

**Law No. (13) Of 2012**  
**Renewable Energy & Energy Efficiency Law**

Article 1- This Law shall be called (the Renewable Energy & Energy Efficiency Law of 2012)) and shall enter into force on the date of its publication in the Official Gazette.

Article 2- a- The following words and phrases wherever they appear in this Law shall have the meanings assigned to them hereunder unless the context provides otherwise:

Ministry	:	Ministry of Energy & Mineral Resources.
Minister	:	Minister of Energy & Mineral Resources.
Secretary General	:	Secretary General of the Ministry.
Electricity Law	:	General electricity law in force.
Commission	:	Electricity Regulatory Commission established in accordance with the provisions of the Electricity Law.
Fund	:	Renewable Energy and Energy Efficiency Fund established in accordance with the provisions of this law.
Committee	:	Management Committee of the Fund.
Chairman	:	Chairman of the Committee.
Renewable Energy	:	Energy produced from inexhaustible natural resources.
Renewable Energy Sources	:	Natural resources of energy including solar energy, wind energy, bio-energy, geothermal energy and hydropower.

- Renewable Energy Systems : Systems and equipment based on exploiting Renewable Energy Sources for energy production.
- Renewable Energy Facility : Facility that works on exploiting renewable energy sources and systems.
- Energy Efficiency : Series of measures and means carried out with the aim of reducing energy consumption and improving energy efficiency in a way that does not affect the level of performance.
- Energy Efficiency Systems : Systems and devices that work on rationalizing energy consumption and improving its efficiency including, among others: energy saving lamps, thermal insulation materials, thermal and electricity regulators.
- Generation License : Permission granted by the Commission according to the provisions of the Electricity Law.
- Person : Natural or legal person.
- Licensee : Person licensed by the Commission to exploit Renewable Energy Sources to generate electrical power.
- Distribution Code : Technical requirements for the connection of power production facilities to the Distribution System as well as for its operation and use prepared by the Commission to operate the Distribution System.
- Bulk Supply Code : Code prepared by the Commission for regulating the purchase of electrical power from the Bulk Supply Licensee.
- Small Renewable Energy Facility : Renewable Energy Facility with an actual capacity that does not exceed the limits of the distribution code.
- Project : Any project that seeks to exploit Renewable Energy Sources.
- Project Agreements : The set of contractual documents entered with the competent bodies to exploit Renewable Energy Sources including,

- among others, any agreement to implement the project, Power Purchase Agreement or Land Lease Agreement.
- Land Use List : Lands suitable for exploiting available Renewable Energy Sources.
- Reference Pricelist : Record prepared by the Commission with the relevant bodies for specifying the mechanism of pricing the purchase of electrical power from Renewable Energy Sources.

- b – For the purposes of this law, words and phrases undefined in this Law shall bear the meaning specified in the Electricity Law.

Article 3- For achieving the objectives of this Law, the Ministry shall work on the following in cooperation and coordination with the competent bodies:

- a- Exploiting Renewable Energy Sources for increasing the percentage of their contribution to the total energy mix, achieving safe supply therefrom and promoting investment thereto.
- b- Contributing to environmental protection and achieving sustainable development.
- c- Rationalizing the exploitation of energy and improving its efficiency in various sectors.

Article 4- a- The Ministry shall identify, in cooperation with the specialized technical bodies and centers, the geographical locations in the Kingdom of suitable nature, which demonstrate a high potential for exploiting Renewable Energy Sources, and shall establish a priority list for the development of such locations in accordance with the Ministry's energy sector master plan, and any other plans for the development of Renewable Energy Sources adopted by the Ministry.

- b- The Ministry shall identify the Land Use List in accordance with the provisions of clause (a) of this

- Article, including areas and ownership of such lands and submit it to the Council of Ministers for approval.
- c- Upon a decision from the Council of Ministers, treasury land that appears in the approved Land Use List shall be allocated for renewable energy projects while listed land owned by individuals shall be acquisitioned according to the provisions of legislations in force and in compliance with the Ministry's plan approved by the Council of Ministers.

Article 5- Notwithstanding what has been stated in the Electricity Law:

- a- The Ministry may, in coordination with the Bulk Supply Licensee, issue tenders or attract proposals on competitive basis for the development of one or more sites included in the Land Use List approved in accordance with the provisions of this Law for the purposes of generating electrical power.
- b- If the development of Renewable Energy Sources for generating electrical power exceeds the total of capacity of (500) Mega Watt, The Council of Ministers upon recommendation of the Minister, may issue a decision states that the Bulk Supply Licensee or Retail Supply Licensee is entrusted to issue tenders or attract proposals on competitive basis for the development of one or more sites included in the Land Use List approved in accordance with the provisions of this Law for the purposes of generating electrical power and connecting to the grid.

Article 6- a- With the exception of sites that are being developed through public tenders and according to the provisions of Article (5) of this Law, any person may submit a direct proposal to the Ministry or to whom entrusted by the Council of Ministers pursuant to clause (b) of that Article in order to develop any site for the purpose of exploiting Renewable Energy Sources.

- b- The direct proposal for generating electrical power and connecting to the grid shall meet the following conditions:

- 1- The proposal shall contain the development plan including the preliminary design, initial financing plan, and the contribution of local inputs to the facility, supplies, construction and operation.
  - 2- The applicant shall possess sufficient experience in the implementation or development of Renewable Energy Facilities similar to the proposal in question.
  - 3- Any documents or additional data necessary to fully appraise the proposal shall be submitted.
  - 4- The proposed tariff included in the proposal for electricity to be generated and sold by the Renewable Energy Facility shall be a fixed tariff expressed as an amount per kilowatt hour, and within an acceptable range according to the Reference Pricelist.
- c- The Ministry or whoever is entrusted by the Council of Ministers pursuant to clause (b) of Article (5) of this Law, in cooperation with the relevant bodies, shall study such direct unsolicited proposals and notify the applicant of its decision within a period of six months from the date of submitting the proposal.
- d- In the event of an initial approval on the submitted proposals, the Minister shall submit the recommendations to the Council of Ministers in order to issue the necessary decision thereon.

Article 7- a- The Ministry or whoever is entrusted by the Council of Ministers pursuant to clause (b) of Article (5) of this Law, in cooperation with the relevant bodies, shall enter into negotiations with the applicants of accepted proposals, in order to proceed to the final Project Agreements.

- b- 1- After signing the Project Agreements, the Commission shall issue the Generation License in compliance with their terms.
- 2- The license must state terms, conditions and obligations due to the licensee, as well as the cases where the license is amended or cancelled.

- Article 8- a- The electrical power generated by the Renewable Energy Facilities which are licensed in pursuance of the provisions of this Law is to be sold to the Bulk Supply Licensee or the Retail Supply Licensee in accordance with the power purchase agreements concluded in pursuance of the provisions of this Law.
- b- While taking into consideration the texts of the Bulk Supply Code, the delivery rules which are stated in the Grid Code or the Distribution Code must be adhered to, as the case may be.
- c- The Bulk Supply Licensee and the Retail Supply Licensee, as the case may be, shall accept the delivery and the purchase of all electrical power generated by the Renewable Energy Facility which is connected to their respective grid.

Article 9- Notwithstanding the provisions of the Grid Code or of the Distribution Code, or of any license issued under the Electricity Law:

- a- The cost of interconnecting a Renewable Energy Facility to the Grid shall be at the expense of the Bulk Supply Licensee.
- b- The cost of interconnecting a Renewable Energy Facility to the Distribution System of any Distribution Licensee shall be paid in accordance with instructions to be issued by the Commission.
- c- The Commission may waive Renewable Energy Facilities from any provision of the Grid Code or of the Distribution Code where such waiver is necessary, in coordination with the relevant licensees.

Article 10- a Any person, including small Renewable Energy Facilities and homes that have Renewable Energy Systems for the generation of electrical power, may sell the generated electrical power to the Bulk Supply Licensees and to the Retail Supply Licensees.

- b- The size and nature of such Renewable Energy Facilities and the selling price of the generated electrical power shall be specified in accordance with instructions to be issued by the Commission. The selling price of such

power should not be lower than the purchase tariff specified by the licensees, provided that such instructions shall be published in at least two daily newspapers.

- Article 11- a- All systems and equipment of renewable energy sources and energy efficiency and its production inputs whether manufactured locally and/ or imported, will be exempted from all customs duties and sales tax.
- b- Terms and conditions related to exemptions prescribed in clause (a) of this Article shall be determined in accordance with a by-law to be issued for this purpose.

Article 12- A fund to be known as (Renewable Energy and Energy Efficiency Fund) shall be established in the Ministry with the aim of providing the funding necessary for the exploitation of Renewable Energy Sources and the rationalization of energy consumption including small Renewable Energy Facilities.

- Article 13- a- The Fund shall be managed by a Committee called (Management Committee of the Fund) under the Chairmanship of the Minister and the membership of:
- 1- Secretary General of the Ministry, Vice-Chairman.
  - 2- Two representatives of the public sector from relevant entities specified by the Minister upon recommendation of the Secretary General.
  - 3- Three representatives of the private sector with appropriate expertise and competence named by the Minister upon recommendation of the Secretary General.
- b- Duration of the Membership of the members prescribed in clauses (2) and (3) of this Article shall be three years, renewable for one time.
- c- In the absence of Chairman, Vice-Chairman shall take the responsibilities of the Chairman.
- d- The Committee shall meet once every two months and whenever is needed upon an invitation from the Chairman or the Vice-Chairman if the former is

absent. The meeting will achieve quorum if the majority of the members are present provided that the Chairman or Vice-Chairman are among them. The decisions are to be taken on the basis of vote majority.

- e- The Committee shall have the right to invite any expert to get a consultation for any matter without giving him/her the right to vote.
- f- The Minister shall appoint a Secretary for the Committee from the staff of the Ministry to organize the agenda of the Committee, take minutes of its meetings and keep records and registers.

Article 14- a- In order to achieve the objectives of the Fund, the Committee shall have the following duties and powers:

- 1- Setting priorities for the Fund's tasks in accordance with the Energy Sector policies and optimizing the Uses of the Fund's resources.
- 2- Discussing and approving the annual report of the Fund's work.
- 3- Discussing the Fund's draft annual budget and the year-end financial statements.
- 4- Developing principles and standards for the selection of agencies and projects to be funded and obtaining approval for funding.
- 5- Any other tasks required by the nature of the work of the Fund or presented by the Chairman of the Committee thereon.

b- Terms and conditions related to control on the Fund's work and the principles to be followed in providing finance and expenditures therefrom shall be determined in accordance with a regulation to be issued for this purpose.

Article 15- a- The Fund shall have a Director appointed by decision from the Minister upon a recommendation of the Human Resources Committee at the Ministry, and the services of the Director shall be terminated in the same manner thereof.



- b- Duties and powers of the Director shall be determined by the Committee.
- c- The Minister shall appoint from the staff of the Ministry a staff that will assist the Director in carrying out the duties of the Fund for achieving its objectives.

Article 16- a- The financial resources of the Fund shall consist of the following:

- 1- The amounts allocated in the General Budget.
- 2- The Fund's revenues and investment proceeds.
- 3- Aids, gifts, donations and grants subject to the approval of the Council of Ministers if they are from non-Jordanian sources.
- 4- The percentage determined by the Council of Ministers from the proceeds of the sale of Certified Emission Reductions Credits (carbon) for energy projects.
- 5- Any other resources approved by the Council of Ministers.

- b- The Fund's money and rights are deemed public properties that are collected pursuant to the provisions of the State Properties Collection Law in force.
- c The Audit Bureau shall audit the accounts of the Fund.
- d- The Fund's money is not subject to the provisions of the law of surpluses, except for the money allocated from the Ministry's budget.

Article 17- In cases not prescribed in this Law, the provisions of the Electricity Law shall apply.

Article 18- The Council of Ministers will issue by-laws necessary for the execution of the provisions of this Law including the procedures and measures for energy conservation and energy efficiency in various sectors.

Article 19- The Prime Minister and the Ministers are charged with the enforcement of the provisions of this Law.