Law No. (19) of 2009 Establishing the Supreme Council of Energy¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (18) of 2006 Concerning Management and Realisation of the Public Funds of the Government of Dubai;

Law No. (27) of 2006 Concerning Management of the Government of Dubai Human Resources;

Law No. (18) of 2009 Establishing the Department of Petroleum Affairs;

Decree No. (1) of 1992 Establishing the Dubai Electricity and Water Authority and its amendments;

Decree No. (2) of 1992 Establishing the Dubai Supply Authority;

Decree No. (9) of 2001 Concerning Dubai Aluminium Company Limited; and

Decree No. (26) of 2006 Establishing the Dubai Petroleum Establishment,

Do hereby issue this Law.

Article (1)

This Law will be cited as "Law No. (19) of 2009 Establishing the Supreme Council of Energy".

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¹Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.

Article (2)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate: The Emirate of Dubai.

Ruler: His Highness the Ruler of Dubai.

Government: The Government of Dubai.

Executive Council: The Executive Council of the Emirate of Dubai.

SCE: The Supreme Council of Energy.

Secretary General: The secretary general of the SCE.

Advisory Committee: The advisory committee of the SCE.

Energy Service

Providers:

Any public or private entity licensed to operate in the energy field, including in the production, transmission, and distribution of electricity, water, petroleum products, gas, and central cooling for

consumers.

Quality Standards: The standards applied to assess electrical conductivity and the

availability of electricity sources.

Renewable Energy: Primary energy sources that are used for generating electricity and

that are sustainably renewable in line with the consumption of produced electricity. This includes solar energy, wind energy,

biomass energy, and geothermal energy.

Article (3)

Pursuant to this Law, a council named the "Supreme Council of Energy" is established. The SCE will have legal personality and the legal capacity required to undertake the acts and dispositions that ensure the achievement of its objectives.

Article (4)

For purposes of this Law, the energy sector includes:

- 1. the exploration, production, storage, transportation, and distribution of natural gas, liquefied petroleum gases, and crude oil; and the provision of related services;
- 2. the production and transportation of condensate, petroleum products, and fuel for public consumption; and the provision of related services;
- 3. the generation, transmission, and distribution of electricity for public consumption; and the provision of related services;
- 4. the production of electricity from Renewable Energy sources, the hybrid generation of electricity, and the provision of related services;
- 5. the production of nuclear energy for civil purposes, particularly for generating electricity and desalinating salt water;
- 6. in general, the initiatives and programmes designed for managing demand against consumption;
- 7. central cooling;
- 8. the production, storage, and distribution of water for public consumption; and the collection, treatment, and disposal of sewage water; and
- 9. any other initiatives or programmes related to energy or water.

Article (5)

- 1. The SCE will be comprised of a chairman, a vice chairman, and at least five (5) other specialised and experienced members representing the energy sectors in the Emirate. The SCE members will be appointed pursuant to a decree of the Ruler.
- 2. The SCE will convene at the invitation of its chairman, or vice chairman in case of absence of the chairman, at least once every two (2) months or where necessary. Meetings of the SCE will be valid if attended by the majority of its members, provided that the chairman or vice chairman is in attendance. Resolutions and recommendations of the SCE will be passed by majority vote of the attending members; and in the event of a tie, the chair of the

- meeting will have a casting vote. The resolutions of the SCE will be recorded in minutes signed by the chair of the meeting and the attending members.
- 3. In the performance of its functions, the SCE may, as it deemed appropriate, seek the assistance of experts and specialists by inviting them to attend its meetings, but they will have no vote.

Article (6)

The SCE will have the following objectives:

- 1. to ensure maintaining the energy supply to the Emirate by:
 - a. providing the primary sources of energy at a reasonable cost and minimising the resulting negative environmental impact;
 - b. establishing Quality Standards and ensuring that Energy Service Providers strictly apply these standards; and
 - c. providing guidelines and instructions to Energy Service Providers in respect of the priorities of energy sector policies and various activities;
- 2. to effectively develop energy sector related plans by:
 - a. developing appropriate plans for meeting the future energy needs of the Emirate;
 - b. contributing to the development of the Dubai strategic energy plan and update this plan at least once every three (3) years in line with the Dubai Strategic Plan;
 - c. reviewing and updating the medium-term (5-year) energy plans for Energy Service Providers; and
 - d. ensuring effective coordination of the planning processes and the provision of necessary data to all concerned entities;
- 3. to regulate the rights and obligations of Energy Service Providers and establish effective cooperation and coordination amongst them;
- 4. to enhance the cost effectiveness and the quality of provided energy services by all means available, including by:
 - a. providing the appropriate incentives to accomplish the desired outcomes; and

- b. imposing a cost-based tariff where necessary;
- 5. to rationalise energy consumption and emphasise environmental sustainability by:
 - a. determining the policies and objectives of demand management initiatives and programmes, including Renewable Energy and alternative energy initiatives;
 - b. providing incentives to Energy Service Providers to encourage them to accomplish the desired outcomes; and
 - c. determining the level and sources of funding Government support to services;
- 6. to boost cooperation in all matters related to energy in the Emirate by:
 - a. coordinating on energy related matters with the authorities and entities concerned with urban planning and the environment and with any other entities; and
 - b. coordinating with international and regional organisations and companies operating in the energy field.

Article (7)

For the purpose of achieving its objectives, the SCE may:

- 1. propose the Dubai strategic energy plan every three (3) years;
- 2. manage, coordinate, develop, and approve the energy sector policies;
- 3. involve the entities affected by the operations of Energy Service Providers in the process of planning and developing the energy sector policies;
- 4. approve the fees and tariffs for the services provided by Energy Service Providers to the public and any changes thereto;
- 5. compile data and information from Energy Service Providers, including five-year plans, operational plans, financial documents and records, and other necessary documents;
- 6. verify that Energy Service Providers are in compliance with the approved energy sector policies;
- 7. review the contracts concluded by Energy Service Providers with international organisations and any major amendments to currently enforceable contracts;

- 8. resolve any conflicts that may arise between Energy Service Providers in an amicable manner;
- 9. propose the level of Government support to the energy sector in coordination and consultation with concerned entities, and submit the same to the Executive Council for approval;
- 10. evaluate the performance of Energy Service Providers and the quality of their services;
- 11. consider and resolve customer complaints concerning the performance of Energy Service Providers;
- 12. submit annual reports to the Executive Council on the financial performance and key performance indicators of the SCE;
- 13. provide appropriate advice, consultation, and recommendations to the Government on all matters related to energy sector policies, particularly on the impact of the financial cost incurred by the energy sector on the tariffs for consumption of electricity, water, petroleum, and petroleum products;
- 14. ensure sufficient and uninterrupted supply of electricity, water, and fuel at reasonable prices;
- 15. ensure efficient storage and distribution of water supplies; and
- 16. ensure that sewage water is treated in a manner that ensures the security, health, and safety of the environment; and enhance its use for appropriate purposes.

Article (8)

- 1. A Secretary General will be appointed to the SCE pursuant to a resolution of the Chairman of the Executive Council.
- 2. The Secretary General will coordinate and arrange for meetings of the SCE, supervise its work, and follow up the implementation of its resolutions in coordination with the concerned sectors and entities in the Emirate.
- 3. The SCE will have an administrative and technical body appointed by the Secretary General and comprised of employees to whom Law No. (27) of 2006 Concerning Management of the Government of Dubai Human Resources applies.

Article (9)

The SCE will have an Advisory Committee comprised of a chairman and at least six (6) competent and specialised members appointed pursuant to a resolution issued by the SCE.

Article (10)

The Advisory Committee will provide advice to the SCE concerning the latest best practices in energy technology and the modern economic and financial trends in the energy sector.

Article (11)

The Advisory Committee will convene at the invitation of its chairman at least once every three (3) months or where necessary. Advisory Committee meetings will be valid if attended by the majority of its members, provided that the chairman of the Advisory Committee is in attendance. The Advisory Committee will issue its resolutions by majority vote of the attending members; and in the event of a tie, the chairman of the Advisory Committee will have a casting vote. The resolutions of the Advisory Committee will be recorded in minutes signed by its chairman and the attending members.

Article (12)

The SCE will have an annual budget approved pursuant to a resolution of the Executive Council.

Article (13)

The financial resources of the SCE will consist of:

- 1. the support allocated to the SCE in the general budget of the Emirate; and
- 2. any other resources approved by the Executive Council.

Article (14)

The Chairman of the Executive Council will issue the regulations and resolutions required for the implementation of the provisions of this Law.

Article (15)

Any provision in any other legislation will be repealed to the extent that it contradicts the provisions of this Law.

Article (16)

This Law comes into force on the day on which it is issued, and will be published in the Official Gazette.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

Issued in Dubai on 28 June 2009 Corresponding to 5 Rajab 1430 A.H.