



**Code 402/2**

**Presidential Decree-Law No. 203/2014  
Regarding the Stimulation of Producing  
Electricity from Renewable Energy Sources**

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**Decree-Law of the President of the Arab Republic of Egypt**

**No. 203 of the Year 2014**

**Regarding the Stimulation of Producing Electricity  
from Renewable Energy Sources**

**The President of the Republic**

After perusal of the Constitution;

Law No. 12 of the year 1976 regarding the establishment of the Egyptian Electricity Authority and amendments thereof;

Law No. 102 of the year 1986 regarding the establishment of New and Renewable Energy Authority;

Law No. 8 of the year 1997 concerning investment guarantees and incentives;

Law on the protection of competition and prevention of monopolistic practices issued as per law No. 3 of the year 2005;

Law No. 14 of the year 2013 on authorizing the ministry of finance to guarantee the Egyptian Electric Holding Company and its affiliates with regard to the funds they get and guarantee the payment of the financial obligations related to the projects they conclude to be implemented through the private sector or in partnership with the private sector;

Decree of the President of the Republic No. 339 of the year 2000 concerning the reorganization of the Egyptian Electric Utility and Consumer Protection Regulatory Agency;

After the approval of the Cabinet of Ministers; and

Based on the proposition of the State Council;



## **DECREED THE FOLLOWING LAW:**

### **Article (1)**

**The following words and expressions, wherever they are mentioned in this Law, shall have the meanings set forth next to each of them:**

**The Ministry:** The ministry concerned with the affairs of electricity and renewable energy.

**The Competent Minister:** The minister concerned with the affairs of electricity and renewable energy.

**The Agency:** The Egyptian Electric Utility and Consumer Protection Regulatory Agency.

**The Authority:** The New and Renewable Energy Authority.

**Transmission Network:** The electric networks interconnected on the ultra-high and high voltages.

**Distribution Networks:** The electric networks interconnected on the medium and low voltages.

**Renewable Energy Sources:** The natural non-exhaustible sources of energy which can be used in the production of electricity.

**Electricity Distribution Companies:** The companies licensed by the Agency to distribute and sell electricity on the medium and low voltage networks.

**Electric Energy Strategy:** The strategy approved by the Cabinet of Ministers which lays down the objectives of the electricity sector and the appropriate means for the achievement of such objectives in line with the sustainable development standards on the medium and long term.

**Electric Energy Policy:** The overall policies laid down by the Ministry for the electricity sector to implement the Electric Energy Strategy including the plans and programs related to the appropriate institutional framework, securing the provision of the electric energy and the encouragement of investment, research, development, upgrading and protection of





competition, preserving the environment and strengthening the cooperation with the other states in the field of electricity.

**Feed-in Tariff:** The price advertised in advance for the purchase of the electricity produced from the renewable energy sources after getting the approval of the Cabinet of Ministers to encourage the production of electricity from renewable sources.

**Energy Source Certificate:** A document issued by the Agency for one megawatt/ hour to prove that the electric energy is produced from a renewable source in order to notify the end-consumer of the electric energy source. Such certificate shall be valid for twelve months and it may be circulated apart from the electric energy produced from the renewable source.

**Subscriber List:** The electricity subscribers that the obligatory percentage of the renewable energy uses shall be applied thereto in accordance with the decision of the Cabinet of Ministers in this respect.

## Article (2)

*The establishment of the projects of electricity production from the renewable energy sources shall be as follows:*

- a) The Authority shall put out the establishment of plants for the production of electricity from a renewable energy source to tender to be operated thereby. The electric energy produced by these plants shall be sold to the Egyptian Electricity Transmission Company at a price suggested by the Agency in accordance with a study presented by the Authority and approved by the Cabinet of Ministers.
- b) The Egyptian Electricity Transmission Company shall put out tenders to the investors for the establishment, ownership and operation of plants for the production of electricity from a renewable energy source. The electric energy produced by these plants shall be sold to the Egyptian Electricity Transmission Company according to the conditions and the prices contracted between it and the investor.
- c) The investors shall be entitled to establish, own and operate plants for the production of electricity from a renewable energy source. The electric energy produced by these plants shall be sold to the Electricity



Transmission Company or the Electricity Distribution Companies licensed, by means of the energy purchase contract in accordance with the Feed-in Tariff value and for a period not exceeding twenty five years in accordance with the nature of the project.

The state shall be committed with the Feed-in Tariff value for a period not less than two years or up to the date of achieving the required capacity of the renewable energy, whichever is earlier. In all cases, the Feed-in Tariff agreed upon shall be fixed throughout the duration of the contract. The amendment to be introduced thereto by the Cabinet of Ministers, if it occurs, shall only apply with immediate effect to the contracts to be concluded thereafter.

- d) The investors shall be entitled to contracting with the consumers directly for the sale of the electric energy produced from the renewable energy sources using the Transmission and Distribution Networks in accordance with the price and the duration agreed upon.

### Article (3)

The allocation of lands required for the establishment of the projects for producing electricity from the renewable energy sources shall take place by means of the usufruct right in accordance with the regulations issued by the Cabinet of Ministers in this respect based on a proposition from the Competent Minister.

Granting the usufruct right of such lands with regard to the projects contracted with by means of the Feed-in Tariff system shall be in return for a percentage of (2%) from the total energy sold by the project.

### Article (4)

The investor, who establishes a plant for the production of electricity from the renewable energy sources that the capacity of which exceeds (500 kw), shall establish an Egyptian company called the project company in accordance with the provisions of the law on investment guarantees and incentives referred to and according to the controls issued by the Cabinet of Ministers in this respect.





### Article (5)

The activity of producing or selling the electric energy produced from the renewable energy sources shall be prohibited without a prior license from the Agency in accordance with the provisions of this Law.

Prior to the issue of the licenses for practicing the activity, the Agency may issue temporary licenses for the performance of the preliminary works preceding the practicing of the activity in accordance with the rules and controls laid down by the board of directors of the Agency. The resolutions issued by the Agency with regard to the temporary licenses and the licenses for practicing the activity shall be published in Al-Wakaye Al-Mesreya (Government Bulletin) and in one of the widespread daily newspapers at the expense of the licensee as the case may be.

Granting the licenses shall not result in any monopolistic position in the geographical scope for any of the licensees.

The producer of electricity for private use or the projects with capacity of (500 kw) shall be exempted from getting any of the licenses referred to in accordance with the controls and rules issued by the board of directors of the Agency in this respect.

### Article (6)

The licensed Electricity Transmission Company or the Electricity Distribution Companies, as the case may be, shall connect the plants of the production of electricity from the renewable energy sources to their networks at the expense of the producer. These companies shall incur the costs required for expanding their networks in accordance with the financial provisions allocated by the state for this purpose.

In all cases, the Transmission Company or the Distribution Companies shall purchase or pay the value of the energy available from the plants of electricity production from the renewable energy sources in case they fail to transmit the electric energy via their network in accordance with the rules laid down by the Agency.



### Article (7)

Based on the proposition of the Competent Minister, the annual consumption quantities based on which the Subscriber List is developed as well as the obligatory percentages of the electric energy produced from the renewable energy sources that they are committed to use at the economical prices thereof shall be laid down by means of a decree of the Cabinet of Ministers.

The percentages referred to in the previous clause shall be set forth three months at least prior to the beginning of the financial year to absorb the electric energy produced by the existing plants expected to be operated during the year.

### Article (8)

Based on the proposition of the Ministry, the Cabinet of Ministers shall issue the rules and systems related to the following:

- a) The Feed-in Tariff and the capacity required to be achieved.
- b) System of the reconciliation of the conditions of the renewable energy projects prior to the issue of this Law.
- c) The regulations referred to in Article (3) of this Law.
- d) The Subscriber Lists and the obligatory percentages referred to in the first clause of Article (7).
- e) Rules of issuing and circulating the Energy Source Certificates.

### Article (9)

Based on the proposition of the Competent Minister, the Prime Minister shall issue the regulations and decrees required for the enforcement of the provisions of this Law.



**Article (10)**

This Decree-Law shall be published in the Official Journal and shall come into force as of the day following the date of its publication.

**Issued at the Presidency of the Republic on the 29<sup>th</sup> of Safar, 1436 Islamic Calendar (corresponding to the 21<sup>st</sup> of December, 2014).**

**Abdel-Fattah El-Sisi**