



وزارة الطاقة والمعادن
Ministry of Energy and Minerals

Controls And Conditions For Enabling Oq Alternative Energy As A National Champion Company In The Field Of Renewable Energy



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Given the importance of regulating the promising renewable energy sector and its expected role in the Sultanate of Oman's plans to achieve carbon neutrality by 2050, and to activate the outputs of the National Energy Transition Strategy, and as it is expected that investments in renewable energy for electricity and green hydrogen production will grow rapidly and steadily in the coming years, it has become necessary to build national capabilities and enable national companies to enhance energy security, competitiveness, and exploit these investment opportunities locally and globally.

The energy transition requires national companies to have sufficient technical capabilities and financial solvency, in addition to Omani competencies, to drive the energy transition towards the desired goals, where these companies and competencies are able to enter and compete in the strategic parts of the value chain. Enabling them will create leading national companies with global capabilities, entrusted with part of the responsibility to maximize economic returns and enhance the role of small and medium enterprises in the fields of renewable energy, green hydrogen and its derivatives, supply chains, manufacturing industries, and systems integration, in line with their capabilities and ambitions.

First: The Objectives

1. General Objectives:

- Provide the necessary support to the national champion company to enhance energy security and maximize local added value in the Sultanate of Oman.
- Create a balance between empowering the national champion company and the policy of attracting foreign investment, and achieving the goals of liberalizing the electricity market and competition to obtain high service quality and competitive prices for electricity, green hydrogen, and its derivatives.
- Establishing the National Champion company's operational frame work mechanism company to invest in green hydrogen projects and its derivatives.
- Maximize the economic impact of the energy transition by involving national companies in renewable energy and hydrogen projects.
- Develop a mechanism to measure the impact of the leading national company in achieving its assigned goals.

2. Objectives Assigned to the national champion Company :

- Contribute to achieving energy supply security by building leading local capabilities in the fields of energy transition and maximizing the role of local companies.
- Contribute to economic diversification and play a fundamental role in building an economy based on low-emission electrons and molecules.
- Contribute to reducing emissions and achieving the goal of carbon neutrality.
- Provide investment opportunities in the renewable energy and hydrogen sectors by involving local companies in the value chain in both sectors.
- Enhance the role of a wide range of small and medium enterprises in the aforementioned fields.
- Promote the role of innovation and the development of scientific research locally

Second: Enabling the national champion Company in the Field of Large Renewable Energy Projects

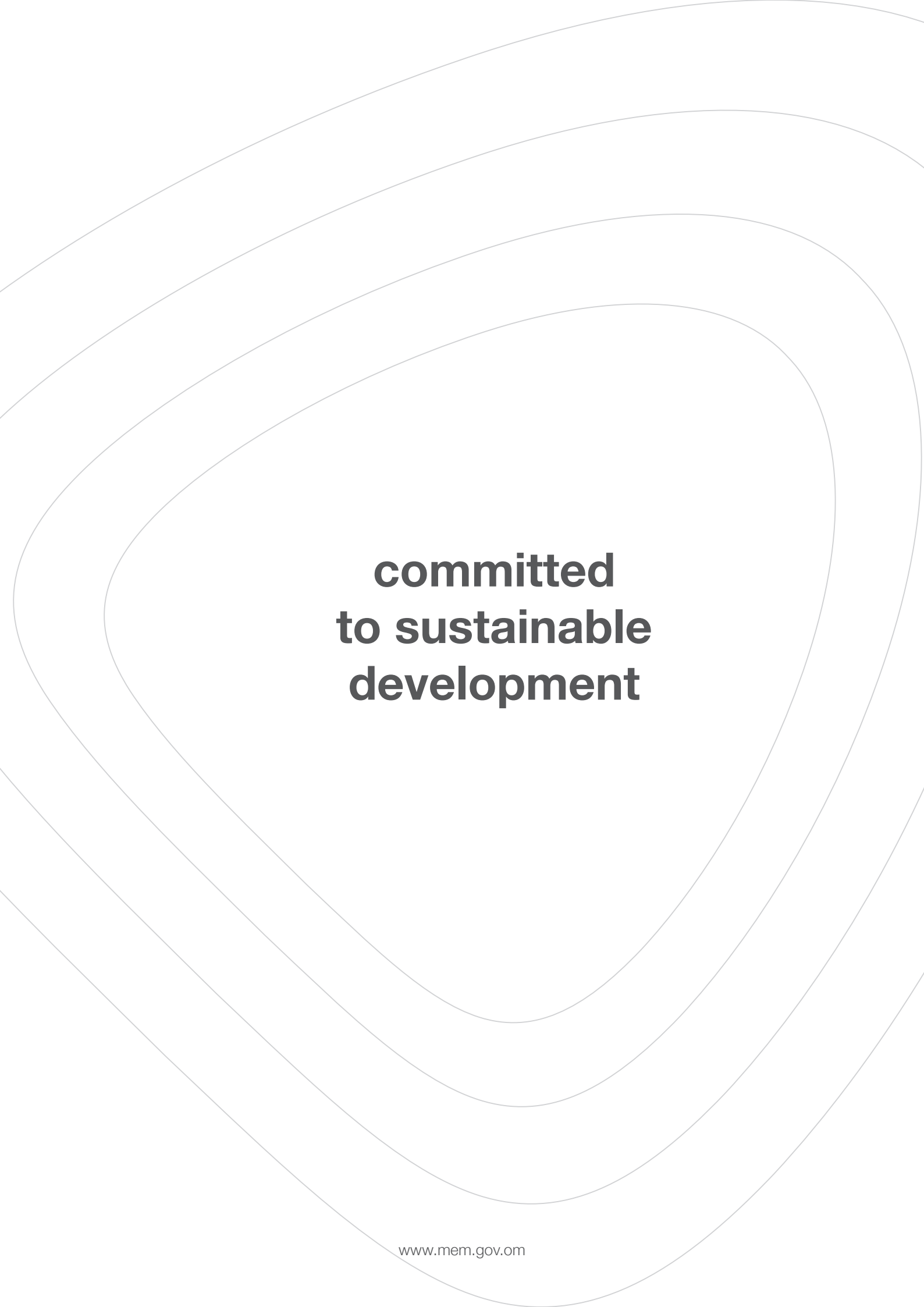
1. The national champion company must follow the procedures approved by the Authority for Public Services Regulation to obtain a license for each project under the Law for the Regulation and Privatisation of the Electricity and Related Water Sector, and these conditions are not considered an exception for the national company.
2. The exclusive right to develop, establish, and manage electricity generation projects from renewable energy sources belongs solely to the national champion company with a capacity equal to (50) megawatts or more, or as determined by the Ministry of Energy and Minerals, hereinafter referred to as "Large Renewable Energy Projects," for the purposes of Auto-generation and direct sale for a period of five years, renewable by the Ministry of Energy and Minerals.
3. The Ministry of Energy and Minerals, according to its mandate, allocates renewable energy lands to the national champion company in the field of renewable energy.
4. The Authority for Public Services Regulation enables the national champion company to carry out its assigned role and expedite the issuance of the necessary regulations and regulatory decisions according to the competencies assigned to it under the relevant legislation.
5. The national champion company and all eligible consumers associated with it through direct bilateral energy sale/purchase contracts are committed to the requirements of the auto-generation, direct sale and electricity wheeling policy.
6. The national champion company must maintain financial and administrative control over decisions related to its assigned objectives in the large renewable energy project companies it establishes for the purpose of investing in renewable energy projects for direct sale purposes.
7. The national champion company must coordinate with the Ministry of Energy and Minerals regarding the criteria for selecting its developer partners for large renewable energy projects.
8. The ownership percentage of foreign government-owned companies in renewable energy projects developed by the national champion company for direct sale purposes must not exceed the percentage specified in the policy for the ownership of foreign government-owned companies in independent electricity and water projects.
9. The Authority for Public Services Regulation, in coordination with the Ministry of Energy and Minerals, measures the economic impact of the leading national company's projects and the efficiency of the electricity market, and measures the impact of the leading national company's projects on localizing the supply chain, involving small and medium enterprises, building national capabilities, and developing research and innovation, and submits an annual report to the Ministry of Energy and Minerals, including the relevant results and proposals.

Third: Back-in Right in Independent Renewable Energy Projects

The national champion company is granted the back-in right in independent renewable energy projects, and prior coordination is carried out between the national champion company and the licensed power and water procurement company to confirm the national champion company's interest in participating in any independent renewable energy projects in accordance with the following conditions:

- A Both the licensed water and energy purchaser and the leading national company are committed to the controls and timeline for prior coordination in independent renewable energy projects, which are developed by the Authority for Public Services Regulation and approved by the Ministry of Energy and Minerals.
- B The leading national company is committed to owning a percentage not exceeding 25% of the shares of independent renewable energy projects developed by companies contracting with the licensed water and energy purchaser.
- C The licensed water and energy purchaser includes the commitment mentioned in paragraph (3-b) and the draft shareholders' agreement between the leading national company and the project developer in the project Tender Specifications Document.
- D The leading national company accepts the rate of return on investment in the qualified project capital as assessed by the licensed water and energy purchaser.
- E The Ministry of Energy and Minerals, after coordination with the Ministry of Finance, studies the exemption of independent renewable energy projects from the public subscription obligation stipulated in the sector regulation law.





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