and will be transferable (“**Clean Energy Certificates**”). This Certificate Scheme will allow visualizing the significant decarbonization effort that the Emirate is carrying out. Latest projections indicate that the Abu Dhabi electricity system CO₂ emissions could be fifty percent (50%) lower in 2025 compared to 2019. Clean Energy Certificates facilitate the ability for businesses to measure, manage and report improved emissions reduction from electricity consumption, potentially incentivizing the switch to power from clean energy sources.
- 1.1.5 The Certificate Scheme is an electricity generation tracking system to reliably communicate the characteristics of consumed electricity.
- 1.1.6 The major benefits of such a tracking system is that electricity attributes (such as source of generation and related environmental indicators) can easily be valued and accounted, whilst also avoiding the risk of multiple-counting of attributes’ benefit. The Clean Energy Certificates provide direct ownership of the electricity attributes. The accreditation confirms that a certain amount of electricity has been obtained, in a given period of time, from a specified clean



energy source (e.g. solar, nuclear), enabling the traceability of CO2 free energy from the producer to the final consumer, even though the electricity networks do not distinguish between different types of electricity.

1.1.7 The attribute tracking system for electricity allows:

- (a) Accreditation by a production device (meaning one or more related generation units of substantially the same technology capable of producing electricity delivered through an identifiable measurement point) ("**Production Device(s)**") of the production of a certain amount of energy from specified clean energy sources such CO2 free sources.
- (b) Verification by an electric energy consumer of the amount of energy that has been consumed from such clean energy sources, and
- (c) Financial valuation of the clean electricity's attributes and potential commercialisation.

1.1.8 This attribute tracking system is complemented by a trading scheme, where electricity production generated from clean energy resources receive unique Clean Energy Certificates, which could be marketed separately from the electricity and acquired by consumers who wish to demonstrate their specific consumption of clean energy.

1.1.9 Entities increasingly purchase clean energy in order to claim the use of low or zero-emissions electricity and thereby reduce their carbon footprint. Entities can make a variety of statements about electricity procured from clean energy, relating to its development, generation, use, and environmental and social benefits and impacts. However, the ability to demonstrate and claim use or delivery of clean energy through a shared electricity distribution network, or, "grid", requires the support of instruments that meet the specific criteria to be credible. Since electricity generated from clean energy sources is indistinguishable from that produced by any other source, some form of tracking is required. Once the power provider has injected the energy generated from identifiable clean resources into the grid, the Clean Energy Certificates act as an accounting or tracking mechanism for the source of clean energy. Entities can therefore claim the environmental benefits of low carbon energy production by acquiring Clean Energy Certificates issued in Abu Dhabi.

1.1.10 The Certificate Scheme follows the best international practices regarding the criteria that clean energy sources and purchasing mechanisms must meet in order to support credible clean energy usage and delivery claims. Among these best practices is the technical criteria specified in RE100¹, which is a global corporate renewable energy initiative designed to drive the transition to 100% renewable electricity:

¹ <https://www.there100.org/sites/re100/files/2020-11/RE100%20Joining%20Criteria.pdf>



- (a) Certificate owners must be able to demonstrate that they have an exclusive claim to use of unique clean electricity generation to meet all its reported low carbon electricity usage². Typically, this means ownership of the generation attributes (e.g. energy attribute certificates [EAC]) associated with the generation.
- (b) Some initiatives only accept renewable sources based upon existing technologies, however, each certificate should indicate the source of its generation and therefore its ability to meet specific requirements.
- (c) Ideally, certificates should be issued in connection with electricity produced within the same market boundary as the claimant³. The “market boundary” refers to an area in which the laws and regulatory framework governing the electricity sector are sufficiently consistent between the areas of production and consumption and there is a physical grid interconnection, and
- (d) Certificates should not be issued in connection with electricity consumption which is self-generated by any company from fossil fuel-based electricity generation facilities.

1.1.11 The aim of this Policy is to set the implementation regulations for the Certificate Scheme. Additionally, the “International REC Standard Foundation” (I-REC) Standard and associated Code and Code supporting documents, will collectively define the characteristics and principles of the system in the Emirate.

1.2 Clean Energy Certificates Scheme (“Certificate Scheme”) Principles.

1.2.1 In order to ensure that the Clean Energy Certificates are internationally recognised, the DoE opted to join and adopt the established attribute tracking system for renewable energy certificates developed by the “International REC Standard Foundation” (“I-RECs”), acting as I-REC local issuer (“**Issuer**”) for the Emirate of Abu Dhabi. Accordingly the following should be noted:

- (a) All the parties involved must comply with all rules and obligations set out under the I-REC Standard and associated Code and Code supporting documents, more particularly detailed in Section 4 of this Policy.
- (b) The establishment of the Certificate Scheme requires two enabling roles. The Issuer is the responsible party formally authorised to issue the Clean Energy Certificates and the I-REC Registry is a single central registry which is responsible for:

² https://www.there100.org/sites/re100/files/2021-04/RE100%20Technical%20Criteria%20_March%202021.pdf

³ <https://www.there100.org/sites/re100/files/2020-10/Note%20on%20Market%20Boundaries.pdf>



- (i) registration of I-REC trading accounts held by any legal person or organisation (“**Participant**”);
 - (ii) registration of Production Devices,
 - (iii) registration of a group of generation installations of substantially the same technology capable of producing electricity delivered through a number of identifiable measurement points (“**Production Group(s)**”);
 - (iv) tracking Clean Energy Certificates ownership,
 - (v) recording trading transactions,
 - (vi) verifying claims, and
 - (vii) ensuring that there is no Clean Energy Certificate double counting.
- (c) Once these two roles have been established, Participants (defined in clause 1.3.5) are required to open an account in the I-REC Registry in order to own Clean Energy Certificates and perform transactions. Clean Energy Certificates are issued in the nominated account against verified meter readings of registered Production Devices. After the Clean Energy Certificates are issued, Participants can execute transactions which will be recorded in the I-REC Registry
- (d) In its capacity as Issuer, the DoE is authorised to determine the fees for the issuance of Clean Energy Certificates, and to regulate the requirements for acquiring and trading such certificates including any prohibitions and/or restrictions to sell/acquire Clean Energy Certificates inside or outside the Emirate.
- (e) The DoE has decided to initially limit the validity of the Clean Energy Certificates to within the Emirate, thus ensuring that the highest requirements for the validity of the certificates are met.
- (f) As more particularly detailed in Section 3 of this Policy, the entity acting as sole procurer of power within the Emirate will act as a single registrant for the electricity injected into the grid from DoE licensed generation entities (“**Single Registrant**”). In the case of self-supply and unlicensed generation selling to the grid from outside the Emirate, the DoE may allow other registrants in accordance with terms and conditions to be decided by the DoE (“**Other Registrant**”).
- (g) The Single Registrant shall ensure that all Participants have access to Clean Energy Certificates **under the same conditions**. Accordingly, in order to promote the creation of a non-discriminatory scheme, the Single Registrant will not act as a Participant, unless it receives prior approval from the DoE.
- (h) The revenues that the Single Registrant earns from the sales of Clean Energy Certificates shall be considered in the calculation of the Bulk Supply Tariff (BST) according to regulatory instruction, direction or guidance issued by the DoE.



- 1.2.2 In order to optimise the possibilities offered by the Emirate's generation mix, the DoE and I-REC have agreed to include the generation of power from nuclear resources as a source of clean energy to also be identified in Clean Energy Certificates.



2. Definitions

Save for definitions expressly given, the terms in this Regulatory Policy have the meanings assigned to them by the I-REC Code and its Subsidiary Documents.

- **Clean Energy Certificate Scheme:** electricity generation tracking system adopted in Abu Dhabi, establishing the attribute tracking system for renewable energy certificates developed by the “International REC Standard Foundation” (“I-RECs”), acting the DoE as I-REC local issuer (“**Issuer**”) for the Emirate of Abu Dhabi.
- **Single Registrant:** sole person or organisation legally empowered to register a Production Device or Production Group in the I-REC Registry in order to receive Clean Energy Certificates for the electricity injected into the grid from DoE licensed generation entities.
- **Other Registrant:** person or organisation legally empowered to register a Production Device or Production Group in the I-REC Registry in order to receive Clean Energy Certificates in the case of self-consumption or unlicensed generation providing electricity to the Abu Dhabi grid from outside the Emirate.
- **Licensed Participant:** any DoE licensed entities holding one or more trading accounts in the I-REC Registry.



3. Regulatory Policy Statement

3.1 Main parties involved

3.1.1 Registrant: Is the person or organisation legally empowered to register a Production Device or Production Group in the I-REC Registry in order to receive Clean Energy Certificates:

- (a) the entity acting as sole procurer of power within the Emirate (Emirates Water and Electricity Company (“**EWEC**”)) will act as a single registrant for the electricity injected into the grid from DoE licensed generation entities (“**Single Registrant**”); and
- (b) in the case of self-consumption or unlicensed generation providing electricity to the Abu Dhabi grid from outside the Emirate, the DoE may allow other registrants in accordance with terms and conditions to be decided by DoE (“**Other Registrant**”).

3.1.2 Participant: Is any organisation (excluding EWEC in its capacity as Single Registrant) holding one or more trading accounts in the I-REC Registry.

- (a) In the case of DoE licensed entities acting as Participant (“**Licensed Participant**”), the DoE, in its capacity as regulator of the Abu Dhabi energy sector shall regulate the treatment of revenues, profits and costs generated or incurred, in accordance with any price control system, regulatory instruction, direction or guidance issued by the DoE.

3.1.3 Local Issuer: The DoE is the organization formally authorised to issue Clean Energy Certificates within the Emirate, upon receiving a request from a Registrant.

3.1.4 I-REC Registry: The I-REC Registry holds and maintain records of the full lifecycle of ownership and use of the issued Clean Energy Certificates.

3.1.5 All the parties involved must comply with all rules and obligations set out under the I-REC Code and Code Supporting Documents in its issued form.

3.2 Certification process fees and I-REC services fees

3.2.1 The values described below cover the certification process fees, and should be paid directly by the Registrant to the DoE.

- (a) EWEC acting as Single Registrant is excluded from paying fees to the DoE in its capacity as Issuer (but is still liable to pay any fees levied by I-REC).



- (b) Other Registrants: In accordance with terms and conditions to be decided by DoE in its capacity as Issuer.

3.2.2 The DoE retains the right unilaterally to change its fees and charges subject to Abu Dhabi Executive Council approval. Such change to be notified to the Registrant in writing (including email) no later than ninety (90) days prior to becoming effective. The DoE will provide a schedule of fees and charges on request from any relevant stakeholder.

3.2.3 I-REC services fees (Participant and Registrant fees) are approved by I-REC and invoices are issued directly by I-REC Services (as more particularly identified in the I-REC Code).

3.3 Clean Energy Certificates prices

3.3.1 After the Clean Energy Certificates are issued, Participants can redeem the certificate attributes.

3.3.2 The certificate price is unregulated and as such is set in bilateral agreements between the parties.

3.3.3 The DoE, in its capacity as regulator of the Abu Dhabi energy sector shall regulate any activities conducted by EWEC in its role as Single Registrant – namely in terms of any licensing, monitoring and reporting requirements - the treatment of revenues, profits and costs (including but not limited to any fees payable to I-REC and Information Systems costs detailed in clause 3.6), in accordance with any regulations, policies, guidelines, or any other document that the DOE may issue from time to time. If any changes are proposed, these will take effect without prejudice to existing commercial arrangements or applicable price control arrangements.

3.4 Clean Energy Certificates Accountability and Exports

3.4.1 In alignment with the time period for collection of evidence from the Production Devices (no less than one (1) calendar month and no more than twelve (12) calendar months), any agreement by the Single Registrant to issue more than one (1) year ahead commitments of Clean Energy Certificates to the same Participant(s), will be subject to DOE approval.

3.4.2 The Clean Energy Certificates issued in the Emirate can only be redeemed within the Emirate.

3.4.3 The DoE retains the right to remove partially or totally the restriction in clause 3.4.2. Any change will be notified to the Registrant in writing (including email) no later than ninety (90) days prior to becoming effective.



3.5 Standard Terms and Conditions for Registration and Issuing Clean Energy Certificates in Abu Dhabi

3.5.1 Registrant obligations

- (a) The Registrant shall comply with this Policy, together with the requirements of the I-REC Code and its Subsidiary Documents
- (b) The Registrant has the sole authority to act in respect of energy attributes associated with its registered Production Device(s) or Production Group.
- (c) When applying for Clean Energy Certificates, the Registrant represents and warrants that the specific attributes of the qualifying energy generated match the corresponding certificates to be issued.
- (d) The Registrant shall declare all aspects of the energy attributes associated with the Production Device(s) or Production Group, as required by the I-REC framework. This may include any carbon offsetting or labelling schemes for which the Production Device(s) or Production Group has been accredited.
- (e) The Registrant shall provide to the DoE in its capacity as Issuer in a reasonable timeframe all necessary information required by this Policy, including any non-conformity of a Production Device(s) or Production Group.
- (f) All information provided by the Registrant should be complete and accurate, to the best of its knowledge.
- (g) The Registrant shall grant access to the DoE or their respective agents to all registered Production Device(s) or Production Groups and any associated documents, records and other information related to it, as it is allowed under its contractual arrangements. The Registrant's failure to permit such access entitles the DoE to suspend Issuance of Clean Energy Certificates.
- (h) The DoE has the right to perform unannounced control and auditing visits to the Registrant's premises and/or the premises of the Production Device(s) and Production Groups. If the Registrant is not the legal owner, it shall procure authorisation from such legal owners of all Production Devices and Production Groups to enable such visits without undue delay or limitation.
- (i) The Single Registrant shall ensure a non-discriminatory access to Clean Energy Certificates for all Participants.
- (j) The DoE has the right to request from EWEC, acting as Single Registrant, any and all information in connection with the Clean Energy Certificates. In compliance with this request, EWEC will submit to the



DoE a quarterly report with all requested information including but not limited to prices, volumes and the timeframe of transactions no later than thirty (30) days after the end of each quarter.

- 3.5.2 The DoE and the Registrant shall co-operate (to the extent within their power) to ensure that no unjust enrichment or detriment to the energy sector in the Emirate occurs as a result of an error in the course of the processing of a Clean Energy Certificate, or as a result of any unauthorised access to, or malfunctioning of, the I-REC Registry. For this purpose, any Clean Energy Certificates issued following the Registrant's request may be withdrawn or amended by the DoE, having regard to the objective of securing the accuracy of the Clean Energy Certificates.
- 3.5.3 The DoE shall not be liable for any losses incurred by the Registrant. However, where there may be successful contractual claims by the relevant I(W)PPAs under its contract with EWEC in its capacity as Single Registrant, EWEC will be allowed to propose these contractual claims as pass-through costs through the BST subject to price control submissions and DoE approval, as applicable.

3.6 Information Systems

- 3.6.1 In its capacity as Issuer, the DoE issues Clean Energy Certificates through the I-REC Registry, as more particularly detailed in clause 1.3.5. The I-REC Registry is provided by I-REC Services, as more particularly identified in the I-REC Code.
- 3.6.2 The Registrant shall implement the necessary information technology architecture and interfaces needed in order to use the I-REC Registry.
- 3.6.3 The Registrant shall be responsible for sufficient data security relating to the use of the I-REC Registry including account passwords.
- 3.6.4 The DoE shall inform the Registrant in writing at least thirty (30) calendar days prior to the implementation of a material change to the I-REC Registry made by I-REC Services. In urgent cases (e.g. where system integrity is at risk) changes can be made without prior notice. The DoE shall inform the Registrant by email as soon as possible after the change has been made.
- 3.6.5 The DoE shall inform the Registrant by email ten (10) working days in advance of planned unavailability of the I-REC Registry. The Registrant shall be informed of other unavailability preventing the use of the I-REC Registry as soon as reasonably possible.
- 3.6.6 The DoE has the right to suspend access to the I-REC Registry service by the Registrant if:
- (a) in the reasonable opinion of the DoE, there is misuse of the system by the Registrant (including, without limitation, its employees, agents and



other parties acting on the Registrant's behalf), for up to forty five (45) days until a breach is proven; or

- (b) the Registrant has failed to address a previously identified breach of this Policy or the breach is material and intentional.

The DoE shall suspend the Registrant's access to the I-REC Registry services by written notice. The suspension shall cease upon resolution of the issue identified.

3.6.7 Indefinite suspension of the Registrant's access to the I-REC Registry may be implemented by written notice until the breach has been corrected, and mitigating actions have been executed to avoid its reoccurrence.

3.6.8 The Registrant shall notify the DoE immediately upon discovery of any faults or defects in the I-REC Registry and/or its associated website and will co-operate fully with the DoE in the diagnosis and resolution of any such fault or defect.

3.7 Intellectual Property and Confidentiality

3.7.1 No intellectual property in the I-REC Registry, any I-REC documentation, the I-REC website or the DoE's website shall (either wholly or partially) be transferred to the Registrant. The Registrant holds a non-exclusive, non-transferable licence to use the I-REC Registry, its associated website, and I-REC documentation solely to enable the Registrant to benefit from the I-REC Services.

3.7.2 The DoE has the right, as applicable under Law, to verify personal data provided by the Registrant in order to comply with international anti-fraud standards. This may include the disclosure of personal information to the relevant national and international authorities.



4. References

- The I-REC Code: <https://www.irecstandard.org/documents/>

The Code itself is intended to be a statement of principles and a description of how the system operates at high level. Detailed descriptions of procedures are contained in Code Subsidiary Documents

CSD01 – Registrant and Participant Application. Code Subsidiary Document 01: <https://www.irecstandard.org/documents/>

This document sets out the process for opening an Account on the I-REC Registry

- **CSD02 – Single and Group Production Device Registration.** Code Subsidiary Document 02. <https://www.irecstandard.org/documents/>

This document sets out the process for registering a Production Device or Production Group in order to receive I-RECs.

- **CSD03 – The Issuer.** Code Subsidiary Document 03. <https://www.irecstandard.org/documents/>

This document sets out the process for the application and accreditation of I-REC Issuers

- **CSD04 – Requesting I-REC Issuance.** Code Subsidiary Document 04: <https://www.irecstandard.org/documents/>

This document sets out the process for Issuing I-RECs into an Account on the I-REC Registry

- **CSD05- Change Management:** Code Subsidiary Document 05. <https://www.irecstandard.org/documents/>

This document sets out the process for changing the I-REC Code and its Code Subsidiary Documents

- **RE100 TECHNICAL CRITERIA** Date of publication: March 22nd, 2021

https://www.there100.org/sites/re100/files/2021-04/RE100%20Technical%20Criteria%20_March%202021.pdf

The RE100 Criteria define what counts as sourcing renewable electricity for the purpose of participation in the RE100 campaign.