

ABOUT THE RSB

The RSB is the water and electricity regulator for Dubai. We work to deliver a more efficient and sustainable energy sector for the Emirate.

Dubai has a strategy to change the way energy is supplied and used. By 2030 the aim is to raise energy efficiency by 30%. And energy supply is to be transformed with renewables, coal and nuclear all added to the electricity generation mix, currently dominated by gas.

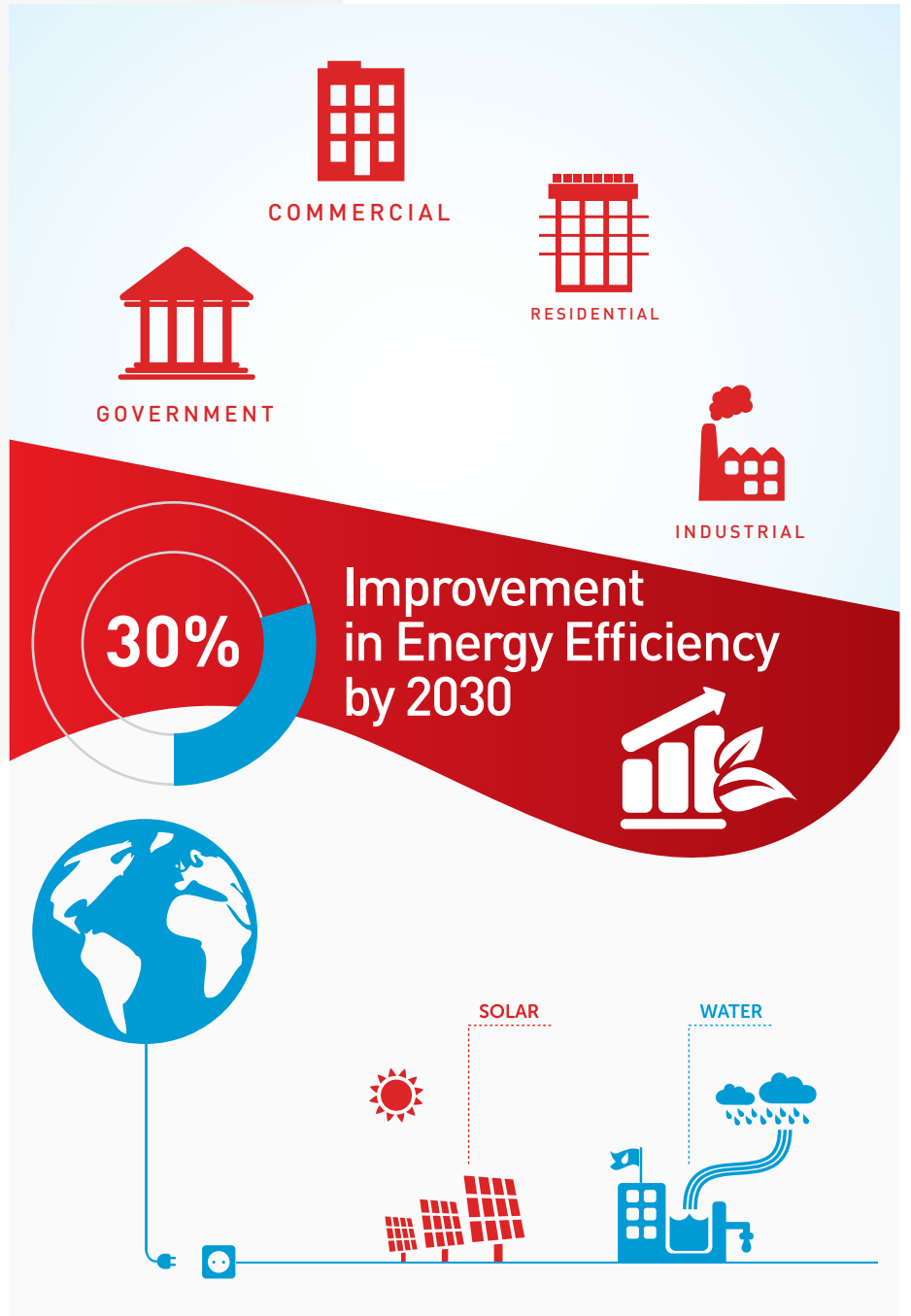


The private sector is to be encouraged to invest in the energy sector, bringing technology, expertise and capital. Our role is to license and regulate these new entrants, ensuring they deliver safe, reliable and efficient services to the benefit of all in Dubai. We work closely with the Dubai Supreme Council of Energy, which is the policy-making body for the energy sector.

As a regulator we are committed to operate in an independent and transparent manner, seeking views whenever we consider developing regulation and reporting on our performance and that of those we regulate.

This has included developing, at the DSCE's request, a framework to encourage greater energy efficiency in buildings. Energy Service Companies (or ESCOs) can help building owners identify how they can improve energy use and then deliver the savings identified. Our accreditation scheme, standard contracts and mechanism for measuring savings are all designed to make this process smoother for ESCOs and their clients.

We are also working to bring solar power to Dubai. The physical potential is huge – the sun could deliver twice Dubai's energy consumption. We aim to find an economic way to exploit this resource.



Other new sources of energy supply are to include a clean coal plant of over 1000MW and developed as an independent power project, and potential purchase of nuclear power from Abu Dhabi.

Much of Dubai's energy demand comes from the need to cool homes and businesses. Providing cooling at a district, rather than building, level can be more efficient. Dubai's energy strategy looks to increase the share of district cooling from under 20% currently to 40% by 2030. This will need regulation to ensure it is adopted where it is the most efficient solution and that customers benefit from high quality service and competitive prices. Energy efficiency can also be improved if there is information available on the performance of buildings and they are audited for ways to improve energy use. Regulation has a role to play here, too.

Our agenda is a full one and we aim to communicate our plans and achievements to all those with a stake in Dubai's energy future.

ENERGY SERVICE COMPANIES

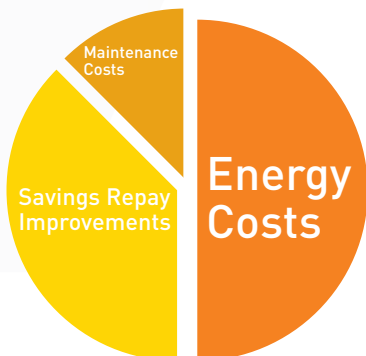
Dubai has set ambitious targets to improve the efficiency of energy use in the emirate, aiming for a 30% improvement by 2030. ESCOs, or Energy Service Companies, are seen as a potentially valuable way of delivering energy savings. The distinctive feature of ESCOs is that they offer "performance contracting", that is they assume some risk for the delivery of the energy saving measures they propose to a client.

OUR APPROACH

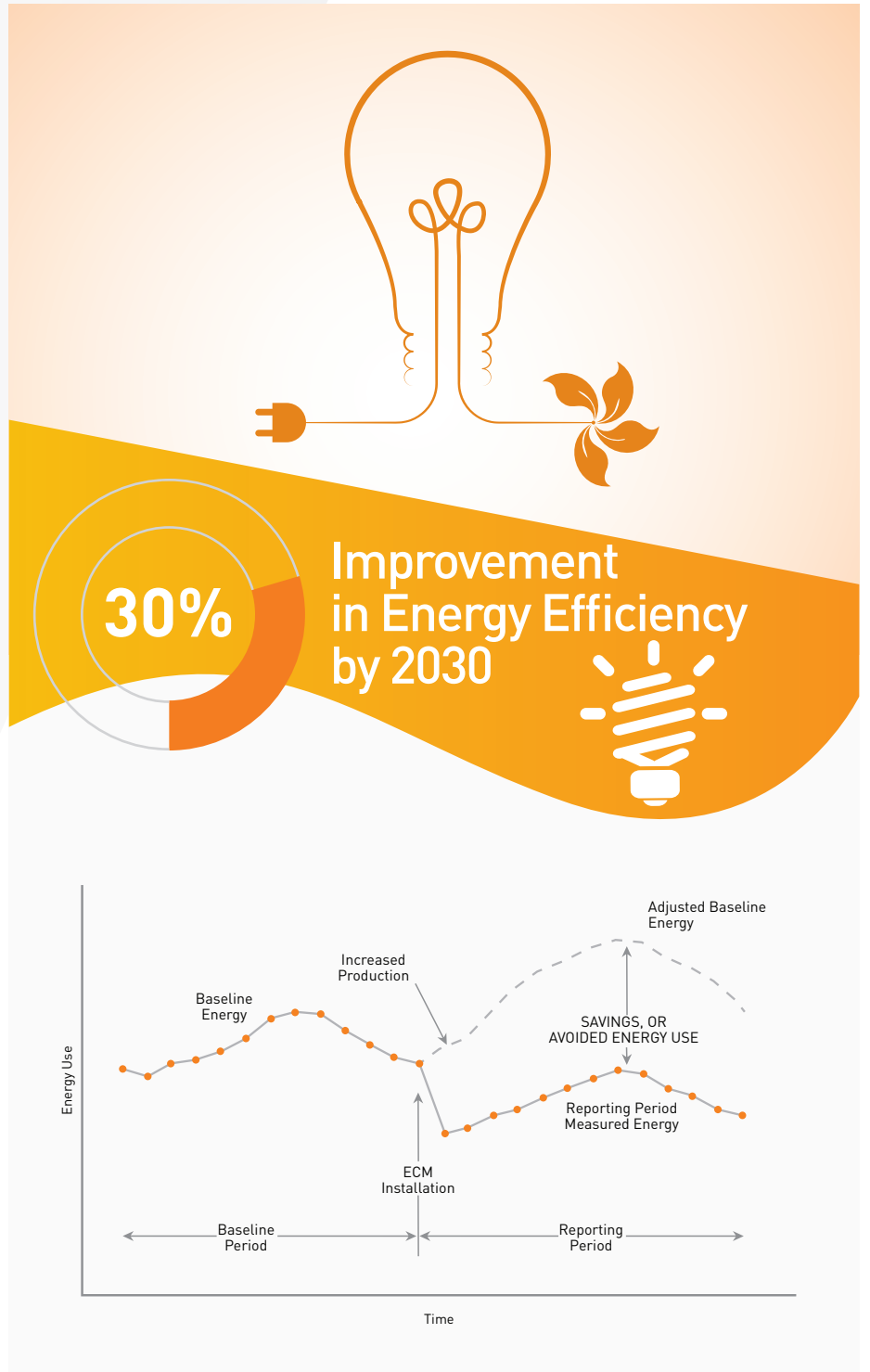
Working with local stakeholders, we developed a framework to lower barriers and promote the ESCO model. The outcome is a framework comprising an accreditation scheme for ESCOs, standard contracts for use by ESCOs and their clients, a protocol for measuring and verifying energy and water savings, and a tailored approach to resolving disputes.



Before Energy Saving Measures



After Energy Saving Measures



CURRENT POSITION

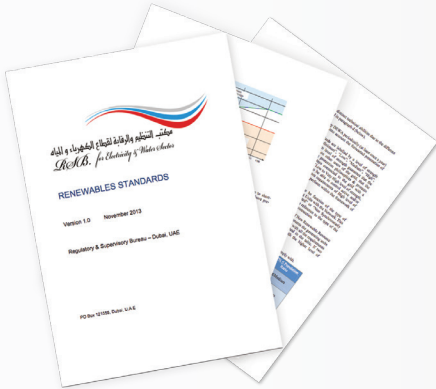
The regulatory framework went live early in 2014 and a number of ESCOs have already achieved accreditation. It is expected to provide useful tools and means for the ESCO market to play its part in the delivery of the Dubai Integrated Energy Strategy 2030.

We will review the accreditation process at regular intervals taking account of feedback from applicants to continually improve the service.

Further information regarding our work with ESCO is available on our website www.rsbdubai.gov.ae/esco.

RENEWABLES

Dubai's energy strategy aims to diversify the Emirate's electricity generation mix to include 5% renewable energy by 2030. Renewable energy sources, mainly solar power, will be subject to regulation by the RSB.



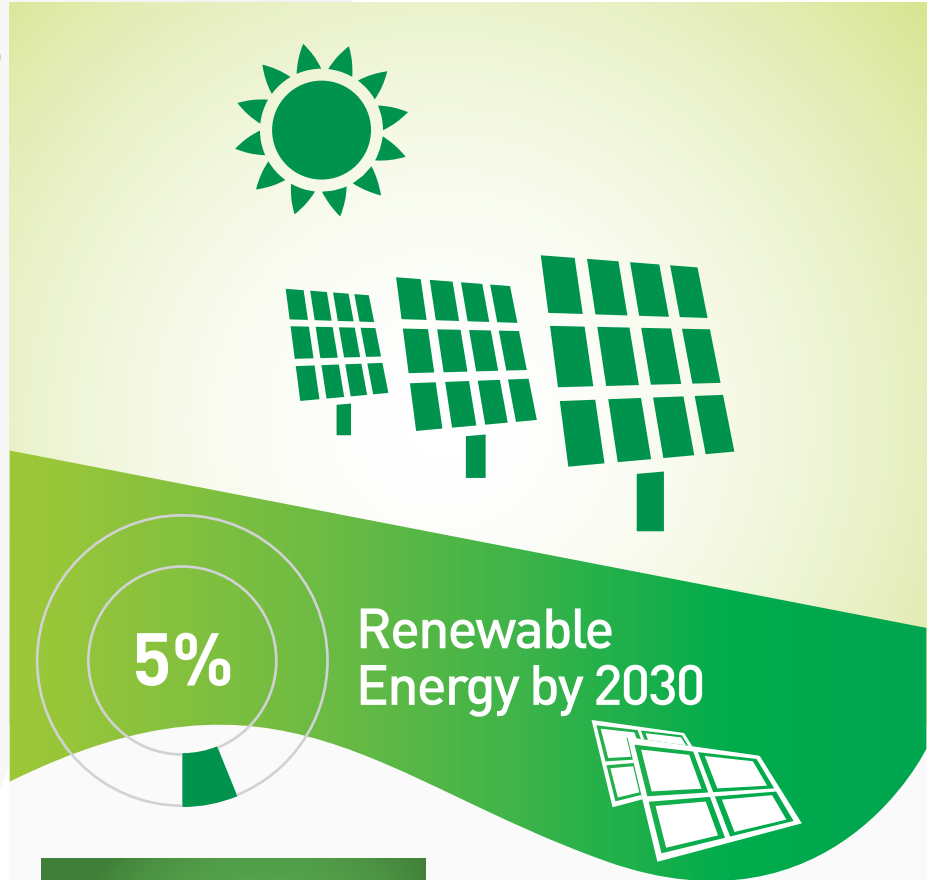
STANDARDS

When connected to the DEWA network, renewables will have to meet technical standards and connection requirements set out in the Renewables Standards approved by the RSB. The standards establish clear technical requirements to be met by new entrants to Dubai's renewable generation market.

LARGE-SCALE PROJECTS

Dubai's first large-scale solar plant, the 13MW photovoltaic plant at the Mohammed bin Rashid Al Maktoum solar park was commissioned in 2013. The park's next 100MW phase was launched at that time and is expected to be commissioned by 2017.

The park extends over an area of more than 40 km² in Saih al Dahal, 50 km south of Dubai, with a potential capacity of 1,000MW of photovoltaic and concentrated solar power.



THE 13MW PV PLANT AT THE MOHAMMED BIN RASHID AL MAKTOUM SOLAR PARK.

An area equivalent to 35 football pitches.

ROOFTOP SOLAR

To support the development of a flourishing market in renewables will require the development of new business processes within the RSB and DEWA. Together we are working on a regulatory framework and support regime for renewables and most notably rooftop solar deployment.



INDEPENDENT WATER & POWER PRODUCERS

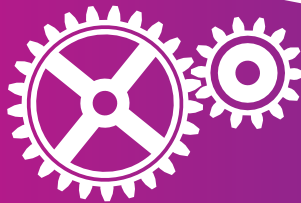
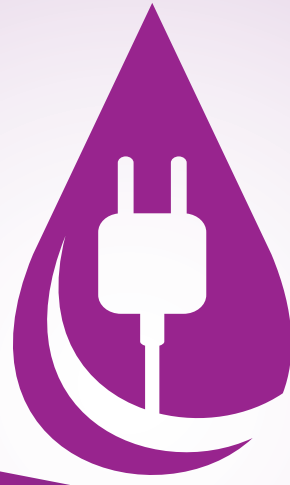
Dubai's electricity and water sector is a vertically integrated one, where Dubai Electricity and Water Authority (DEWA) owns and operates the power production and water desalination plants, in addition to the associated transmission and distribution networks.

ENERGY STRATEGY

In line with Dubai's strategy of diversifying its electricity generation fuel mix, Law No. 6 of 2011 establishes a framework for private sector participation in the water and electricity sector. Dubai's current energy strategy envisages clean coal and renewable electricity generation coming from IPPs later in this decade and the next. DEWA will remain the single buyer of water and electricity in the Emirate.

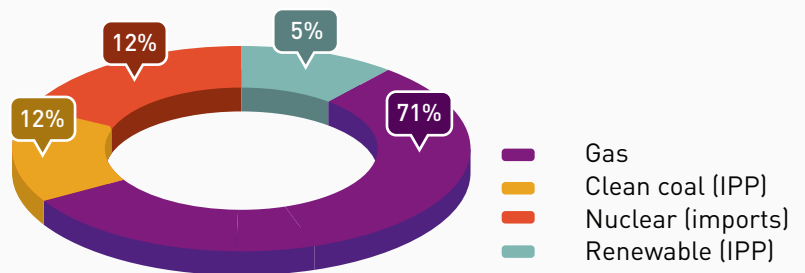
IWPP MODEL

As Dubai's economy continues to grow and develop, there will be further requirements for increased private investment for the construction and operation of power and water plants. IWPPs are expected to play an increasing role in Dubai and will be licensed by the RSB. They will also have to meet technical standards contained in the IWPP Code. IWPPs are typically governed by Power and Water Purchase Agreements and other contractual agreements related to their financing, ownership, land lease, EPC (Engineering, Procurement and Construction), and Operation and Maintenance.



Private Sector Participation in Power & Water

Electricity 2030



Independent Water and Power Producer's Code

General Conditions
Version 1 March 2012

Regulatory & Supervisory Bureau

PO BOX 3000 Dubai, UAE

REGULATORY AND SUPERVISORY BUREAU ELECTRICITY GENERATION LICENSE

GRANTED PURSUANT TO LAW NO. (6) OF 2011

TO

(INSERT GENERATION)

LICENSING

One of the RSB's main duties is to license new entrants in the markets for electricity and water production. To provide clarity for investors, as is expected of a transparent regulatory regime, the RSB is defining a licensing regime with associated fees. A licensing framework has to balance the objective of not placing an undue burden on business with the need to maintain security of supply and health and safety of employees and the general public.

DISTRICT COOLING

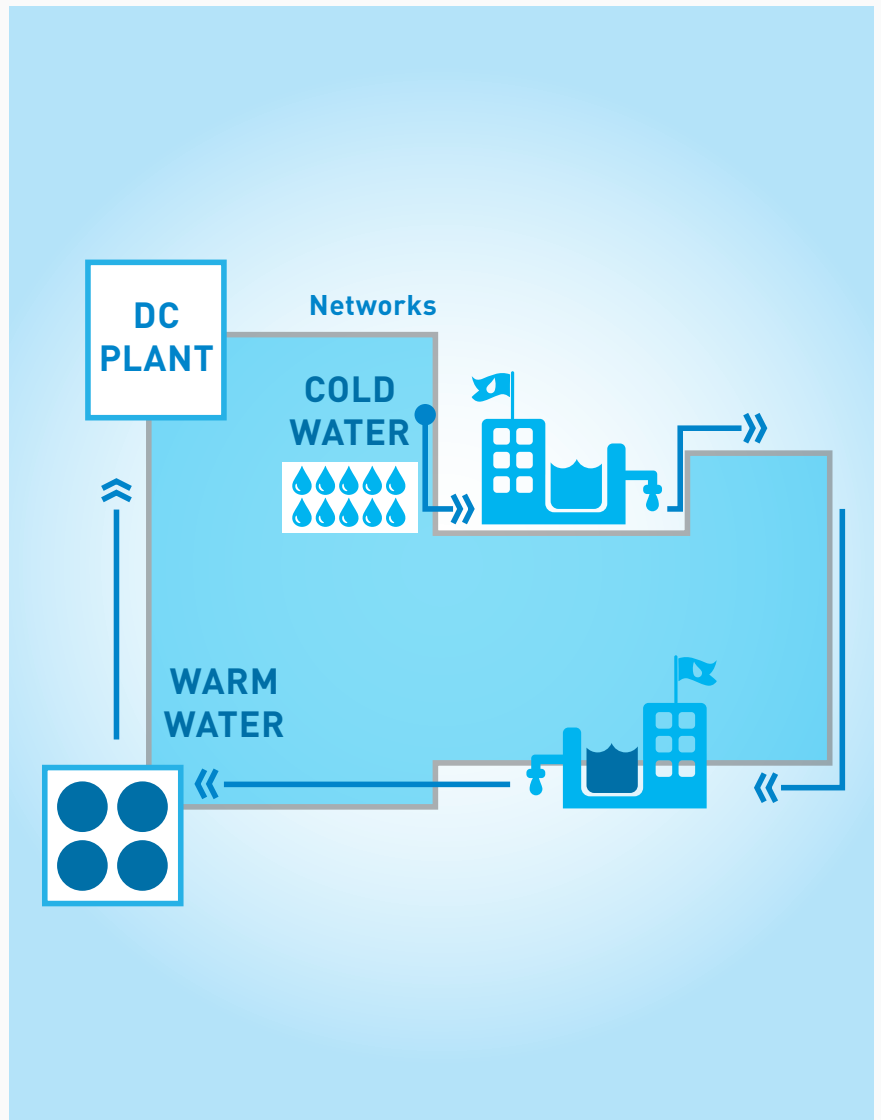
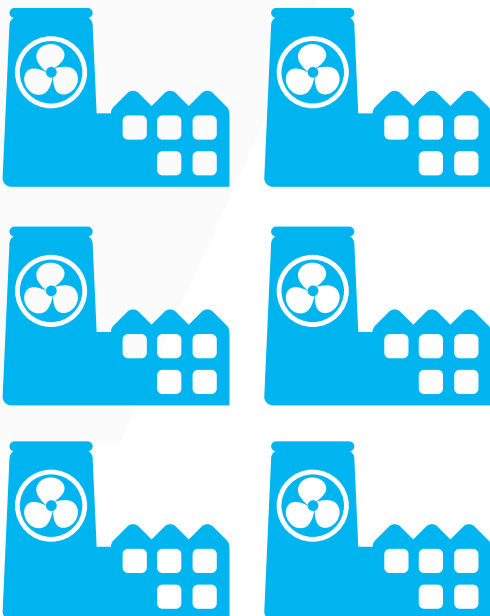
Demand for cooling here in Dubai drives as much as 70% of peak electrical demand, so it is naturally a sector to look at for efficiencies as we support the delivery of the Dubai Integrated Energy Strategy 2030. District Cooling can be more than twice as efficient as traditional split air conditioning units, but the market requires regulation to promote energy efficiency and to ensure DC is an attractive option for consumers.

OUR APPROACH

Regulation already requires district cooling plant to incorporate thermal energy storage and switch from using desalinated water in cooling towers.



We are also examining other methods to promote district cooling and ensure it is planned, designed and operated efficiently.



CURRENT POSITION

There are already over 70 district cooling plants operating in Dubai with a combined cooling capacity in excess of 1 million refrigeration tons operated by four key producers. Charges faced by end users vary considerably and most customers do not pay on the basis of what they consume, blunting the incentive to save energy.

70 DISTRICT COOLING PLANTS OPERATING IN DUBAI