



Regulating the Provision of District Cooling Services in the Emirate of Dubai

UNEP Singapore workshop on district cooling

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About the RSB

Our objectives

The regulatory regime

Impact and next steps



A brief history of the RSB

2010

2011

2014

2021

RSB Established

...by Executive Council Resolution 2 of 2010

Regulation of IWPPs

...through Law 6 of 2011 which established a framework for IWPPs

Role in DSM

Establishing the ESCO Accreditation Scheme, later expanded to Energy Auditors and Building Energy management

District Cooling

regulating the Emirate's district cooling sector under Executive Council Resolution 6 of 2021.



Our objective is to establish a sustainable sector supporting Dubai's residents and their businesses

◆ Customers

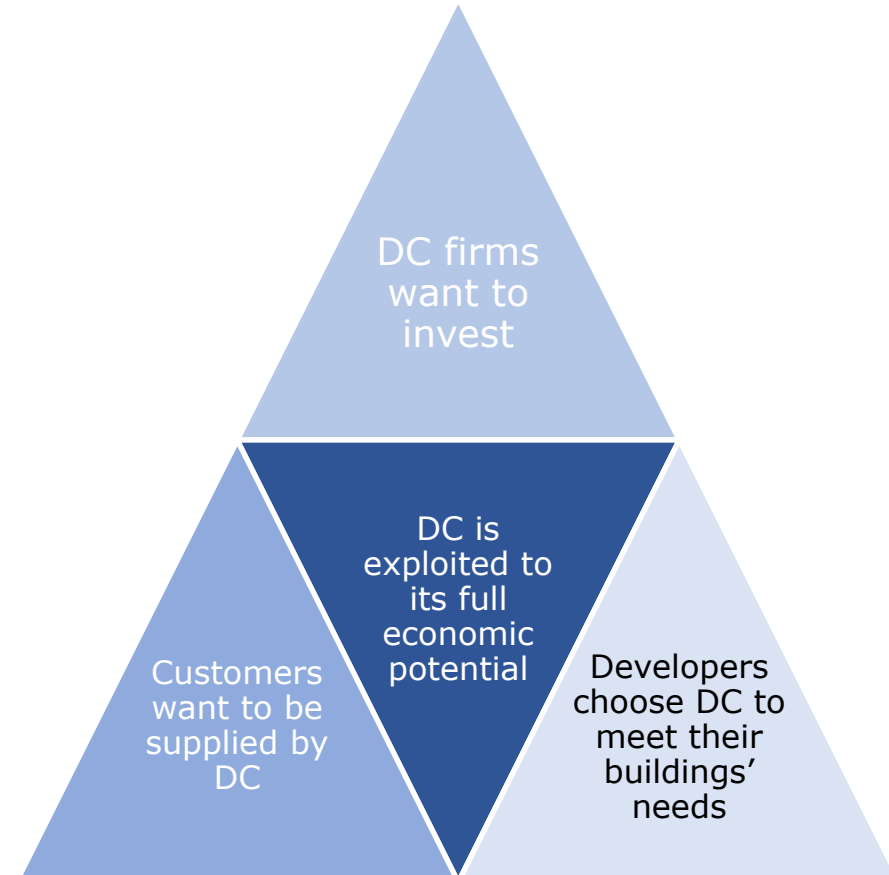
- Must see and believe that DC offers value for money

◆ DC providers

- Require reasonable returns to attract them to invest

◆ Developers

- Choose DC from their cooling options as marketable to potential property buyers



Cost and service challenges meant that potential energy savings were in jeopardy and Dubai's attractiveness to residents and businesses diminished



Cost

- Excessive capacity estimates result in high capacity charges for customers
- Billing Agent mark-ups mean higher charges for some customers



Service

- Complaints were often unresolved
- There were few published service standards



Environment

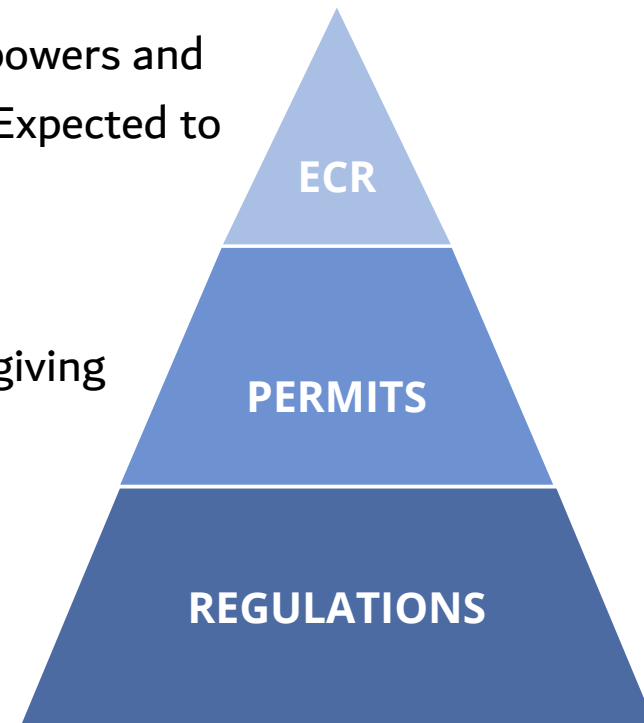
- There is scope for improvement in DC system energy efficiency
- Greater use of recycled water reduces environmental impact.
- Higher meter penetration means customers have more incentive to control demand

The regulatory framework consists of a permitting regime underpinned by regulations

Executive Council Resolution: sets out the regulatory regime. Confers powers and duties on RSB and DSCE and places obligations on market participants. Expected to remain in force unamended for many years.

Permits: grant permission to carry out regulated activities subject to conditions. Can be amended by the RSB, subject to appeal to the DSCE, giving scope for evolution of the regime.

Regulations: contain the detailed provisions with which permit holders must comply. Most require DSCE approval.



ECR (6) of 2021, creates a regulatory regime for the district cooling sector

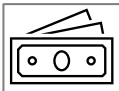
- ◆ District cooling services can only be provided by those who have been authorized by the RSB
 - Those requiring to be authorized are:
 - District cooling service providers
 - Billing agents
- ◆ The RSB's powers include:
 - Setting technical standards
 - Prescribing measures that a permit holder can take against customers in arrears
 - Resolution of disputes
 - Approving the basis on which DC services are charged & the content of bills
 - Approving standard contracts to be entered between permit holders and customers
 - Approving a DC provider's complaint handling processes
 - Adjudicating where a DC provider objects to another's right of way application to RTA
- ◆ The Supreme Council of Energy approves all charges, tariffs and fees levied for district cooling provision

We have a comprehensive suite of regulatory documents designed to incentivize permit holders

Regulation	Status
RD01 – Permits and schedules	Published
RD02 – Handling customers in arrears	Published
RD03 – Energy performance	Published
RD04 – Standard agreements	4a-Billing Service 4b-DC Service 4c-BA/DCSP Published Published Yet to be approved
RD05 – Customer charter	Published
RD06 – Metering, billing and charges	Published
RD07 – Data and reporting	Published
RD08 – Health and safety	Published
RD09 – Estimating the Connected Load	Yet to be approved
RD10 – DSCE’s Approval of Tariffs	To be published

- ◆ Published regulatory documents are available on our website www.rsbdubai.gov.ae
- ◆ We have held extensive consultation with the sector throughout the development of these regulations
- ◆ RD04c and RD09 are yet to be finalized.
 - ◆ RD04c governs the data share between Service Provider and Billing Agent
 - ◆ RD09 Supports estimating the connected load for new agreements

We aim for a balanced approach targeting the three points of concern



COST

No uplift to DC charges

Only one deposit per unit

Prohibit prolonged estimated billing

Replacement of faulty meters

Cap Capacity/Consumption tariffs

Outlaws several peripheral charges

Control on connection charges



SERVICE

Obligation to develop and publish Customer Charter and to measure performance against it

Clear engagement obligations prior to any suspension of service

Obligations to deliver chilled water

Minimum information in bills

Prompt return of deposits

Aiming to reduce occurrence of excess contract capacity estimates



ENVIRONMENT

Minimum electricity & water efficiency performance standards

Encouraging greater use of recycled water

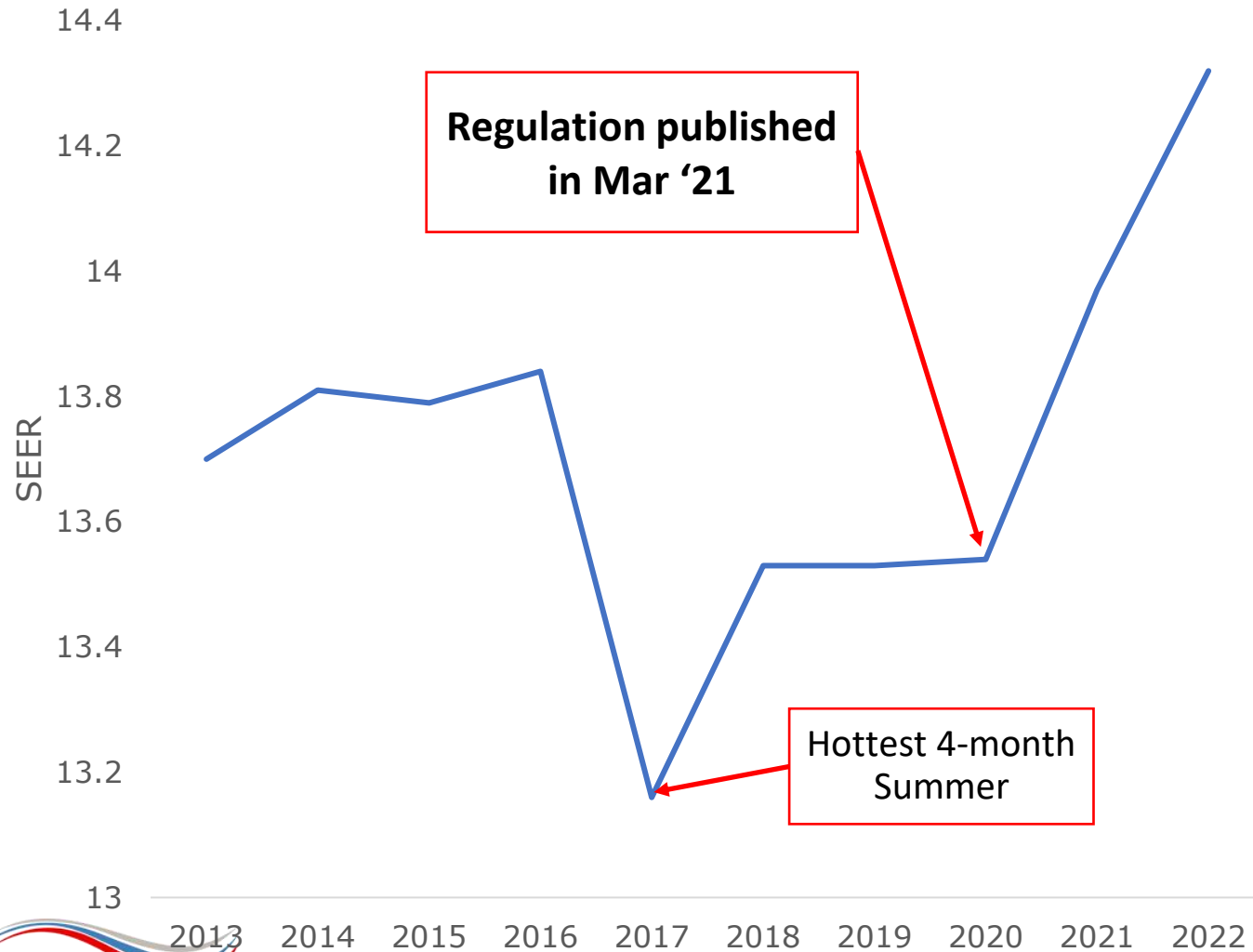
Exemptions for those that innovate for superior efficiency

Penalties for poor energy performance

Obligation to monitor & report H&S

The sector has responded to the challenge

Dubai's DC Systems Energy Performance



- ◆ Thanks to the co-operation of most sector participants, we have experienced improved:
 - energy performance of DC systems
 - responses from permit holders on enquires
 - insights into the construction costs of DC systems

- ◆ Difficult to quantify changing customer perception of DC service at this stage

