

SULTANATE OF OMAN



هيئة تنظيم الكهرباء - عمان
AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Licence Exemption Order No 3/2007

GRANTED TO

Ministry of Defence

EFFECTIVE ON: 1 MAY 2005

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Licence Exemption Order No 3/2007

The Authority for Electricity Regulation, Oman, is the Authority established pursuant to Article (19) of Royal Decree 78/2004 (the "**Sector Law**"). In exercise of the powers conferred on it by the Sector Law the Authority hereby makes the following Order:

ARTICLE (1) Citation And Commencement

- 1.1 This Order shall be referred to as Licence Exemption Order No 3/2007 and shall be effective from 1st May 2005.

ARTICLE (2) Interpretation

- 2.1 In this order:

- 2.2 Definitions

"Affiliate"	in relation to the Exemption Holder means any Person which Controls (directly or indirectly) the Exemption Holder and any other Person Controlled (directly or indirectly) by such first mentioned Person, including where the Exemption Holder is a company, the ultimate holding company of the Exemption Holder and any holding company of the Exemption Holder and any subsidiary of such holding company;
"Commencement Date"	means the grant date of this Licence Exemption Order;
"Exemption"	means an Exemption granted pursuant to the Sector Law for the purposes of exempting a Person from the requirement to hold a Licence in relation to a Regulated Activity or from the requirement to comply with a particular condition or conditions of a Licence and Exempt, Exempted and Exemption Holder shall be construed accordingly;
"Licence Holder"	means a person granted a Licence by the Authority pursuant to the Sector Law, to undertake one or more of the Regulated Activities listed in Article (3) of the Sector Law;
"Person"	includes an individual, partnership, company, firm, trust, body corporate, government, government body, authority, emanation, agency, instrumentality, unincorporated body or an association;

"Premises"	means any land, building or structure occupied or used by a Person;
"Regulated Activity"	means each of the activities listed in Article (3) of the Sector Law;
"Sector Law"	means Royal Decree 78/2004 promulgating the Law for the Regulation and Privatisation of the Electricity and Related Water Sector;

Terms defined in Law

- 2.3 Words and expressions, other than those defined in this Article (2), which are defined in the Sector Law shall have the meanings ascribed to them in the Sector Law.

Paragraph references

- 2.4 References to paragraphs and Articles shall be to paragraphs of Articles in this Order and to Articles in this Order and in the Sector Law where indicated.

ARTICLE (3) Exemption

General

- 3.1 **Ministry of Defence** may, to the extent and for the purposes specified in paragraph 3.2, subject to the conditions specified in paragraph 3.3 and for the duration specified in paragraph 3.4, conduct the Regulated Activity specified in paragraph 3.2 without being required to be authorised to do so by a Licence granted by the Authority under Article (25) of the Sector Law. Accordingly, for those periods, to that extent, for those purposes and subject to compliance with those conditions, **Ministry of Defence** shall not be in breach of Article (4) of the Sector Law.
- 3.2 Subject to the Conditions listed in paragraph 3.3 below **Ministry of Defence** shall be Exempt as described in paragraph 3.3 in relation to the following Regulated Activity:
- (i) the **Generation of electricity for sale to the Oman Power and Water Procurement Company SAOC (PWP)**.

Conditions

- 3.3 The conditions referred to in paragraph 3.1 in this Article are that:
- (a) The Exemption referred to in paragraph 3.2 above in relation to **the Generation of electricity for sale to the PWP**, applies:
- (i) to the undertaking of that Regulated Activity by the Exemption Holder (and by no other Person);
- (ii) at and using the Production Facilities listed in Schedule A, and no other Production Facilities;
- (iii) up to but not exceeding, and only for so long as those Production Facilities have no more than, the capacities listed in Schedule A; and
- (iv) for the purpose listed in Schedule A.
- (b) The Exemption Holder complies at all relevant times with regulations issued by the Authority pursuant to Article (38) of the Sector Law, insofar as applicable to it;
- (c) The Exemption Holder shall from time to time as and when required by the Authority, provide to the Authority all such information concerning:
- (i) the matters contemplated by the regulations referred to in the foregoing paragraph; and
- (ii) the Regulated Activity which is the subject of this Exemption Order, as may be required by the Authority.
- (d) The Exemption Holder affording Persons appointed by the Authority pursuant to Article (148) of the Sector Law, access to all plant and equipment and Premises used for the purpose of the Regulated Activity referred to in paragraph 3.2 above.

Duration

- 3.4 The Exemption conferred by paragraph 3.2 in this Article shall last for 15 years (renewable) from the Commencement Date, or until revoked by regulations issued by the Authority pursuant to Article (38) of the Sector Law.

ARTICLE (4) Termination and review

- 4.1 The Authority may review and, if it considers it appropriate and, subject to the Sector Law, terminate or modify this Exemption at any time and from time to time should it feel that a change of circumstances has arisen such that it is in the public interest for it to do so. Without prejudice to the generality of the foregoing, the Authority may, in particular, review and modify or terminate this Exemption if any of the following circumstances arises:
- (a) Liberalisation is proposed pursuant to Article (32) of the Sector Law;
 - (b) the Authority revokes any relevant Licence or Exemption;
 - (c) one or more of the conditions referred to in this Exemption is not complied with by the Exemption Holder;
 - (d) if it is found that the issue of this Exemption has been based on inaccurate or incorrect information provided by the Exemption Holder or any Affiliate of the Exemption Holder;
 - (e) if the Exemption Holder seeks to Connect any System or Production Facility which is the subject of this Exemption Order, or if already Connected seeks a further connection, to the System of a Licence Holder; or
 - (f) if, after its System has become Connected to the System of a Licence Holder, the Exemption Holder suffers termination of its connection agreement with the relevant Licence Holder or fails to comply with the requirements of the Grid Code and/or the Distribution Code, insofar as applicable to it.

Executive Director

On behalf of the Authority for Electricity Regulation, Oman

Effective 1st May 2005

Schedule A: Technical & Other Details

Location

The location, layout and characteristics of the Production Facilities and System that are the subject of this Licence Exemption Order No **3/2007** are shown in **Attachment 1** of the Licence Exemption application form.

Technology & installed capacities

Power Station	Type of Generator	Total Capacity (ISO) rating	Number
Mam Power Station (Muscat)	Diesel Turbine generator	10.1 MW	3
Mam Power Station (Muscat)	Gas Turbine generator	57.01 MW	4
Wudam Power Station (Al Batina)	Gas Turbine generator	21.4 MW	2
Shafa Power Station	Gas Turbine generator	12.1MW	7

Primary fuel

The Gas Turbine Generators are fueled by natural gas from the Ministry of Defence terminal; they can also be fueled by Diesel.

Purposes

The Production Facilities that are the subject of this Licence Exemption Order No **3/2007** will generate electricity for the purposes of self supply to the **Ministry of Defence** and for sale to **PWP** for the duration stipulated in this Licence Exemption Order at the location detailed in the plot plan as in **Attachment 1** of the Licence Exemption application form.

Authority for Electricity Regulation, Oman