



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**

**RD04b: MINIMUM REQUIREMENTS FOR COOLING SERVICES
AGREEMENTS**

Version history

Issue #	Modification	Prepared	Approved
0.1	First Draft		
0.2	Second Draft – post consultation	06-03-2023	20-03-2023

1. Introduction

- a. This document sets out the minimum requirements that service providers must include in their standard Cooling Service Agreements (CSAs). Standard CSAs must be registered with the RSB prior to first use. The RSB reserves the right to amend or remove any provision in a Permit Holder's standard CSA where it is considered unduly onerous or inconsistent with the minimum requirements set out herein.
- b. Changes to standard CSAs may be negotiated between service provider and customer. However, any variation must be freely agreed between the parties and must respect these minimum conditions. If the parties to the agreement refer a dispute concerning the variation to the RSB, the RSB will consider the standard CSA.
- c. These minimum requirements apply to all agreements made on or after the 31st July 2023.

THE MINIMUM REQUIREMENTS

2. Cooling Services.

- a. Both parties must:
 - i. freely negotiate and specify supply temperature(s) for all months of the year.
 - ii. maintain water quality in accordance with Executive Order 27 or any updated water quality requirements issued by the RSB, in their respective systems.
 - iii. record flow and temperature of chilled water to and from heat exchangers and make such data instantaneously available to the other party and, on request, to the RSB.
- b. The service provider must:
 - i. Supply cooling at or lower than the agreed supply temperature and at a load equal to the lower of:
 - (1) the customer's demand, and
 - (2) the contract capacity

There must be a supply temperature specified for any given period in the year.
 - ii. Provide compensation at a rate of four hours' capacity payments per four hours where obligation in 2.b.i is not met. Where:
 - (1) planned maintenance to the ETS occurs, or

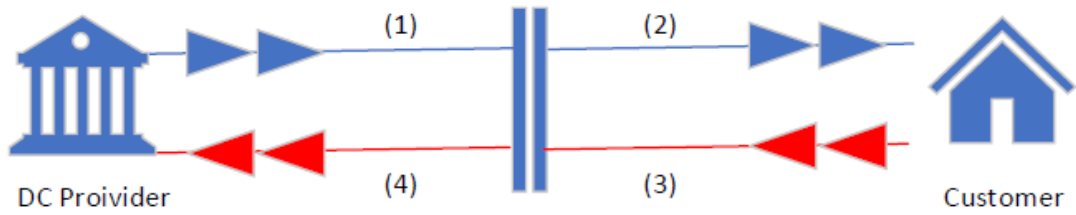
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- (2) the customer is in default, or
- (3) the outage is beyond the reasonable control of the service provider,
- the service provider may be excused from providing compensation. In all other cases the service provider is expected to provide temporary cooling that satisfies the obligation in 2.b.i.
- iii. Allow the customer alternative cooling solutions for back up and where the service provider is unable or unwilling to meet demand (including where that demand is in excess of the contract load).
- iv. Agree to a one-time 10% reduction to the contracted load on the request of the customer, where customer demand, as assessed by a RSB accredited Energy Auditor, warrants such a reduction and the reduction is mutually agreed between the parties.
- v. Refer to published standard design requirements which the customer must adopt in the design and installation of its cooling systems.
- c. The customer must:
- i. Pay for cooling services received.
- ii. Where cooling charges are to be recovered from units on a sub-metered basis, procure the services of the service provider or a billing agent permitted by the RSB.
- iii. Ensure that load allocation to units is adjusted appropriately whenever there is a reduction in the building's contracted load in accordance with 2a.iv above.
3. Access
- a. The customer must allow the service provider access to the ETS room for the purposes of operating or maintaining its equipment.
- b. The service provider may access to the customer's system whenever the customer requires.
4. Low Delta T (LDT)
- a. The temperature differential shall be measured as an average over the period of one calendar month.
- b. The service provider must vary flow to the customer with the aim of achieving the target temperature differential whilst complying with his obligations under 2.b.i.
- c. The customer must operate and maintain its system with the objective of achieving the target temperature differential - such target to be set no higher than 9°C with a reasonable tolerance to be agreed between the parties.

- d. Where the target temperature differential is not achieved on average over a period of one week, the parties must co-operate to understand the cause.
 - e. If the service provider wishes to levy LDT charges, it must first demonstrate that LDT is the sole result of the customer's operation of the secondary system using a protocol provided by the RSB.
 - f. The service provider must allow at least three months for the customer to correct the problem. However, where the problem recurs, this three-month period may be reduced to no less than one month.
 - g. LDT charges may only be applied once the service provider demonstrates compliance with parts (d), (e) and (f) of this requirement.
5. Billing, charges and metering equipment
- a. Terms must be compliant with RD06.
6. Term
- a. Must not exceed twenty-five years.
 - b. The terms of any renewal must be subject to mutual agreement.
7. Warranties
- a. Both parties warrant that they have all the necessary approvals to construct and operate their respective parts of the system.
 - b. The service provider warrants that any tariffs applied have been and remain approved by the DSCE.
8. The service provider must indemnify the customer against claims arising from the service provider's negligence subject to limitation of liability agreed by the parties.
9. Insurance must be held by both parties for their respective parts of the system on typical commercial terms.
10. Default
- a. Both parties must allow equal time to elapse, no less than thirty days, for each party to cure a default before it is determined to be an event of default.
 - b. Each party must be allowed to terminate given an event of default by the other without incurring any termination fee.
11. Force Majeure: The minimum periods of Force Majeure must be reciprocal both in terms of the period of Force Majeure before termination is allowed and the notice to be given before termination.

12. Termination: Any customer termination payment must be calculated by an independent third party suitably qualified to make such a calculation.
13. Reasonable limitation of liability must be placed on both parties.
14. Dispute resolution to be negotiated and agreed between the parties.
15. Change in law provisions to be negotiated between the parties.
16. Governing language must be English.
17. Confidentiality clauses must not restrain access to billing information from either party or any Billing Agent. Nor must it prevent provision of information to government.
18. Survival
 - a. The customer must ensure effective novation of the agreement to the new customer on a change of ownership of the building. Customers that are developers of jointly-owned properties must ensure the agreement is registered with the service charge account for the building.
 - b. The service provider must not frustrate the process of sale or transfer of a building.
19. Annexes to be included:
 - a. Annex 1: Contract details must include:
 - i. Clear definition of asset ownership, access and maintenance obligations, including ownership and maintenance of heat exchangers, by-passes and supply valves.
 - ii. Reference to tariffs as approved and adjusted by the DSCE from time to time.
 - b. Annex 2: ETS Schematic must:
 - i. identify a point of delivery for chilled water services and,
 - ii. specify the locations of measurement devices for flow, pressure, supply and return temperatures in accordance with Figure 1 below.
 - iii. identify the points of measurement used for billing purposes, which must be on the service provider's side of the point of delivery.

Where there is no ETS (in the case of direct connections) measurement for the purposes of billing must be taken on the service provider's side of the connection and all data must be made available to the customer.

Figure 1: Key measurement requirements



Key: (1) Provider CWS, (2) Customer CWS, (3) Customer CWR, (4) Provider CWR

Where:

- Temperature must be monitored and recorded at each of the four locations numbered above. The specific location must be shown on a schematic to be included in appendix 2.
- The location of flow measuring devices on each side of the heat exchanger must be shown on a schematic to be included in appendix 2. Flow must be monitored alongside temperatures at the specified locations for the purposes of measuring energy transfer.
- Water quality must be monitored and recorded near both sides of the heat exchanger. Sampling points must be indicated on a schematic to be included in appendix 2.