

Executive Council Resolution No. (6) of 2021
Regulating the
Provision of District Cooling Services in the Emirate of Dubai¹

**We, Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai,
Chairman of the Executive Council,**

After perusal of:

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

Law No. (10) of 2003 Establishing the Emirates Central Cooling Systems Corporation and its amendments;

Law No. (9) of 2004 Concerning the Dubai International Financial Centre and its amendments;

Law No. (14) of 2009 Concerning the Pricing of Government Services in the Emirate of Dubai and its amendments;

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

Law No. (12) of 2010 Concerning Protection of the Service Network of the Emirates Central Cooling Systems Corporation;

Law No. (6) of 2011 Regulating Participation of the Private Sector in Electricity and Water Production in the Emirate of Dubai;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai;

Law No. (8) of 2016 Regulating the Grant of Law Enforcement Capacity in the Government of Dubai and its Implementing Bylaw;

Law No. (6) of 2019 Concerning Ownership of Jointly Owned Real Property in the Emirate of Dubai;

Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai;

Executive Council Resolution No. (27) of 2008 Concerning the Use of Thermal Storage and Saline Water in District Cooling Systems in the Emirate of Dubai;

Executive Council Resolution No. (2) of 2010 Establishing the Regulatory and Supervisory Bureau for the Electricity and Water Sector in the Emirate of Dubai;

Regulation No. (4) of 2009 Regulating Work in the Right of Way in the Emirate of Dubai and its Implementing Bylaw; and

©2021 The Supreme Legislation Committee in the Emirate of Dubai

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.

The legislation establishing and regulating free zones in the Emirate of Dubai,

Do hereby issue this Resolution.

Definitions

Article (1)

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

Emirate:		The Emirate of Dubai.
SCE:		The Supreme Council of Energy.
Chairman:		The chairman of the SCE.
RSB:		The Regulatory and Supervisory Bureau for the Electricity and Water Sector in the Emirate of Dubai established pursuant to the above-mentioned Executive Council Resolution No. (2) of 2010.
Government Entity:		Any of the Government departments, public agencies or corporations, Government councils and authorities in the Emirate, or similar entities.
District Cooling System:		The system determined by the RSB which comprises fixed and moveable assets, a District Cooling Plant, and a District Cooling Network.
District Cooling Plant:		This includes pumping stations, chillers, thermal storage facilities, cooling towers, electrical substations, emergency power supply equipment, system control units, switchgear, ancillary electrical installations, pipes and connections, and other ancillary equipment used for the production and distribution of chilled water.
District Cooling Network:		The distribution pipelines comprising supply and return lines, and their appurtenances which are used to transport chilled water from a District Cooling Plant to one or more District Cooling Plants and to one or more Buildings.
District Cooling Service:		The activity related to generating, distributing, selling, or billing Cooling Energy.
Billing Service:		The activity of installing meters and billing and collecting the District Cooling Service charges based on the quantities supplied to a Customer. Billing Services may be provided directly by a Service Provider or by a Billing Agent.

Cooling Energy:	The energy generated from chilled water through a District Cooling System.
Service Provider:	A private company or establishment authorised by the RSB to provide District Cooling Services to Customers.
Billing Agent:	A private company or establishment authorised by the RSB to provide Billing Services to Customers on behalf of a Service Provider.
Permit Holder:	A Service Provider or a Billing Agent.
Customer:	The beneficiary of a District Cooling Service with whom the relevant service contract is concluded.
Permit:	A document issued by the RSB authorising a Permit Holder to conduct his activities in accordance with the provisions of this Resolution, and the standards and requirements stipulated in this document and in the Addendum.
Addendum:	The document attached to a Permit in which the RSB prescribes the technical specifications and requirements that must be met in respect of the District Cooling System, including its Cooling Capacity, the location where the system will be implemented, and the area within which the District Cooling Service will be provided.
Terms of the Permit:	The technical, regulatory, and performance requirements stipulated in a Permit or an Addendum.
Cooling Capacity:	The production capacity of the District Cooling System measured in refrigeration tonnes that a Service Provider is authorised to provide in accordance with his Permit.
Exemption Certificate:	A document issued by the RSB exempting a Permit Holder from compliance with one or more of the Terms of the Permit.
Building:	Any Real Property Unit that is provided with a District Cooling Service.
Person:	A natural person or a public or private legal person.

Scope of Application Article (2)

- a. This Resolution will apply to all Persons who provide District Cooling Services or Billing Services in the Emirate, including in Special Development Zones and free zones, such as the Dubai International Financial Centre.

- b. Notwithstanding the provisions of paragraph (a) of this Article, the provisions of this Resolution related to obtaining Permits and imposing penalties will not apply to the Government Entities that conduct activities related to providing District Cooling Services or Billing Services in accordance with the legislation in force in the Emirate. Likewise, these Government Entities will not be subject to any provision that conflicts with the legislation establishing them or regulating their work.

Objectives of this Resolution

Article (3)

This Resolution aims to:

1. provide a legislative framework that regulates all aspects related to providing District Cooling Services in the Emirate, and the relationship amongst all the parties involved in this service;
2. contribute to implementing the Dubai Integrated Energy Strategy by promoting the implementation of various energy efficient practices in the fields of air conditioning and cooling;
3. contribute to protecting the environment and developing natural resources by reducing greenhouse gas emissions;
4. encourage the development of the green economy with a view to achieving sustainable development in the Emirate; and
5. enhance the operational performance of District Cooling Systems.

Functions of the RSB

Article (4)

- a. In addition to its functions under the above-mentioned Executive Council Resolution No. (2) of 2010, the RSB is the competent entity in charge of regulating the provision of District Cooling Services and Billing Services in the Emirate. For this purpose, the RSB will have the duties and powers to:
 1. establish the criteria for determining the entities required to obtain Permits, and submit the same to the SCE for approval;
 2. establish the requirements for obtaining Permits and the criteria for determining their validity period; establish the requirements for issuing Addenda; and submit the same to the SCE for approval;
 3. consider and determine the applications submitted to obtain or amend Permits, in accordance with the relevant approved standards;

4. develop the standards and rules that must be followed by Permit Holders to conduct their activities, and submit the same to the SCE for approval;
 5. develop the rules governing the measures that may be taken by a Permit Holder against any Customer who fails to pay his bills, and submit the same to the SCE for approval;
 6. monitor and supervise the Persons who provide District Cooling Services or Billing Services; verify their compliance with this Resolution and the resolutions issued in pursuance hereof; and take the necessary action against violators;
 7. collect from Permit Holders any data or information the RSB deems appropriate to support its regulatory and supervisory activities;
 8. consider any dispute that may arise between Customers and Permit Holders or amongst Permit Holders in respect of providing District Cooling Services or Billing Services; and attempt to settle such disputes amicably through a committee formed by the SCE pursuant to a resolution it issues in this respect, wherein it determines the terms of reference and applicable procedures of the committee;
 9. prepare the procedures regulating the provision of District Cooling Services and Billing Services in coordination with the concerned Government Entities, and submit the same to the SCE for approval;
 10. approve the forms required for implementing the provisions of this Resolution, including the standard District Cooling Service contract to be concluded between a Permit Holder and a Customer; and
 11. exercise any other duties or powers assigned to it by the SCE and required for the achievement of the objectives of this Resolution.
- b. The functions of the RSB under paragraph (a) of this Article will not prejudice the functions of Government Entities under the legislation in force.

Provision of District Cooling Services and Billing Services

Article (5)

- a. No Person may provide District Cooling Services or Billing Services in the Emirate, whether with or without consideration, unless he is licensed by the competent licensing authorities to operate in the Emirate and holds a Permit.
- b. A Permit will be issued in accordance with the provisions of this Resolution and the resolutions issued in pursuance hereof, and subject to the legislation in force in the Emirate.

Issuing Permits and Addenda

Article (6)

- a. An application to obtain a Permit or Addendum will be submitted to the RSB on the form prepared for this purpose. The application must be supported by the information and documents required by the RSB.
- b. The RSB will consider the Permit or Addendum application and determine it within sixty (60) days from the date of its submission, unless the RSB decides to extend this period for valid reasons and notifies the applicant of the extension.
- c. The RSB will determine the validity period of the Permit in accordance with the relevant criteria and rules adopted by the SCE.

Amendment of Permits

Article (7)

- a. The RSB may, for reasons relating to public interest, amend any of the Terms of the Permit or those of the Addendum, provided that the RSB notifies the Permit Holder of the nature of, and reasons for, the amendment.
- b. A Permit Holder must inform the RSB in writing of its acceptance of or objection to the proposed amendment within thirty (30) days from the date of being notified of the amendment. Where the Permit Holder fails to inform the RSB of his objection to the amendment within the prescribed time frame, the amendment will become binding on the Permit Holder.

Exemption Certificates

Article (8)

- a. The RSB may, in coordination with the concerned Government Entity, exempt a Permit Holder from compliance with certain technical requirements or rules stipulated in the Permit or Addendum for a period to be determined by the RSB.
- b. The RSB may extend or otherwise modify the exemption period determined in accordance with the provisions of paragraph (a) of this Article, or revoke the exemption, pursuant to an Exemption Certificate which states the type, term, and conditions of the exemption, in addition to the reasons for amendment or cancellation of the exemption where applicable.

Obligations of Permit Holders

Article (9)

A Permit Holder must:

1. obtain approval from the Government Entity in charge of licensing buildings and classification of land use before installing a District Cooling Plant and connecting it to a District Cooling System;
2. obtain an environmental clearance from the concerned Government Entity before operating a District Cooling Plant;
3. obtain approvals from the concerned Government Entities for the design and implementation of the infrastructure required for the establishment of a District Cooling Network; and comply with the relevant procedures, conditions, and requirements adopted by these entities;
4. meet all the requirements and provide all the equipment required for installing a District Cooling Plant, including Cooling Energy consumption meters, and connecting it to a District Cooling System; and use power efficient systems and technologies, in accordance with the standards approved in this respect, and particularly security and safety requirements;
5. comply with the Terms of the Permit, the standards and technical requirements stated in the Addendum, and any other requirements prescribed by the RSB;
6. determine the complaints submitted to it by Customers concerning any dispute that may arise between the Permit Holder and the Customers or between the Customers and the Billing Agent, in accordance with the procedures and processes developed by the Permit Holder and approved by the RSB;
7. conclude District Cooling Service contracts with Customers on the forms adopted by the RSB; and
8. meet any other obligations determined pursuant to a resolution of the Chairman or required by the legislation in force in the Emirate.

Service Corridors for Use by Service Providers

Article (10)

- a. The concerned Government Entities and Developers must provide the required service corridors within the areas they supervise to lay down District Cooling Networks and allow Service Providers to provide District Cooling Services. These service corridors must be implemented in line with the routes, plans, specifications, conditions, procedures, time frames, planning requirements, and land use prescribed by the concerned Government Entities and adopted by Developers.
- b. These service corridors provided for laying down District Cooling Networks in accordance with the provisions of paragraph (a) of this Article will be shared by all Service Providers. The concerned Government Entities will not be responsible for providing any Service Provider with any additional service corridors.

- c. A Service Provider may not object to any request submitted by another Service Provider to lay down District Cooling Networks within the Right of Way, unless it is established to the RSB and the competent entities that the objecting Service Provider has infrastructure existing within the Right of Way, which renders the other Service Provider's request technically unfeasible.
- d. The Service Provider will bear all costs related to laying down District Cooling Networks and must meet the relevant obligations imposed on him by the concerned Government Entities and the Developers.

Metering and Billing

Article (11)

- a. The tariff for District Cooling Services provided to Customers will be calculated on the basis of Cooling Capacity, Cooling Energy, or any other basis approved by the RSB.
- b. The bills must include the following details:
 - 1. the contracted Cooling Capacity;
 - 2. the contracted Cooling Capacity unit rate in UAE dirhams;
 - 3. volume of consumption;
 - 4. consumption unit rate in UAE dirhams;
 - 5. Billing Service charges in UAE dirhams; and
 - 6. any other details determined pursuant to the relevant resolution of the RSB.

Approval of Charges and Tariffs

Article (12)

- a. The SCE will approve all charges and tariffs proposed by Permit Holders for the services they provide, and any subsequent changes thereto. These include without limitation the following:
 - 1. District Cooling Service connection charges;
 - 2. disconnection and reconnection charges of District Cooling Services;
 - 3. Cooling Capacity charges;
 - 4. District Cooling Service consumption tariffs;
 - 5. meter maintenance tariffs;

6. surcharge on low chilled water temperature difference (low Delta T);
 7. surcharge on excess cooling load; and
 8. Billing Service charges.
- b. No Permit Holder may collect from a Customer any charges or tariffs for the services it provides unless such charges or tariffs are approved by the SCE.

Disposal of District Cooling System Assets

Article (13)

No District Cooling System asset may be disposed of without first obtaining the written approval of the RSB. This will not apply to the following dispositions:

1. internal sale or transfer of ownership of assets by a Permit Holder;
2. mortgage of assets for the purpose of obtaining finance for a District Cooling System;
3. creation of step-in rights in respect of a contract for the provision of District Cooling Services to ensure continuity of service in the event of termination of such a contract; and
4. replenishment or replacement in whole or in part of assets, provided that the Service Provider's ability to meet service quality and standards is not compromised.

Notification of Violations

Article (14)

Where a Permit Holder commits any of the violations stipulated in the Schedule attached to this Resolution, the RSB must serve the violator with a violation notice which must:

1. state the details and type of the violation; and
2. determine the time frame for remedying the violation and the measures that will be taken in case of failure to remedy the violation within the prescribed time frame.

Penalties and Administrative Measures

Article (15)

- a. Without prejudice to any stricter penalty stipulated in any other legislation, a Person who commits any of the violations stated in the Schedule attached to this Resolution, and fails to comply with the notification of violation served on him pursuant to Article (14) hereof, will be punished by the fine indicated opposite that violation.
- b. Upon repetition of the same violation within one (1) year from the date of the previous violation, the amount of the fine prescribed in the Schedule referred to in paragraph (a)

of this Article will be doubled. A fine must not exceed two hundred thousand dirhams (AED 200,000.00).

- c. In addition to the penalty of a fine prescribed in paragraph (a) of this Article, the RSB may, without prejudice to the interests of Customers, take either of the following measures against a violator:
 - 1. suspension of the Permit for a period not exceeding three (3) months; or
 - 2. revocation of the Permit.
- d. The penalties and administrative measures prescribed in this Article will not prejudice the right of the party affected by the violation to claim compensation from the violator for the damage sustained on account of the violation.

Law Enforcement Article (16)

The RSB employees nominated pursuant to a resolution of the Chairman or his authorised representative will have the capacity of law enforcement officers to record the acts committed in breach of the provisions of this Resolution and the resolutions issued in pursuance hereof. In this capacity, they may issue the necessary violation reports, and, where necessary, seek assistance from police personnel.

Grievances Article (17)

Any affected party may submit a written grievance to the Chairman or his authorised representative against any decision, procedure, administrative penalty, or measure taken against him in accordance with this Resolution and the resolutions issued in pursuance hereof, within thirty (30) days from the date of being notified of the contested decision, procedure, administrative penalty, or measure. The grievance will be determined, within sixty (60) days, by a committee formed by the Chairman or his authorised representative for this purpose, and the decision issued by the committee on the grievance will be final.

Payment of Fines Article (18)

The fines collected pursuant to this Resolution will be paid to the Public Treasury of the Government of Dubai.

Compliance Article (19)

- a. A Person who provides a District Cooling Service or a Billing Service by the effective date of this Resolution must comply with the provisions hereof within a period not exceeding one (1) year from that effective date. The Chairman may, where required, extend this grace period for the same period.
- b. A Permit Holder must amend the terms and conditions of the contracts concluded with his Customers before the effective date of this Resolution to comply with the standard contract form approved by the RSB, upon expiry of these contracts or within one (1) year from the effective date of this Resolution, whichever comes first.

Issuing Implementing Resolutions Article (20)

The Chairman will issue the resolutions required for the implementation of the provisions of this Resolution.

Repeals Article (21)

Any provision in any other resolution will be repealed to the extent that it contradicts this Resolution.

Publication and Commencement Article (22)

This Resolution will be published in the Official Gazette and will come into force on the day on which it is published.

Hamdan bin Mohammed bin Rashid Al Maktoum
Crown Prince of Dubai
Chairman of the Executive Council

Issued in Dubai on 4 March 2021
Corresponding to 20 Rajab 1442 A.H.

Schedule of Violations and Fines

SN	Violation	Fine (in dirhams)
1	Violating any of the Terms of the Permit or Addendum	50,000.00
2	Providing District Cooling Services without a Permit	65,000.00
3	Providing Billing Services without a Permit	35,000.00
4	Disposing of District Cooling System assets in violation of Article (13) of this Resolution	20,000.00
5	Failure to comply with any of the exemption terms stated in the Exemption Certificate	3,000.00
6	Failure to comply with the standards or rules adopted by the RSB under this Resolution and the resolutions issued in pursuance hereof	3,000.00