

Federal Decree-Law No. (17) of 2022
Concerning the Regulation of Connecting Distributed
Renewable Energy Production Units to the Electrical Grid

We, Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates

Having reviewed the Constitution,

And Federal Law No. (1) of 1972 concerning the Competences of Ministries
and Powers of Ministers, and its amendments,

And Federal Law No. (14) of 2016 concerning Violations and Administrative
Penalties in the Federal Government,

And Federal Decree-Law No. (31) of 2020 concerning Etihad Water and
Electricity Company,

And based on the proposal of the Minister of Energy and Infrastructure,
and the approval of the Cabinet,

We have issued the following Decree-Law:

Article (1)
Definitions

In the application of the provisions of this Decree-Law, the following words
and phrases shall have the meanings assigned to each of them, unless the
context requires otherwise:

The State : The United Arab Emirates.

The Ministry : The Ministry of Energy and Infrastructure.

The Emirate : Any emirate of the State.

The Competent Authority : The Ministry or the local authority responsible for
regulating the generation, distribution, and supply of
electricity, as the case may be.

Renewable Energy : Energy generated from natural resources that are
replenished at a rate faster than they are consumed.

The Service Provider

: Federal or local government entities, or a licensed private sector establishment concerned with the distribution and supply of electricity to consumers.

The Person : A natural or legal person.

The Producer : Any person who generates electricity using the Distributed Production Unit, in accordance with the provisions of this Decree-Law and the legislation in force in the Emirate, and does not include the Service Provider.

The Distributed Production Unit : One or more units designated for generating electricity by means of renewable energy sources, which are connected to the Distribution Grid.

The Distribution Grid : The grid belonging to the Service Provider, consisting of, without limitation, the electrical power network at the voltage borne by lines, cables, substations, pole-mounted transformers, and analogous electrical elements such as resistors, inductors, capacitors, electrical switches, and meters designated for distributing electricity to consumers.

The Connection : The connection of Distributed Production Units to the Distribution Grid.

The Connection Agreement : The agreement concluded between the Service Provider and the Producer, which regulates the rules and conditions for operating the Distributed Production Unit and its connection to the Distribution Grid.

The Annual Limit : The maximum annual capacity of Distributed Production Units permitted to be connected to the Service Provider's Distribution Grid.

The Imported Electrical Energy : The electrical energy consumed by the Producer and supplied from the Distribution Grid through the consumption account designated for measuring the quantity of electrical energy imported from the Distribution Grid to a specific real estate unit, by one

or more meters dedicated for this purpose and owned by the Producer.

The Exported Electrical Energy : The electrical energy generated by the Producer through the Distributed Production Unit and exported to the Distribution Grid.

Renewable Energy Sources : Renewable natural materials used to generate electrical energy.

The Energy Surplus : The difference between the Exported Electrical Energy and the Imported Electrical Energy during a specific period.

The Electrical Installation Contractors : The consultant qualified to design, supervise, and follow up on the connection process, or the electrical contractor qualified to install, maintain, and connect Distributed Production Units to the Distribution Grid.

Article (2)

Objectives of the Decree-Law

This Decree-Law aims to:

1. Regulate the connection of Distributed Production Units to the Distribution Grid and their specifications.
2. Enable Persons to generate electrical energy from renewable energy sources.
3. Enhance the diversification of renewable energy sources within the State with the aim of optimal utilization of natural resources.
4. Contribute to environmental protection by reducing the carbon emissions footprint.
5. Reduce the demand for electricity from the distribution grids during peak times.

Article (3)

Scope of Application

The provisions of this Decree-Law shall apply to the operations of connecting Distributed Production Units to the Distribution Grid, and to all Producers, Service Providers, and Electrical Installation Contractors in the State, including economic zones, free zones, and investment zones.

Article (4)

Competences of the Ministry

For the purposes of applying this Decree-Law, the Ministry shall be competent in the following:

1. To undertake the tasks of the Competent Authority in the Emirates where Etihad Water and Electricity Company provides services, or any federal entity that replaces it.
2. To establish a database for Distributed Production Units and Producers.
3. To coordinate with local Competent Authorities and Service Providers regarding the application of the provisions of this Decree-Law.

Article (5)

Competences of the Competent Authority

For the purposes of applying this Decree-Law, the Competent Authority, within its scope of jurisdiction and in accordance with the legislation, regulations, and powers in force in the State, shall assume the following competences:

1. Preparing and adopting the general policy for the generation of electrical energy from Distributed Production Units.
2. Determining the electrical voltage and size of Distributed Production Units permitted to be connected to the Distribution Grid and the renewable energy sources licensed for use in generating distributed electrical energy, in coordination with the Service Provider.
3. Adopting the Annual Limit and its distribution mechanism among the different categories of Producers to achieve the objectives of the general policy for generating electrical energy from Distributed Production Units, in coordination with the Service Provider.
4. Adopting the conditions, regulations, agreements, requirements, standards, and specifications for connecting Distributed Production Units, and conducting periodic reviews thereof to ensure the stability of the Distribution Grid, in accordance with the approved standards and specifications in the State and the concerned Emirate, in coordination with the Service Providers.

5. Monitoring and supervising Producers and verifying their compliance with the provisions of this Decree-Law and the conditions, regulations, agreements, requirements, standards, and specifications for connecting Distributed Production Units, and imposing fines, administrative penalties, and taking appropriate corrective measures in accordance with the provisions of this Decree-Law and the legislation in force in each Emirate.
6. Establishing a database for Producers that includes all data and information regarding the size of the production capacity, production volume, location, and type of Distributed Production Units.
7. Licensing the generation of energy from Distributed Production Units and their connection to the Distribution Grid in accordance with the legislation in force in the State.

Article (6)

Competences of Service Providers

For the purposes of applying this Decree-Law, Service Providers shall be competent in the following:

1. Accrediting Electrical Installation Contractors and ensuring their full knowledge of the requirements, specifications, and standards of Distributed Production Units, the requirements for their connection to the Distribution Grid, and the risks of connection to the grid's stability, in accordance with the technical specifications and requirements approved in each Emirate.
2. Periodically feeding the database of the Ministry and the Competent Authority with data on Distributed Production Units and Producers.

Article (7)

Connection Agreement

Any person wishing to connect a Distributed Production Unit to the Distribution Grid shall be obliged to obtain prior approval from the Competent Authority and conclude a Connection Agreement with the Service Provider in accordance with the legislation in force with the Competent Authority.

Article (8)

Producer's Obligations

The Producer shall be obliged to do the following:

1. Obtain the approval of the competent authorities for building permits and land use classification in the Emirate before installing Distributed Production Units and connecting them to the Distribution Grid.
2. Contract with Electrical Installation Contractors accredited by the Service Provider.
3. Obtain a license from the Competent Authority to generate electrical energy by means of Distributed Production Units in accordance with the legislation in force with the Competent Authority.
4. Provide all necessary requirements and devices for the installation of the Distributed Production Unit and its connection to the Distribution Grid according to specifications, including security and safety requirements and electrical energy measuring devices.
5. Comply with the terms of the Connection Agreement and all requirements, conditions, and regulations for connection, and any other conditions adopted by the Competent Authority and the Service Provider in this regard.
6. Not to exceed the electrical energy permitted to be generated and exported to the Distribution Grid.
7. Not to perform any act that affects the safety and efficiency of the Distribution Grid.
8. Cooperate with the employees of the Competent Authority and the Service Provider in all matters related to the provisions of this Decree-Law and the local legislation in force, including allowing them to measure the amount of Exported Electrical Energy.
9. Preserve the environment, public health, and safety in accordance with the requirements of the legislation in force in this regard.
10. Pay the fees and costs for connecting the Distributed Production Units.

Article (9)

Consumption and Export of Produced Electrical Energy

The Competent Authority may regulate the supply tariff for Imported Electrical Energy and Exported Electrical Energy, the Energy Surplus, and the fees and costs for connecting Distributed Production Units for different categories of Producers, and adopt any material or non-material incentive systems, in a manner consistent with the adopted general policy for the

generation of electrical energy from Distributed Production Units in the Emirate.

Article (10)

Amending Connection Conditions and the Annual Connection Limit

Without prejudice to the rights of Producers, the Service Provider may, after obtaining the approval of the Competent Authority, do the following:

1. Make appropriate amendments to the connection conditions, provided that it announces these amendments and their effective date in accordance with the procedures determined by the Competent Authority.
2. Amend the Annual Limit for connection by increase or decrease to ensure the efficiency and safety of the Distribution Grid and its associated systems, and determine the priorities for connection and the targeted categories of Producers according to the Annual Limit for connection and the general policy for the generation of electrical energy from Distributed Production Units.

Article (11)

Protection of the Distribution System

The Service Provider may at any time disconnect the Distributed Production Unit from the Distribution Grid if there is a risk threatening the security and safety of the Distribution Grid or if the Producer violates any of the connection requirements or the Connection Agreement, provided that the Service Provider in this case notifies the Competent Authority.

Article (12)

Violations and Administrative Penalties

The violations and administrative penalties for acts committed in contravention of the provisions of this Decree-Law and the decisions issued in its implementation, the authorities that impose the penalties, the mechanism for grievance against them, and the authority responsible for collecting administrative fines shall be determined by a decision of the Cabinet based on the proposal of the Minister and in coordination with the Competent Authority.

Article (13)

Delegation of Competences

The Competent Authority may delegate any of its competences stated in this Decree-Law and the decisions issued in its implementation to the Service Provider, in accordance with the legislation in force.

Article (14)

Reconciliation of Status

All Producers and Service Providers must reconcile their status in accordance with the provisions of this Decree-Law within a period not exceeding one year from the date it comes into force, and the Competent Authority may extend this period for a period not exceeding one year.

Article (15)

Executive Decisions

The Competent Authority shall issue the necessary decisions to implement the provisions of this Decree-Law, each according to its competence.

Article (16)

Repeals

Any provision that violates or contradicts the provisions of this Decree-Law is hereby repealed.

Article (17)

Publication of the Decree-Law and its Entry into Force

This Decree-Law shall be published in the Official Gazette and shall come into force (30) thirty days after the date of its publication.

Mohamed bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace – Abu Dhabi:

On: 30 / Safar / 1444 H

Corresponding to: 26 / September / 2022 AD