

## **Law No. (11) of 2018**

### **Concerning the Establishment of the Department of Energy**

**We, Khalifa bin Zayed Al Nahyan, Ruler of Abu Dhabi.**

- Having reviewed Law No. (1) of 1974 regarding the Reorganisation of the Government Apparatus in the Emirate of Abu Dhabi and its amendments.
- And Law No. (2) of 1971 concerning the National Consultative Council and its amendments.
- And Law No. (4) of 1976 concerning the Emirate of Abu Dhabi's Ownership of Gas and its amendments.
- And Law No. (1) of 1988 establishing the Supreme Petroleum Council.
- And Law No. (2) of 1998 concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi and its amendments.
- And Law No. (2) of 2000 concerning Civil Retirement Pensions and Gratuities for the Emirate of Abu Dhabi and its amendments.
- And Law No. (6) of 2016 concerning Human Resources in the Emirate of Abu Dhabi.
- And Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi.
- And Law No. (3) of 2018 concerning the Abu Dhabi Executive Office.
- And Federal Decree-Law No. (6) of 2009 concerning the Peaceful Uses of Nuclear Energy.
- And based on what was presented to the Executive Council, and its approval thereof.
- We have issued the following Law:

### **Chapter One**

#### **Definitions**

##### **Article (1)**

For the purpose of implementing the provisions of this Law, the following words and phrases shall have the meanings assigned to each of them, unless the context indicates otherwise.

The State : The United Arab Emirates.

The Emirate : The Emirate of Abu Dhabi.

The Executive Council : The Executive Council of the Emirate.

The Department : The Department of Energy.

The Energy Sector

: Includes all activities, businesses, and services related to the following:

1. Production, processing, storage, transport, distribution, supply, sale, and purchase of gas, oil, and their derivatives.
2. Generation, storage, transmission, distribution, supply, sale, and purchase of electricity of all types (clean, renewable, conventional).
3. Production, treatment, desalination, storage, transport, distribution, supply, sale, and purchase of water.
4. Collection, treatment, and disposal of wastewater and its by-products, and recycling the output from wastewater treatment.
5. Production, storage, distribution, and supply of coolant liquid for central cooling uses.

The Affiliated Entities : The entities operating in the energy sector that are affiliated with the Department and subject to its control and supervision, and which are determined by a resolution of the Executive Council.

## **Chapter Two**

### **Establishment, Objectives, and Competencies of the Department**

#### **Article (2)**

- A department named the 'Department of Energy' shall be established pursuant to the provisions of this Law, and it shall replace the Abu Dhabi Water and Electricity Authority and the Regulation and Supervision Bureau for the Water and Electricity Sector.

- The employees and users of the Abu Dhabi Water and Electricity Authority and the Regulation and Supervision Bureau for the Water and Electricity Sector shall be transferred to the Department. All their assets, properties, rights, and obligations shall be transferred to the Department, which shall be their legal successor.

### **Article (3)**

The Department aims to achieve the optimal level in providing services related to the energy sector, to work on its advancement, and to keep pace with global developments used in this sector, in accordance with applicable legislation and in cooperation with the competent authorities in the State.

### **Article (4)**

- Without prejudice to the competencies of the Supreme Petroleum Council, the Department shall, in coordination with it when necessary, exercise the following competencies:
  1. Proposing strategic and executive plans for the energy sector in the Emirate, having them approved by the Executive Council, and supervising their implementation.
  2. Following up on the commitment of the affiliated entities to implement the strategic and executive plans for the energy sector.
  3. Controlling and supervising all affiliated entities, such as their budget expenditures, the returns they achieve, their commitment to their duties and competencies, and approving their strategic and executive plans.
  4. Regulating all aspects of the energy sector by establishing policies, standards, regulations, resolutions, and executive and operational circulars that govern the sector.
  5. Controlling and supervising the energy sector in accordance with the relevant local and international legislation, agreements, and treaties applicable in the sector, and in coordination with relevant entities inside and outside the State.
  6. Licensing all establishments, entities, companies, and persons operating in the energy sector and monitoring their compliance with providing the optimal level of service quality, in accordance with applicable legislation and in coordination with relevant entities.

7. Proposing fees, tariffs, and prices related to its competencies and submitting them to the Executive Council for approval in accordance with the established systems.
  8. Submitting periodic reports and analytical studies to the Abu Dhabi Executive Office regarding the Department's competencies.
  9. Encouraging investment and partnership with the private sector for projects related to the Department's competencies, in coordination with the relevant entities.
  10. Any other competencies or tasks assigned to it by the Executive Council.
- The Department may delegate some of its competencies to any other government entity or outsource some of them to the private sector after the approval of the Executive Council.

#### **Article (5)**

- The Chairman of the Executive Council shall issue a resolution determining the additional competencies of the Department.
- The Executive Council may amend the Department's competencies stipulated in this Law or any other legislation by deletion, addition, or transfer.

#### **Article (6)**

All persons, government and private entities, and companies must provide the Department with the documents and information it requests to exercise or implement its competencies.

#### **Article (7)**

The Executive Council shall issue a resolution determining the affiliated entities that are subject to the control and supervision of the Department.

## **Chapter Three**

### **General Provisions**

#### **Article (8)**

The Chairman of the Abu Dhabi Judicial Department, in agreement with the Chairman of the Department, shall issue a resolution identifying the Department's employees who shall have the capacity of judicial officers with respect to crimes that fall within their jurisdiction. They shall have the right to inspect and monitor the entities, companies, and persons operating in the energy sector to verify the implementation of the provisions of this Law and the regulations, systems, resolutions, and circulars issued in implementation thereof.

#### **Article (9)**

It is prohibited for any establishment or individual to practice any activity related to the energy sector in the Emirate without obtaining a license to do so from the Department in accordance with the established systems.

#### **Article (10)**

- Without prejudice to any more severe penalty stipulated in any other law, an administrative fine not exceeding (10,000,000) ten million dirhams shall be imposed on anyone who violates the provisions of this Law, its regulatory and executive bylaws, and the systems, policies, resolutions, and circulars implementing it.
- The Department shall be responsible for collecting the administrative fines. The Chairman of the Department, after the approval of the Executive Council, shall issue a schedule specifying the violations and the administrative fines prescribed for each, not exceeding the fine stipulated in this Article.
- The Chairman of the Department, or whoever he delegates, may offer a settlement to the violator, provided that this is recorded in the minutes of proceedings. The violator who accepts the settlement must pay a fine equivalent to (75%) of the total administrative fine specified for the violation within a period not exceeding sixty days from the date the settlement was offered.

- In all cases, if the violator does not comply with removing the effects of the violation by the specified deadline, the Department shall remove them at the violator's expense.
- The regulatory and executive bylaws of this Law shall specify the procedures for the aforementioned settlement, including its timeframes.

### **Article (11)**

- The Department may take any of the following administrative penalties:
  1. Notice.
  2. Warning.
  3. Placing the establishment under financial, administrative, and technical supervision.
  4. Temporary suspension of activity.
  5. Cancellation or suspension of the license.
  6. Temporary or permanent closure of the establishment.
- A grievance against administrative penalties may be filed with the Department within sixty days from the date of its notification to the grievant. Failure to decide on the grievance within ninety days from the date of its submission shall be considered an acceptance of the grievance.
- The regulatory and executive bylaws of this Law shall specify the procedures and controls for applying the aforementioned administrative penalties.

### **Article (12)**

The Department shall be responsible for proposing its organisational structure and submitting it to the Executive Council for approval in accordance with the established systems.

### **Article (13)**

- The financial laws and systems in force in the Emirate shall apply to the Department.
- The human resources laws and systems in force in the Emirate shall apply to the Department's employees.

- The civil retirement pensions and gratuities law in force in the Emirate shall apply to its citizen employees.

#### **Article (14)**

- The Chairman of the Department, after the approval of the Executive Council, shall issue the regulatory and executive bylaws of this Law.
- The policies, systems, regulations, resolutions, and circulars in force shall continue to apply, provided they do not conflict with the provisions of this Law, until the issuance of the policies, systems, regulations, resolutions, and circulars that implement its provisions.
- The Chairman of the Department shall issue the necessary executive and operational policies, resolutions, and circulars to implement the provisions of this Law.

#### **Article (15)**

- Any text or provision in the aforementioned Law No. (2) of 1998 or any other legislation that contradicts or conflicts with the provisions of this Law shall be repealed.
- Any text or provision in the legislation establishing the affiliated entities that contradicts or conflicts with the provisions of this Law shall be repealed.
- Any text or provision that contradicts or conflicts with the provisions of this Law shall be repealed.

#### **Article (16)**

This Law shall be effective from the date of its issuance and shall be published in the Official Gazette.

**Khalifa bin Zayed Al Nahyan**  
**Ruler of Abu Dhabi**

Issued by us in Abu Dhabi  
On: 20 - February - 2018 AD  
Corresponding to: 4 - Jumada al-Thani - 1439 H