

New, independent body to oversee Dubai utilities

- Published: 15:09 April 18, 2011



Dubai: The Dubai Government is creating a regulatory body for the utilities sector to allow private sector participation, Najeeb Zaafrani, secretary general and chief executive of the Dubai Supreme Council of Energy, told *Gulf News* at the Dubai Global Energy Forum Monday.

"It is going to be an independent body and will control and licence the establishments related to the power and water sector," Zaafrani said.

"The authority will develop the economic, technical, environmental and safety standards that all establishments that work in power generation and water desalination will have to adhere to.

"The regulatory body will be an independent entity under the Higher Committee for Energy and Environment. It is in process and will be announced within a couple of weeks."

The move will help Dubai to keep up with the growing demand for power and help diversify its energy sources. The entry of the private players will also reduce pressure on the state-owned utility provider Dubai Electricity and Water Authority (Dewa) which has had a monopoly.

Energy efficiency

Zaafrani clarified that to enhance energy efficiency and secure continuous supply, the regulatory environment should be an essential part of the integrated energy policy.

"Dubai is a net importer of energy and we are facing the same challenges like any other country. So our strategy should be adequate, deliberate and more flexible to include the essential foundation for the utility sector.

"The new regulatory body will provide clarity and transparency for future energy projects."

Dubai's power and water sector is controlled by state-owned Dewa. However, in recent years, private entities have entered the district cooling business.

They are yet to be allowed to develop independent power and water projects. The new regulator is expected to create a level playing field for the private sector.

"The regulator is expected to encourage private sector participation in this field and will create a competitive atmosphere among them as well as protecting the rights of the investors and enhance their confidence," he said.

The regulator will soon put a framework in place that could pave the way for the private sector to enter the power generation and utility businesses.

"The regulator will set up a legislative and monitoring agency that will create a healthy environment to encourage private-public sector partnerships," Zaafrani said.

Transparent system

Dubai government recently said it would allow public-private partnership in the utility sector.

Zaafrani remarked, "The regulatory authority will have its own budget. It aims to create a transparent system for private investors that will include water and electricity tariff."

As an example, he said any dispute about power tariffs will be governed by agreements between producers and buyers.

The new entity will develop rules and regulations for a new investment model, based on international best practices for licensing new power generation and water desalination companies.