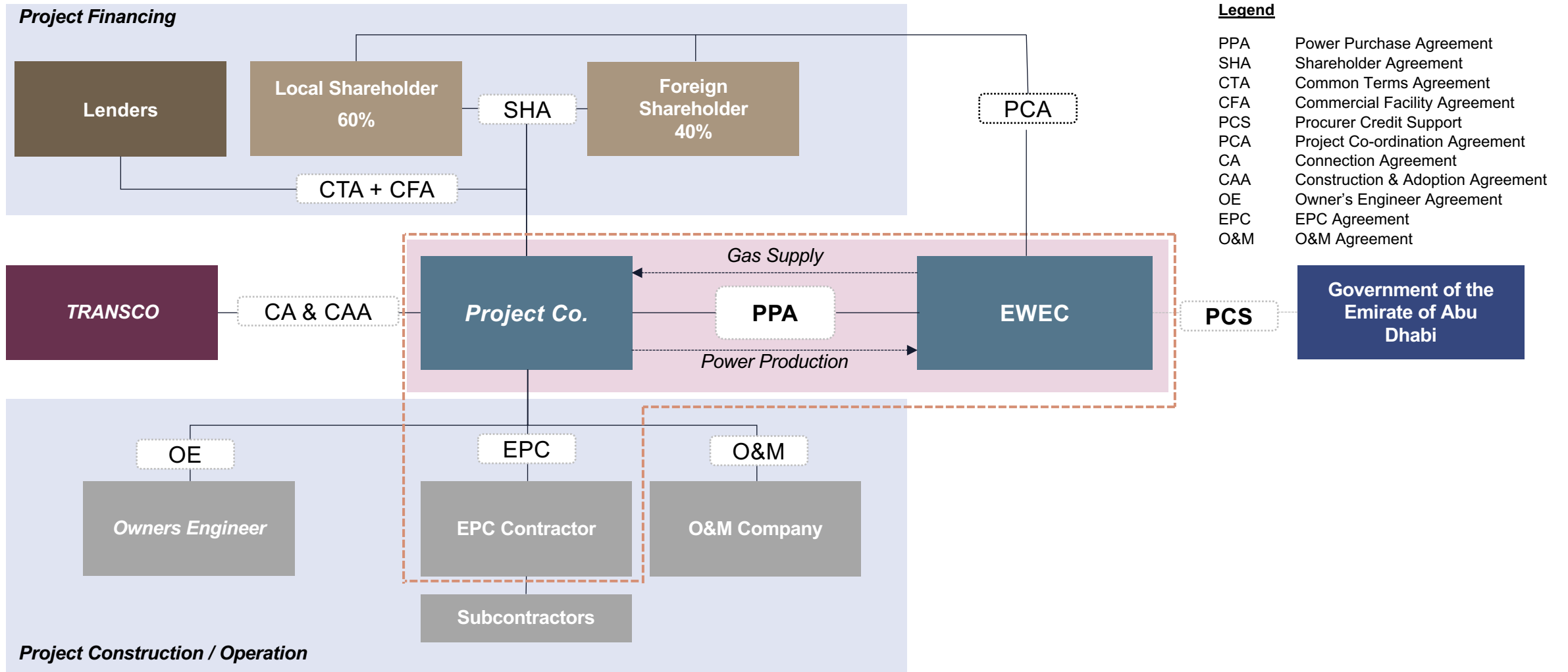


Maintaining Invest-ability in an Evolving Development Landscape

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EWEC project structure



Applicable legal and regulatory document



Law 2 of 1998 Art. 90 *“requiring the Company to engage in the **economic purchase of production capacity...**”*



Procurer Licence – Condition 14 *“**Economic purchasing** of water, electricity and production capacity”*



Decision Regulatory Control 2 framework* - *“Costs with claims from IWPPs. ... **any actual costs during the year are recovered through the BST quarterly process.**” and “**EWEC is expected to have some degree of influence over these costs, and in the case of claims there is significant uncertainty about the timing and level of potential costs.**”*

Practical steps observed through MIPCO’s example

1

Keeping the DoE informed – At key milestones the DoE is engaged.

2

Working-level engagements – Discuss milestone-based updates.

3

EWEC to submit proposed settlement – Summary of claim’s history and recommendation.

4

DoE’s assessment – Review of claim and steps taken by EWEC to minimise costs.

5

EWEC – DoE leadership engagement – Agreement of position to take to the EC (DoE endorsement).

6

EC submission and engagement – DoE led and EWEC supported.

7

EC decision – Supported by SCFEA, delivers a decision for implementation.

Decision making to enable cost recovery



DoE to approve payment schedule



Issuance of payment by EWEC using working capital



Recovery of costs via the next BST quarterly adjustment

Note

- The magnitude will have an implication on the timing of cost recovery, as the sector’s financiability needs to be ensured.
- This means it is unlikely that a high-value claim will be able to paid in 2024.



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