



مكتب التنظيم والرقابة لقطاع الكهرباء و المياه
RSB FOR ELECTRICITY & WATER

**REGULATORY AND SUPERVISORY BUREAU FOR THE ELECTRICITY AND
WATER SECTOR**

**REGULATIONS FOR DISTRICT COOLING PURSUANT TO EXECUTIVE
COUNCIL RESOLUTION (6) OF 2021**

**RD10: REGULATION ON THE APPROVAL OF DISTRICT COOLING TARIFFS,
CHARGES AND FEES**

Amendment History

Issue no.	Modification	Publication date	Authorised for publication
1.0	First issue	27-06-2022	G. Sims
1.1	Updated following changes to fuel surcharge	04-09-2022	G. Sims
1.2	Added/Clarified definitions for Activation Fee and Connection Charge	25-01-2023	G. Sims
1.3	Explicit reference to all tariff caps. Introduction of policy for Single Building Systems. Strengthening obligations on Permit Holders to carry through capacity/consumption charges.	17-09-2025	R. Alaileh

1. Scope and Applicability

- a. This regulatory document (RD) is issued pursuant to Executive Council Resolution (6) of 2021, and approved by the DSCE, to establish the regulatory framework governing the approval, application, and adjustment of district cooling tariffs, charges, and fees in the Emirate of Dubai.
- b. The purpose of this RD is to define the tariffs and associated charges applicable to District Cooling Services ensuring consistency, transparency, and compliance across the sector.
- c. This RD applies to all Permit Holders holding valid permits issued by the RSB under the Resolution. It governs the application of all district cooling tariffs, charges, and fees and must be read in conjunction with applicable Permit Conditions and other Regulatory Documents issued by the RSB.
- d. Only the tariffs, charges and fees expressly identified and authorised in this RD shall be permitted. No other charges may be levied by Permit Holders.
- e. All approved tariffs, charges, and fees applied by the Permit Holder must be clearly disclosed to the Customer. Any subsequent adjustments or changes to tariffs and fees approved by the DSCE must be notified to the Customer in a timely and transparent manner.
- f. This version of RD10 supersedes all previous versions. It shall be applied going forward to all new tariffs and charges approved under the regulatory framework. However, all tariffs previously approved by the DSCE shall remain valid and enforceable until they are amended, reapproved, or superseded in accordance with the provisions of this RD.

- g. Any tariffs approved by the DSCE are approved only to the extent that they are applied in accordance with the relevant applicable Regulatory Documents.
- h. Failure by a Permit Holder to apply tariffs, charges and fees in accordance with this RD, or to implement unapproved tariffs, charges or fees, constitutes a violation of the Resolution and the Permit Conditions and shall be subject to regulatory enforcement. Additionally, any entity that applies, levies, or collects District Cooling tariffs, charges, or fees without holding a valid permit issued by the RSB shall be subject to enforcement actions, including but not limited to penalties, or other measures as determined by the RSB.
- i. This RD shall come into effect on the date of its publication. All provisions herein shall be enforceable from that date, and all Permit Holders and relevant entities shall be required to comply accordingly.
- j. This RD shall be reviewed and amended as necessary to ensure continued alignment with policy objectives, market conditions, and regulatory best practices. Any such amendments shall be approved by the DSCE and published by the RSB on its website.

2. Definitions

Capitalised terms not defined here shall have the meaning given to them in the Resolution.

Activation Fee – a one-time fee that may be applied by the Permit Holder on commencement of Billing Services to a Customer at a Unit.

Billing Agent – an entity permitted to provide Billing Services in accordance with the Resolution.

Billing Services Fee – the total of all fixed monthly charges applied by a Permit Holder for the provision of Billing Services.

Building – a stand-alone structure comprised of one or more Units.

Cap – the maximum allowable tariff, charge or fee, as determined by the DSCE.

Capacity Charge – the multiple of Capacity Tariff and Contracted Capacity normally applied on a monthly basis.

Capacity Tariff – the unit charge normally quoted in dirhams per year for each refrigeration-ton of cooling capacity made available to the Customer.

Concession Agreement – an agreement providing for a District Cooling Service Provider to have exclusive rights to provide District Cooling Services within a defined concession area.

Connection Charge – a one-time charge that may be applied on first connection to the District Cooling System.

Consumption – the refrigeration-ton-hours of cooling energy as measured by the metering equipment, installed, operated and maintained in accordance with the regulatory document “RD06: Metering and Billing”, published on the RSB website.

Consumption Charge – the multiple of Consumption Tariff and Consumption and is normally calculated monthly.

Consumption Tariff – the unit charge in Dirhams for each refrigeration-ton-hour of cooling energy consumed by the Customer.

Contracted Capacity – the maximum cooling capacity measured in refrigeration-tons that the District Cooling Service Provider is obliged to make available to the Customer. Where Contracted Capacity is mentioned in respect of Units, it is the share of the Building’s Contracted Capacity that has been allocated to the Unit.

Cooling Services Agreement – an agreement for the provision of chilled water services between a District Cooling Service Provider and a Customer.

District Cooling Service – The activity related to generating, distributing, selling, or billing cooling energy, including cooling services provided in Single Building Systems.

District Cooling System – A system determined by the RSB to be a District Cooling System.

District Cooling Service Provider – an entity permitted to furnish District Cooling Services in accordance with the Resolution.

DSCE – the Dubai Supreme Council of Energy.

Excess Demand – the value, measured in refrigeration-tons, by which average demand during a four (4) hour period exceeds Contracted Capacity. This value is used solely for the purpose of assessing penalties, or compensation, and does not expand the District Cooling Service Provider's obligation beyond the Contracted Capacity.

Inefficient Building Penalty (Low Delta-T) - a charge levied on a Customer when a Building fails to achieve the minimum design temperature differential (ΔT) between supply and return chilled water as specified in the Cooling Services Agreement.

Permit Holder – a District Cooling Service Provider or a Billing Agent as the case may be.

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

RSB – the Regulatory and Supervisory Bureau for the Electricity and Water Sector.

Schedule 2 – the schedule of the Permit that lists all Buildings to which the Permit Holder is authorised to supply District Cooling Services.

Schedule 3 – the schedule of the Permit that sets out the approved tariffs, charges, and fees that the Permit Holder is authorised to apply to the Buildings listed in Schedule 2, in accordance with this RD.

Single Building District Cooling System - a District Cooling System that serves only one Building and where the costs of cooling are recovered through sub-metering.

Unit – a designated part of a Building recognized on the real property register.

3. Approving Tariffs

- a. Charges levied by Permit Holders shall be calculated based on the tariffs approved in Schedule 3 of Permits and applied to the Buildings itemised in Schedule 2 of Permits in accordance with applicable regulations.
- b. Permit Holders must submit to the RSB their proposed schedule of tariffs. The RSB will assess submissions and, if necessary, make recommendations to the DSCE on the approval of such tariffs.
- c. Prior to adding Buildings to Schedule 2 of the Permit, the tariffs to be applied to the Building must be listed as authorised in Schedule 3 of the Permit.

4. Term of Approval

- a. Approved tariffs shall, unless changed in accordance with this regulation, remain in place until the expiry of the Concession Agreement or Cooling Services Agreement under which they are applied, whichever is earlier. In the case of Billing Services, the approved tariffs shall remain in place until expiry or renewal of the Submetering Service Agreement, at such time such tariffs may be subject to review and adjustment.
- b. Prior to renewal of a Concession Agreement or Cooling Services Agreement, the Permit Holder concerned shall apply for approval of a revised Capacity Tariff, revised Consumption Tariff, and any other tariffs or fees applicable to the District Cooling System.

5. Changes to Tariffs

- a. The DSCE shall reset Consumption Tariffs and Fuel Surcharge when there are changes in the DEWA tariffs for electricity and water, including the fuel surcharge.
- b. The DSCE shall consider resetting Consumption Tariffs when there are changes in applicable Dubai Municipality tariffs.
- c. The DSCE may consider adjusting tariffs at any time, taking into account the following:
 - i. industry utilisation of sources of water other than DEWA's public supply;

- ii. improvements in industry-level electrical and water efficiency; and
 - iii. improvements in industry-level operation and maintenance costs.
- d. A Permit Holder may apply to the DSCE to change an approved tariff, by writing in the first instance to the RSB, setting out the reasoning and justification for such a change. The RSB shall review the application and make recommendations to the DSCE, if necessary, in respect of the application.

6. Conditions of Use

- a. Where Permit Holders pass through Capacity and Consumption Charges to Units, they may only apply the Capacity and Consumption Charges that the Permit Holder has been authorised to apply at the Building.
- b. Where Contracted Capacity is referred to in respect of Units, Capacity Charges must be calculated strictly based on each Unit's allocated share of the Building's Contracted Capacity. Permit Holders are prohibited from:
 - i. applying Capacity Charges that exceed the Unit's allocated share;
 - ii. assigning Contracted Capacity to Units based on installed equipment capacity rather than appropriate allocation; and
 - iii. allocating Contracted Capacity among Units in a discriminatory or inconsistent manner.
- c. Inefficient Building Penalties may not be applied in the bills charged to Units under any circumstances.

7. List of Allowed Tariffs, Charges and Fees Applicable to District Cooling Services

- a. Only the following tariffs, charges, and fees may be applied by Permit Holders in connection with the provision of District Cooling Services, subject to the Caps approved by the DSCE.

Charge	Unit	Cap	Conditions of Approval
Capacity Tariff	AED/TR/ year	As approved per Schedule 3	<ul style="list-style-type: none"> To be assessed and approved for each District Cooling System and added to Schedule 3. Only applicable to Buildings listed in Schedule 2. Tariff arrangements that include indexation or escalation of Capacity Charges will not be approved.
Consumption Tariff (where there is an associated Capacity Tariff)	AED/TRh	0.643 (inclusive of Fuel Surcharge)	<ul style="list-style-type: none"> To be assessed and approved for each District Cooling System and added to Schedule 3. Only applicable to Buildings listed in Schedule 2.
Composite Tariff (Where there is no associated Capacity Tariff)	AED/TRh	As approved per Schedule 3	<ul style="list-style-type: none"> To be assessed, approved and added to Schedule 3. This tariff structure may incorporate a pricing mechanism (such as a True-up rate or minimum demand assumption) to account for deviations from an agreed consumption baseline.

Charge	Unit	Cap	Conditions of Approval
Consumption Tariff for Single Building District Cooling Systems	AED/TRh	0.80	<ul style="list-style-type: none"> No Capacity Charges are allowed to be charged to Units serviced by Single Building District Cooling Systems. Consumption Tariffs for Single Building District Cooling Systems are automatically approved as long as they are below the Cap. The levy of this Consumption Tariff on any Unit is subject to agreement with the Unit owner or the occupant under a binding contractual arrangement. That agreement must specify the payment of separate, standalone cooling service charges, distinct from other building services.
Fuel Surcharge	AED/TRh	0.075	<ul style="list-style-type: none"> The DSCE may reconsider this Cap when there are changes in DEWA fuel surcharge or improvements in industry-level electrical and water efficiency.
Connection Charge	AED/TR	As approved per Schedule 3	<ul style="list-style-type: none"> Permit Holders shall submit to the RSB their proposed schedule of standard Connection Charges for approval.
Inefficient Building Penalty (Low Delta T)	AED	As approved per Schedule 3	<ul style="list-style-type: none"> The levy of this charge is subject to compliance with RSB assessment protocol published on RSB website and must be included in the Cooling Services Agreement.

Charge	Unit	Cap	Conditions of Approval
Billing Services Fee	AED/ Month	30	<ul style="list-style-type: none"> The Cap is applicable to all new or renewed Billing Services requests and Building additions to Schedule 2. Billing Services Fee must not be higher than those already approved for use by the Permit Holder.
Activation Fee	AED	200 (for Units only)	<ul style="list-style-type: none"> Fee should not be higher than those already approved for use by the Permit Holder. Fee may only be applied once at the time a new Customer receives Billing Services at a Unit.
Meter Verification Fee	AED	<ul style="list-style-type: none"> As approved per Schedule 3 	<ul style="list-style-type: none"> Meter Verification Fee should not be higher than those already approved for use by the Permit Holder.
Re-connection Charge	AED	<ul style="list-style-type: none"> As approved per Schedule 3 (for Buildings) 100 (for Units) 	<ul style="list-style-type: none"> Re-connection Charge should not be higher than those already approved for use by the Permit Holder.
Late Payment Fee	AED	<ul style="list-style-type: none"> As approved per Schedule 3 (for Buildings) 100 (for Units) 	<ul style="list-style-type: none"> Late Payment Fee should not be higher than those already approved for use by the Permit Holder. Late Payment Fees shall be applied on a per-billing-cycle basis and the total accumulated Late Payment Fees at any time shall not exceed one hundred percent (100 %) of the aggregate outstanding charges.

Charge	Unit	Cap	Conditions of Approval
Default Payment Fee	AED	As approved per Schedule 3	Default Payment Fee should not be higher than those already approved for use by the Permit Holder.
Deposit	Months of Capacity Charges	8 months equivalent	<ul style="list-style-type: none"> Must not exceed 8 months of Capacity Charges unless otherwise approved. Adjustment of current Deposits for Units is only allowed on change or renewal of ownership or rental agreement, as the case may be.
Excess Demand Fee	% of Capacity Tariff	120% (for Buildings only)	<ul style="list-style-type: none"> Excess Demand Fee shall not exceed 120% of approved Capacity Tariff. Applied when average demand exceeds Contracted Capacity during a 4-hour period.
Meter Tampering Penalty	%	10% + cost of repair	Must be based on actual cost of repair/replacement plus 10%.