A PROCLAMATION ON ENERGY

WHEREAS, energy is one of the indispensable inputs necessary for accelerating the economic and social development of the country;

WHEREAS, the existing Electricity Proclamation needs to be revised based on the current national and regional development of energy regulations and be replaced by a new energy law that include regulations of both electricity and energy efficiency and conservation;

NOW, THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

PART ONE

GENERAL

1. Short Title
This Proclamation may be cited as the "Energy Proclamation No. 810/2013".

2. Definitions
In this Proclamation unless the context otherwise requires:

1/ "energy" means electric power generated from hydropower, solar, wind, geothermal or other sources;

2/ "generation" means the production of electricity;

3/ "transmission" means the transportation of electricity through high voltage lines;
“distribution” means the supply of electricity services to customers through medium and low voltage lines;

“grid”: means the network of transmission and distribution systems and connection points for the movement and supply of electrical energy from generating stations to customers;

“low voltage” means a voltage of supply up to 400 volts;

“medium voltage” means a voltage level above 400 up to 33,000 volts;

“high voltage” means a voltage level above 33,000 volts;

“electrical work” means a work of electrical design, installation, maintenance, testing, inspection, contracting or consultancy, electromechanical activity or any other electric related business;

“installation” includes wirings, equipment, fittings and other materials used or intended to be used to convey electricity beyond the point of supply to the point of consumption;

“customer” means a person obtaining electricity services from a licensee;

“code” means an organized set of procedures and practices prescribed by the directive of the Authority to be applicable with respect to electrical works or service level standards;

“energy audit” means a systematic procedure:

a) to obtain adequate knowledge of the existing energy consumption profile of a customer;

b) to identify and quantify cost effective energy saving opportunities; and

c) to report the findings;

“energy conservation” means reduction in the amount of energy consumed in a process or system through elimination of waste and economical and rational use;
15/ "energy efficiency" means the ability to provide the same or higher level of products or services at lower energy consumption;

16/ "energy efficiency label" means label affixed on energy consuming asset to describe the asset’s energy performance in order to provide consumers the data necessary to make informed purchase;

17/ "energy service company" means a company that delivers energy efficiency improvement service with respect to a customer’s facility or premises and accepts payment for the service based, either wholly or in part, on the achievement of energy efficiency improvement;

18/ "voluntary agreement" means a contract between the Authority and any person on agreed targets with commitments and time schedules on the part of all participating parties to improve energy efficiency;

19/ "Fund" means the Energy Efficiency and Conservation Fund established under Article 23 of this Proclamation;

20/ "trust agent" means any represented financial institution that keeps the money collected from various sources of the Fund as well as advances and collects loans upon the order of the Board;

21/ "license" means a license issued pursuant to this Proclamation to generate, transmit, distribute and sale, import or export electricity for commercial purposes; or to undertake energy audit, energy efficiency and conservation contracting or consultancy services;

22/ "licensee" means a person issued with a license pursuant to this Proclamation;

23/ "certificate of competency" means a document issued by the Authority that certify the competency of any person to engage in electrical works;

24/ "tariff" means the list of charges for electricity services;
25/ "Authority" means the Ethiopian Energy Authority to be established by the regulation of the Council of Ministers;

26/ "Board" means the Authority’s Board;

27/ "region" means any state referred to in Article 47(1) of the Constitution of the Federal Democratic Republic of Ethiopia and includes the Addis Ababa and Dire Dawa city administrations;

28/ "person" means a natural or juridical person;

29/ any expression in the masculine gender includes the feminine.

PART TWO

THE ETHIOPIAN ENERGY AUTHORITY

3. Establishment

The Ethiopian Energy Authority shall be established by regulations to be issued by the Council of Ministers.

4. Powers and Duties of the Authority

The Authority shall have the powers and duties to:

1/ issue and renew license and certificate of competency in accordance with this Proclamation and regulations and directives issued hereunder;

2/ supervise the operations of licensees and holders of certificates of competency to ensure compliance with the provisions of this Proclamation and regulations and directives issued hereunder; and in the case of contravention of this Proclamation or regulations or directives issued hereunder, penalize the licensee or the holder of a certificate of competency with fine or suspend or revoke his license or certificate of competency, depending on the gravity of the offence;

3/ review national grid related tariff submitted to it by a licensee and submit its recommendation to the government for approval; and, upon approval, regulate the implementations thereof; issue and regulate the implementation of guidelines for the determination of off-national-grid tariffs;
4/ formulate long-term, medium-term, and short-term energy efficiency and conservation strategy and program at national and sectoral levels and, on the basis of periodic reports to be submitted to it, evaluate the implementations of same;

5/ promote energy efficiency and conservation at national and sectoral levels;

6/ issue energy audit code, energy efficiency standards code, energy efficiency labeling code, grid code, customers’ service code, technical inspection code, quality service standard code, building electrical installation code, technical standard code and other codes; and supervise the implementations of same;

7/ approve electric power purchase and network service agreements;

8/ cooperate with training institutions and regional and international forums for promoting energy efficiency and conservation, energy development and power trade;

9/ establish energy efficiency testing laboratories and issue and implement testing procedures;

10/ promote and coordinate energy efficiency and conservation research, development and demonstration and technology transfer activities;

11/ collect, analyze, organize and disseminate information relating to energy efficiency and conservation;

12/ hear, investigate and, when necessary, mediate or arbitrate disputes between parties with complaint over any matter required to be regulated under this Proclamation;

13/ collect fees for the issuance and renewal of licenses and certificates of competency and for other services it renders and the revenues of the Fund, in accordance with the regulation to be issued hereunder;

14/ where necessary, delegate its powers and duties to the appropriate regional executive organs and provide them with capacity building support.
5. **Powers and Duties of the Board**

Without prejudice to other provisions of this Proclamation, the Board shall have the powers and duties to:

1/ review tariff proposals in relation to the national grid and submit same to the government for approval;

2/ approve off-national-grid tariffs determination guidelines, national energy efficiency and conservation strategy and program, model power purchase and network service agreements;

3/ approve directives of the Authority to be issued pursuant to this Proclamation;

4/ ensure the timely collection of the Fund and its proper utilization;

5/ approve the selection of a trust agent and grants of loans from the Fund.

**PART THREE**

**LICENSE AND CERTIFICATE OF COMPETENCY**

6. **Requirements of License**

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 to the Authority an application, along with necessary particulars, and obtain a license.
7. 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.

8. 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.

9. 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 (2) 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 issued hereunder.

10. Obligations of Licensee

1/ Any licensee shall:

a) keep relevant records of operations, and submit plans, reports, information and supporting documents to the Authority in accordance with regulations and directives issued hereunder;

b) 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.

11. Certificate of Competency

1/ Any person who wants to undertake electrical work activities shall obtain certificate of competency in accordance with this Proclamation and regulation to be issued hereunder.

2/ Any person which has been issued with certificate of competency in accordance with sub-article (1) of this Article shall prior to commencement of operation, obtain the appropriate trade license from the Ministry of Trade or a regional trade bureau as the case may be.
Any individual who wants to renew a certificate of competency issued in accordance with sub-article (1) of this Article shall produce evidence showing the relevant work experience or participation in a continuing education program as specified by regulation to be issued hereunder.

The requirements and conditions for the issuance, renewal, suspension, revocation or replacement of a certificate of competency shall be prescribed by regulation to be issued hereunder.

PART FOUR

PROVISIONS RELATING TO ELECTRICITY SUPPLY ACTIVITIES

12. Conditions for Interruption of Electricity Services by the Licensee

1/ A licensee may not interrupt electricity services except for the following reasons:

a) to inspect, repair, maintain, adjust or to undertake other necessary works related to electrical equipment or lines;

b) where natural calamities such as floods, landslides, earthquakes or other events beyond the control of the licensee occur;

c) where a customer fails to pay charges;

d) where a customer utilizes unauthorized electricity contrary to the terms and conditions agreed upon, or tamper with electricity meter installed.

2/ The licensee shall notify the general public in advance of interrupting electricity services as provided under sub-article (1)(a) of this Article within the time limit specified in regulation to be issued hereunder.

3/ The licensee shall resume supplying electricity services as soon as the conditions stated under sub article (1) (b), (c) and (d) of this Article are rectified.
13. National Grid

1/ The government may, by notification, specify any transmission line as national grid.

2/ Conditions of access to the national grid shall be specified by regulation to be issued hereunder.

14. The Electricity Trade

1/ Conditions of importation or exportation of electricity shall be determined by regulation to be issued hereunder.

2/ Conditions of conducting electricity trade without the need for power purchase agreement shall be determined by regulation to be issued hereunder.

15. Inspection

1/ An officer duly authorized by the Authority may, at all reasonable time, enter premises and inspect or supervise the generation, transmission, distribution and sale of electricity or electrical installation without unreasonably impeding or obstructing activities thereof.

2/ No electrical installation may be energized from the supply line of the licensee without being certified for safety compliance by a licensed electrical inspector.

PART FIVE

USE OF LAND FOR ELECTRICITY SUPPLY ACTIVITIES

16. Use of Land

Any generation, transmission or distribution and sale, import or export licensee:

1/ may enter the land or the premises in the holding of any person after securing prior permission from the person to carry out installation of new electricity supply:
17. Compensation

The licensee shall pay compensation, in accordance with the relevant law, for damages caused to the property of a landholder while performing the activities provided under Article 16 of this Proclamation.

18. Expropriation of Land

Where public interest so justifies, any generation, transmission, distribution and sale, import or export licensee may be made the beneficiary of an expropriation measure, taken in accordance with the relevant law, by the government over private land holdings.

PART SIX

PROVISIONS RELATING TO ENERGY EFFICIENCY AND CONSERVATION

19. Regulating Energy Efficiency And Conservation Activities

1/ Energy efficiency and conservation regulatory activities shall be applied to industry and building and technologies related to electrical equipment and appliance.

2/ Energy efficiency and conservation activity may be regulated through the application of any one or more of the following, as may be appropriate:

a) minimum energy efficiency standard;

b) energy efficiency labeling codes;

c) mandatory energy audit;

d) voluntary agreement;

e) mandatory energy saving; or

f) mandatory installation of energy efficient and conserving equipment.

may enter the land or premises in the holding of any person after notifying that person to carry out activities required to connect, repair, upgrade, inspect or remove electrical lines;

shall have the right to cut or lop trees or to remove crops, plants or other things that obstruct the construction or operation of electrical works or may cause danger to electrical lines.
The Authority may regulate energy efficiency and conservation activities on its own or through licensed energy service company.

The Authority may oblige large energy consumers to establish their own energy management unit and submit periodic reports to the Authority as provided under regulation to be issued hereunder.

The Authority may, in view of achieving higher level of performance in energy efficiency and conservation, enter into a voluntary agreement the result of which shall be measurable and binding with energy utilization equipment producers, importers or large-scale energy users.

20. National Energy Efficiency And Conservation Strategies and Programs

1/ The Authority shall develop and implement national energy efficiency and conservation strategies and programs.

2/ The national energy efficiency and conservation strategies and programs shall be accompanied by detailed economic evaluation objectives and measurable targets.

3/ The Authority shall review periodically the national energy efficiency and conservation strategies and programs mentioned under sub-article (1) of this Article.

21. Reporting

1/ Every energy efficiency and conservation performance report shall follow the necessary standards and contain all the required elements that the energy efficiency and conservation activity intended to accomplish and follow the reporting procedures as provided under regulation to be issued hereunder.

2/ The report submitted pursuant to sub-article (1) of this Article shall enable the Authority to take due account of the existing practice.
22. Voluntary Agreement

1/ Voluntary agreements shall have clear and unambiguous objectives, and monitoring and reporting requirements linked to procedures that can lead to revised or additional measures when the objectives are not achieved or are not likely to be achieved.

2/ With a view to ensure transparency, voluntary agreements shall be made available to the public and published prior to application to the extent that applicable confidentiality provisions allow and invite stakeholders’ comment.

3/ The Authority may devise and implement programs at national level that promote energy efficiency through the application of voluntary agreements.

4/ Any high energy consuming customer who refuses to conclude voluntary agreement and thereby reduce the energy loss based on the obligation and time schedule provided thereunder shall be obliged to pay the consequent energy loss charges as determined by regulation to be issued hereunder.

23. Energy Efficiency and Conservation Fund

1/ Energy Efficiency and Conservation Fund is hereby established.

2/ The Fund shall be utilized for the purpose of providing loans and financial supports to persons involved in energy efficiency and conservation activities.

3/ The sources of the Fund shall be:
   a) budget allocated by the government;
   b) loans and grants from international financial institutions;
   c) grants from non-governmental organizations;
   d) infraction from energy inefficient electrical equipment and appliances, buildings and industries; and
   e) incomes from other sources.
24. Working Without Having License

Without prejudice the privileges provided to cooperative societies by other laws, any person who generates, transmits, distributes and sells, imports or exports electricity for commercial purposes, or perform electrical work, energy audit, energy efficiency and conservation contracting or consultancy service without having license shall be punished with rigorous imprisonment up to ten years or with a fine up to Birr 50,000 or with both, and forfeit his working equipment and appliances to the government.

25. Certificate of Competency Related Offences

Any person failing to comply with the requirements, conditions or obligations of certificate of competency stated under this Proclamation or regulations or directives issued hereunder shall be punished with simple imprisonment up to three years or with a fine not more than Birr 15,000 or with both.

26. Damages on Electric Plants

Any person who causes damage to any generation transmission or distribution facility shall be punished with rigorous imprisonment from five to fifteen years or with a fine of up to Birr 50,000 or with both.

27. Obstruction of the Authority's Duty

Any person who resists, hinders or obstructs an inspector of the Authority acting pursuant to this Proclamation, or who intentionally fails to comply with any instructions duly given by the inspector shall be punished with simple imprisonment not exceeding five years or with a fine of up to Birr 25,000 or with both.
28. Abstracting Electrical Energy

Any person who:

1/ abstracts, unlawfully connect to other line, obstruct or cause to be abstracted, unlawfully connected to other lines or obstructed any electrical energy; or

2/ consumes or uses any electrical energy, knowing that it has been abstracted, unlawfully connected to other line or obstructed;

shall be punished with rigorous imprisonment of up to five years or with a fine of up to Birr 20,000 or with both.

29. Other Electrical Energy Related Offences

Any person who:

1/ violates any of the conditions of a license issued to him under this Proclamation;

2/ lays, erects or installs, or permits to be laid, erected or installed, any conductor or electrical equipment and connects it, or permits it to be connected, with any electric supply line through which electrical energy is supplied by a licensee, without the consent of the licensee;

3/ constructs, plows, digs, grows crops, plants or trees within the restricted areas of electrical installations or refuses to demolish any construction, cut or lop trees or to remove crops, plants or any other things that obstruct the construction or operation of electrical works or may cause danger to electrical installations;

4/ tampers, permits to be tampered or disables electrical meters installed by a licensee from recording electric consumption or gives assistance thereof;
disconnects or permits to be disconnected any conductor or electrical equipment from any electric supply line belonging to a licensee, without the consent of the licensee;

makes or permits to be made any alteration in his permanent installation without the previous approval of the licensee;

uses electrical energy where the quantity of the supply of electrical energy is not ascertained by meter or uses any electrical equipments or device other than what he has contracted to pay for, or uses such electrical equipments or device at any other time than the time specified and for which he has contracted to pay;

uses electrical energy supplied to him for purposes other than the purposes for which it is supplied;

supplies to any other person any part of the electrical energy supplied to him by the licensee without the consent of the licensee;

disconnects or abstracts any electric line towers or their parts or gives assistance thereto; or

intentionally or negligently damages or breaks any works related to electricity under the control of a licensee;

shall be punished with up to five years rigorous imprisonment or with a fine not exceeding Birr 25,000 or with both.

30. Energy Efficiency Related Offences

Any person, who manufactures, imports, trades, distributes or uses any product which does not meet the requirements specified in the energy efficiency mandatory standards fixed in accordance with this Proclamation or regulations issued hereunder shall be punished with up to five years rigorous imprisonment or with a fine not exceeding Birr 25,000 or with both.
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<th>Article</th>
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<td>21.</td>
<td>When the offender is a habitual offender or the offence damages the national economy of the country seriously, the penalty may extend up to fifteen years rigorous imprisonment or a fine of up to Birr 100,000 or with both.</td>
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<td>3/</td>
<td>The energy inefficient products related to the commission of the offence referred to in sub-article (1) of this Article shall be forfeited to the government.</td>
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### 31. Reporting and Record Keeping Violations

Any person who:

1. fails to make a report or files a false report to the Authority as required by this Proclamation or regulations or directives issued hereunder; or

2. fails to keep records in the form and manner prescribed or approved by the Authority; shall be punished with up to two years simple imprisonment or with a fine of up to Birr 15,000 or with both.

### 32. Presenting False or Misleading Statement

Any person who presents a false or misleading statement to the Authority in relation to any information required under this Proclamation shall be punished with simple imprisonment up to five years or with a fine of up to Birr 25,000 or with both.

### 33. Penalty on Juridical Persons

When an offence stated under this Proclamation is committed by a juridical person the penalty shall be determined in accordance with the relevant provisions of the Criminal Code.
PART EIGHT
MISCELLANEOUS PROVISIONS

34. Charges

No licensee may claim charges in excess of the tariff set in accordance with this Proclamation and regulation issued hereunder.

35. Town Plans

1/ Any master plan of a town shall clearly demarcate and show the electrical distribution system layout thereof.

2/ Any licensee shall, while installing electrical lines, comply with the master plan of the town.

36. Other Constructions and Works

No construction, farming, plantation or any other activity of a permanent nature may be carried out within the clearance zone of electric transmission and distribution stations or lines to be set by regulations or directives to be issued hereunder.

37. Access to Existing Transmission and Distribution Lines

The licensee shall allow the use of his transmission and distribution lines to other licensees where their request is without impediment to his undertakings and they pay the tariff to be determined by the Authority.

38. Settlement of Disputes

1/ The Authority shall:

a) hear customer’s complain for noncompliance related to electricity services or energy efficiency and conservation activities by a licensee, provided that the customer has exhausted all complaint hearing procedures arranged by the licensee in accordance with regulation to be issued hereunder;

b) mediate or arbitrate a dispute between licensees or between a licensee and a customer pertaining to the conditions of supply of electricity, tariff or quality of supply or provision of services, if they agree to submit it to the Authority.
21. In resolving the dispute the Authority shall give priority for mediation; provided, however, that if the dispute could not be resolved through mediation, arbitrate the dispute and render a final and binding award.

31. In order to arbitrate disputes pursuant to sub-articles (1)(b) and (2) of this Article, the Authority shall form an arbitration panel.

41. The members of the arbitration panel and the procedure to be followed for settlement of disputes and complaints under this Article shall be determined by regulation to be issued hereunder.

39. **Bankruptcy**

1/ When the licensee is declared bankrupt in accordance with the relevant provisions of the Commercial Code, and when a new licensee shows interest to continue the operation, the Authority shall revoke the previous license and do everything at its disposal to transfer the work to the new licensee with a view to safeguard the interests of customers.

2/ When a new licensee takes over the operations of the previous licensee pursuant to sub-article (1) of this Article, the Authority shall cooperate with the relevant bodies in order to effect the transfer of the assets of the previous licensee, partly or wholly, to the new licensee.

40. **Power to Issue Regulation and Directive**

1/ The Council of Ministers may issue regulations necessary for the proper implementation of this Proclamation.

2/ The Authority may issue directives necessary for the proper implementation of this Proclamation and regulations issued under sub-article (1) of this Article.

41. **Issuance and Publication of Directives**

1/ The Authority shall, before issuing any directive under Article 40(2) of this Proclamation, consult such persons as appears to it to be representatives of:

a) licensees;

b) users of bulk electricity services;

c) energy efficiency implementing entities; and
42. Repealed and Inapplicable Laws

1. The Electricity Proclamation No. 86/1997 is hereby repealed.

2. No law or practice may, in so far as it is inconsistent with this Proclamation, be applicable with respect to matters provided for by this Proclamation.

43. Transitory Provisions

1. Notwithstanding the provisions of Article 42(1) of this Proclamation, the Electricity Agency established under Proclamation No. 86/1997 shall retain its legal personality and exercise the powers and duties given to the Authority by this Proclamation until the effective date of the regulation to be issued pursuant to Article 3 of this Proclamation.

2. Without prejudice to the provisions of Article 42(2) of this Proclamation, regulations, directives and standards issued pursuant to the Electricity Proclamation No. 86/1997 shall remain in force until replaced by regulations, directives and standards issued hereunder.

3. Licenses and certificates of competency issued pursuant to the Electricity Proclamation No. 86/1997 and regulations and directives issued thereunder shall be deemed to be issued pursuant to this Proclamation and regulations and directives issued hereunder.

44. Effective Date

This Proclamation shall enter into force on the date of publication in the Federal Negarit Gazette.

Done at Addis Ababa, this 27th day of January, 2014.

MULATU TESHOME (DR.)

PRESIDENT OF THE FEDERAL

DEMOCRATIC REPUBLIC OF ETHIOPIA