

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 concerning the reorganisation of the Governmental body in the Emirate of Abu Dhabi and its amendments;
- Law No. (2) of 1971 concerning the National Consultative Council and its amendments;
- Law No. (4) of 1976 concerning Abu Dhabi's Gas Ownership and its amendments;
- Law No. (1) of 1988 concerning the establishment of the Supreme Petroleum Council;
- Law No. (2) of 1998 concerning the regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi and its amendments;
- Law No. (2) of 2000 concerning the Civil Retirement Pensions and Benefits in the Emirate of Abu Dhabi and its amendments;
- Law No. (6) of 2016 concerning the Human Resources in the Emirate of Abu Dhabi;
- Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi;
- Law No. (3) of 2018 concerning Abu Dhabi Executive Office;
- Federal Decree-Law No. (6) of 2009 concerning the Peaceful Uses of Nuclear Energy; and
- Based on what was presented to and approved by the Executive Council;

Issued the following Law:

Section (1)

Definitions

Article (1)

In the implementation of the provisions of this Law, the following words and phrases shall have the meanings corresponding thereto unless the context requires otherwise:

- State : The United Arab Emirates.
- Emirate : The Emirate of Abu Dhabi.
- Executive Council : The Executive Council of the Emirate.
- Department : The Department of Energy.
- Energy Sector : Covers all activities, works and services related to:
1. The Production, treatment, storage, transportation, distribution, supply, sale and purchase of gas, oil and derivatives thereof.
 2. The generation, storage, transportation, distribution, supply, sale and purchase of electricity of all kinds (clean, renewable, traditional).
 3. The production, treatment, desalination, storage, transportation, distribution, supply, sale and purchase of water.
 4. The collection, treatment and disposal of sewage and wastewater and the recycling of treated wastewater.
 5. The production, storage, distribution and supply of coolant liquid for the central cooling applications.
- Affiliates : The entities operating in the Energy Sector, affiliated to the Department, under its control and supervision and which are specified by a resolution of the Executive Council.

Section (2)

Establishment, Objectives and Competencies of the Department

Article (2)

- Pursuant to the provisions of this law, a department called "Department of Energy" shall be established and shall replace Abu Dhabi Water and Electricity Authority and the Regulation and Supervision Bureau for the Water and Electricity Sector.
- The employees and staff of Abu Dhabi Water and Electricity Authority and the Regulation and Supervision Bureau for the Water and Electricity Sector, along with all of their assets, properties, rights and obligations, shall be transferred to the Department. The Department shall be the legal successor to the two entities.

Article (3)

The Department aims at providing the best level of services related to the Energy Sector, advancing it and keeping pace with the global developments in this field, in accordance with the applicable legislations and in coordination with the competent bodies within the State.

Article (4)

Without prejudice to the competencies of the Supreme Petroleum Council, the Department shall, when the need arises and in coordination with the Council, assume the following competencies:

1. Propose the strategic and implementing plans for the Energy Sector in the Emirate, have them approved by the Executive Council and supervise their implementation.
2. Follow-up the Affiliates' undertaking to implement the strategic and implementing plans for the Energy Sector.

3. Monitor and supervise all Affiliates such as their disbursements from their budgets and revenues earned, as well as their commitment to their duties and competencies, and approve their strategic and implementing plans.
 4. Regulate the Energy Sector in all aspects through the development of policies, standards, regulations, resolutions and implementing and operational circulars for said Sector.
 5. Monitor and supervise the Energy Sector in accordance with the relevant legislations, conventions and treaties in force for said Sector on the local and international levels, and in coordination with the relevant entities in the State and abroad.
 6. License all institutions, entities, companies and persons working in the Energy Sector and monitor their commitment to providing the optimum level of quality of services in accordance with the legislations in force, and in coordination with the relevant entities.
 7. Propose the fees, tariffs and prices related to its competencies and submit them to the Executive Council for approval, in accordance with the applicable regulations.
 8. Submit periodic reports and analytical studies to Abu Dhabi Executive Office in relation to the department's competencies.
 9. Encourage investments and partnerships with the private sector for projects related to the competencies of the Department in coordination with the relevant entities.
 10. Any other competencies or duties assigned thereto by the Executive Council.
- The Department may delegate some of its competencies to any other governmental entity or outsource some to the private sector upon the approval of the Executive Council.

Article (5)

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

Article (6)

All persons, entities and public and private companies shall provide the Department with the documents and information it requires to carry out or execute its competencies.

Article (7)

The Executive Council shall issue a resolution to determine the Affiliates that shall be under the monitoring and supervision of the Department.

Section (3)

General Provisions

Article (8)

In agreement with the Chairman of the Department, the Chairman of Abu Dhabi Judicial Department shall issue a resolution identifying the Department's officers who have been granted the law enforcement authority for offences within their jurisdiction. They shall have the right to inspect and monitor all entities, companies and persons operating in the Energy Sector, in order to verify the implementation of the provisions of this Law and its implementing regulations, resolutions and circulars.

Article (9)

Any establishment or individual shall be prohibited from engaging in any activity in the Energy Sector in the Emirate without having obtained the required license from the Department, in accordance with the applicable regulations.

Article (10)

- Without prejudice to any more severe penalty provided for by any other law, an administrative fine of no more than AED (10,000,000) ten million shall be imposed on whoever violates the provisions of this Law and its regulatory and implementing rules, as well as its implementing regulations, policies, resolutions and circulars.
- The Department shall take charge of collecting the administrative fines. Upon the approval of the Executive Council, the Chairman of the Department shall issue a schedule specifying the offences and the administrative fines prescribed for each of them, without exceeding the fine provided for in this Article.
- The Chairman of the Department or whom he authorises, may propose reconciliation to the offender, provided that this is established in the record of proceedings. The offender who accepts the reconciliation shall pay a fine equivalent to 75% of the total administrative fine determined for the offence within a period not exceeding sixty days from the date of proposing the reconciliation.
- In all cases, if the offender fails to remove the effects of the offence on the date scheduled, the Department shall remove such effects at the offender's expense.
- The regulatory and implementing rules of this Law shall specify the procedures of the above-mentioned reconciliation, including its timeframes.

Article (11)

- The Department may impose any of the following administrative penalties:
 1. Notice.
 2. Warning.
 3. Placing the establishment under financial, administrative and technical supervision.
 4. Temporary suspension of the activity.
 5. Cancellation or suspension of the licence.
 6. Closing of the establishment temporarily or permanently.
- Grievances may be filed against the administrative penalties before the Department within sixty days from the date of notification of the grievant. Failure to decide upon the grievance within 90 days from the date of its submission shall be regarded as an acceptance of the grievance.
- The regulatory and implementing rules of this Law shall determine the procedures and controls required for the application of the aforesaid administrative penalties.

Article (12)

The Department shall propose its organisational structure and submit it to the Executive Council for approval, in accordance with the applicable regulations.

Article (13)

- The financial laws and regulations in force in the Emirate shall apply to the Department.
- The human resources laws and regulations in force in the Emirate shall apply to the employees of the Department.
- The Civil Retirement Pensions and Benefits law in force in the Emirate shall apply to the nationals.

Article (14)

- Upon the approval of the Executive Council, the Chairman of the Department shall issue the regulatory and implementing rules of this Law.
- The policies, regulations, rules, resolutions and circulars in force shall remain applicable in a manner consistent with the provisions of this Law until the issuance of its implementing policies, regulations, rules, resolutions and circulars.
- The Chairman of the Department shall issue the implementing and operational policies of this Law.

Article (15)

- Any text or provision in the aforesaid Law No. (2) of 1998 or any other legislation which is contrary to the provisions of this Law, shall be repealed.
- Any text or provision, prescribed in the legislations establishing Affiliates which is contrary to the provisions of this Law, shall be repealed.
- Any text or provision contrary to 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

Corresponding to: 4 Jumada Al Akher 1439 H