

Requirements of electricity operation License

A)As per Proclamation No.810/2013

1.No person may generate, transmit, distribute and sale, import or export electricity for commercial purposes or engage in energy efficiency ' and conservation consulting, energy service contracting, energy audit or in other related activities without having a license in accordance with this Proclamation and the regulation to be issued hereunder.

2.Any person desiring to generate, transmit or distribute electricity for non-commercial purposes shall notify the Authority in advance and produce documents evidencing that he has fulfilled environmental protection and safety conditions.

3.Any person who has engaged in the generation, transmission, distribution and sale of electricity, energy efficiency and conservation consulting, energy service contracting, energy audit or in any other activities related to this Proclamation prior to the coming into force of this Proclamation shall be required to submit the Authority an application, along with necessary particulars, and obtain a license.

Eligibility for License

Any person shall be issued with a license where the Authority is satisfied that he meets the requirements of the license specified in this Proclamation, regulation to be issued hereunder and the investment and other relevant laws, qualifies to carry on trade under the Commercial Code, and has the financial resources, technical competence, professional skill and experience required to fulfill the license obligations.

Renewal, Suspension and Revocation of License

1. Any licensee applying for renewal of a license shall fulfill the requirements of this Proclamation and regulations and directives issued hereunder.

2.The Authority may impose fine or suspend or revoke a license where the licensee fails to comply with obligations specified in this Proclamation, regulations or directives issued hereunder or in the license.

3.Prior to revocation of a license the Authority shall give the licensee reasonable time as it deems sufficient to remedy failures.

4.Without prejudice to the rights of heirs, a license may be revoked, as the case may be, upon the death of the licensee or upon liquidation or declaration of bankruptcy under the relevant law, in the case of a juridical person.

Transfer and Replacement of License

1.Any license issued by the Authority may be transferred to another person with the written consent of the Authority in accordance with this Proclamation and regulation issued hereunder.

2.Any change in the control or ownership right of a generation, transmission, distribution and sale, import or export licensee shall be approved by the Authority where that change comes by mortgaging, transferring or merger of the business of the licensee.

3.A change in control or ownership by sale stated under the provisions of sub-article of this Article shall include a sale of any of the fixed assets or over 25% of the shares of the licensee.

4.Any licensee whose license has been lost or damaged may be issued with a replacement license upon application and payment of the required fees determined by regulation

Obligations of Licensee

Any licensee shall:

1. keep relevant records of operations, and submit plans, reports, information and supporting documents to the Authority in accordance with regulations and directives issued hereunder; make books and records of operation available for inspection when requested by duly authorized officials of the Authority.

2. Any licensee shall carry out his activities in compliance with this Proclamation, regulations and directives issued hereunder and in the relevant environmental protection laws, and safety, quality and performance standards determined by the Authority.

3. Any licensee engaged in the generation transmission, distribution and sale, import or export of electricity shall commence operation within twelve months from the, date of issuance of License, and report to the Authority about its commencement.

B) As per Energy Regulation No.447/2019

General requirement for application and issuance of License

1. Any application for a license shall be lodged to the Authority by filling the form prepared by the Authority for this purpose and accompanied with the following information of the applicant
 - a. Identity and address of the applicant
 - b. Documents showing the applicant's financial capacity and situation
 - c. Technical competency and experience of the applicant
 - d. Application examination fee receipt
2. The Authority shall issue the license to the applicant if verifies that the applicant is capable to construct and operate the electric supply system that he applied to obtain license
3. The Authority may take into account the following conditions to verify the applicant's competence and to issue license:
 - a. Compliance or any failure by the applicant to perform previous and current commercial or statutory obligations and the reasons in case of failure,
 - b. That he is not prosecuted and sentenced in relation to license issued as per the proclamation for fraud or similar offence.
4. If the applicant is a legal person, the provision of sub-article(3) of article(3) shall also apply to the Directors of the body that have the legal personality.

5. The applicant issued license pursuant to regulation no.447/2019 shall also comply with the relevant laws as may be applied to the development, construction, operation or maintenance of such plant.
6. If the Authority refuses to issue the license sought by the applicant, it shall promptly give the applicant a written notice informing the reasons for the refusal and the applicant's right to lodge complaint against the refusal
7. An applicant received refusal notice in accordance with sub-article (6) of article (3) may file his complaints to the complaint handling body of the Authority within one month.
8. The Authority shall issue a directive regarding the issuance off-grid small scale generation distribution and sale license and license for self use.
9. Without prejudice to article 6(2) of the proclamation, any person who has interest in the operations of generation, transmission or distribution of electricity for non-commercial purpose shall submit documents to the Authority in accordance with the Directive to be issued.

Publication of License Application

1. The Authority shall, before issuing a license, publicize the following information in a newspaper having wider circulation or other mass media by the expense of the applicant
 - a. The applicant submitted for license and the name of the applicant;
 - b. Possibility of inspection of the application in the office of the Authority by the public, except the confidential commercial information
 - c. Any person alleging that he may sustain damage due to the issuance of the requested license may lodge his objection in writing to the Authority within newspaper or other mass media 30days from the date of issuance of the notice.
2. If objection is lodged against issuance of the license in according to sub-article(1) of this article, the Authority shall cause the concerned parties to settle the matter through negotiated agreement.

3. If parties fail to reach agreement within 30 days after commencing negotiation, the Authority, after hearing the two parties shall give a decision within 30 days either by accepting or rejecting the objection.

Amendment of Application

1. If an applicant desires to make any amendment to his application, he shall submit a written applicant to the Authority
2. The provisions of this part shall be applicable on the application amended.

Application for Generation License

Any application for a generation license shall, in addition to the general requirements stated under article 3 of regulation No.447/2019, contain the following;

1. Initially when submitting application for license
 - a. Source of electricity;
 - b. Map of the project site
 - c. Total generation capacity of the project in measured units;
 - d. The transmission grid or supply network details to which it shall be connected or whether it operates on and off-grid basis;
 - e. At least prefeasibility study of the project
 - f. Planned source of finance, and proposed debt to equity ratio;
 - g. Proposed term of the license; and
 - h. Other documents the licensing authority believes to be necessary and relevant.
2. When a License is given after the application for license submitted in accordance with sub-article(1) of this article, the following shall be fulfilled before commencement of the licensed commercial activities:
 - a. Approved power purchase agreement, where appropriate;
 - b. Where applicable, project finance agreement
 - c. Environmental impact assessment clearance certificate from the concerned authority

- d. Trade registration certificate; tax payers identification number, land use permit, water use permit, geothermal resource development license, other primary energy resource development license, and construction permit as may be appropriate.

Application for Transmission License

Without prejudice to the sole right of the governmental organ to transmit power in the national grid, the application for transmission shall, in addition to the general requirements stated under article 3 of regulation No.447/2019, contain the following in:

1. Route map and operation area of the transmission grid
2. Project feasibility study;
3. If the transmission grid, the other transmission grid to which it may be connected;
4. Exact limit of the transmission grid;
5. The supply network to which it may be connected
6. Environmental impact assessment clearance certificate from the concerned authority;
and
7. Proposed term of the license