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**ELECTRICITY LICENSING REGULATIONS**  
**ADOPTED BY THE**  
**REGULATORY BOARD**  
**OF**  
**RWANDA UTILITIES REGULATORY AUTHORITY – (RURA)**  
**NUMBER 002/ENERGY/EL/RURA/2013**  
**OF 25<sup>th</sup> July 2013**

# ELECTRICITY LICENSING REGULATIONS

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## **ELECTRICITY LICENCING REGULATIONS N° 002/ENERGY/EL/RURA/2013**

Pursuant to the Organic Law n°04/2005 of 08/04/2005 determining the modalities of protection, conservation and promotion of the environment in Rwanda, especially in Article 3;

Pursuant to the Law n°21/2011 of 23/06/2011 governing Electricity in Rwanda, especially in Articles 6, 7, 8, 9, 10, 11, 12, 13 and 14;

Pursuant to the Law n°9/2013 of 01/03/2013 establishing Rwanda Utilities Regulatory Authority (RURA) and determining its mission, powers, organization and functioning, especially in Articles 2, 3, 8, 10, 20, 37, 47 and 48;

Based on the recommendations made during the consultative meeting held on 11<sup>th</sup>/09/2012 between RURA and different stakeholders in the electricity sub-sector;

The Regulatory Board, upon due consideration and deliberation in its meeting of 8<sup>th</sup> May 2013;

**HEREBY** issues the following Regulations on Electricity Licensing;

## CHAPTER ONE. GENERAL PROVISIONS

### **Article 1: Purpose**

The purpose of these regulations is to establish a framework for the undertaking of electricity activities so as to achieve an efficient, effective, sustainable and orderly development and operations of electricity supply in Rwanda.

### **Article 2: Scope**

These regulations shall apply to any person carrying out or intending to carry out generation, transmission, distribution and trade of electrical power within or outside the Republic of Rwanda.

### **Article 3: Definitions**

Unless the context otherwise requires, the terms used in these regulations shall have the same meaning, if any, as they have in the Law Governing Electricity.

1. **“Application”**: an application for a license, a permit, a transfer, a renewal or modification of a license or permit under these regulations.
2. **“Defective filing”**: is a license application which does not meet all formal and procedural requirements of these regulations or another applicable rule.
3. **“Effective date”**: the date on which a license takes legal effect.
4. **“Electricity Law”**: The Law N°21/2011 of 23/06/2011 governing electricity in Rwanda.
5. **“KW”**: a thousand Watts.
6. **“Large scale customer”** : any person connected to a Medium or High Voltage networks who annually consumes an electricity quantity which is equal to or higher than the minimum quantity set by the Authority ;
7. **“License”**: refers to any document issued by the Authority which authorizes the licensee to carry out the activity specified in the license under the conditions prescribed in the license.
8. **“License applicant”**: any person who files an application for issuance of a license in accordance with these regulations.
9. **“Licensee”**: any person who holds one of the licenses issued by the Authority under these regulations.
10. **“Person”**: an individual or organization which is legally permitted to enter into a contract, and be sued if it fails to meet its contractual obligations.

**11. “RURA Law”:** refers to the Law n°9/2013 of 01/03/2013 establishing Rwanda Utilities Regulatory Authority (RURA) and determining its mission, powers, organization and functioning.

**12. “The Authority”:** refers to Rwanda Utilities Regulatory Authority (RURA).

## **CHAPTER II. LICENSING REGIME AND LICENSE REQUIREMENTS**

### **Article 4: License Requirements to Conduct Electricity Operations**

Any activity of production, transmission, distribution, and trading of electric power within and outside the national territory of the Republic of Rwanda shall be subject to a license issued by the Authority.

### **Article 5: Electricity operations subject to prior declaration**

Subject to the provisions of Electricity Law, activities of production, transmission and distribution and trade of electricity by a company or a household for own consumption shall be authorized on the national territory.

Where such power plants are established within private properties, there must be no violation of public and state private domain.

Activities referred to in the paragraph one of this article shall be subject to prior notice to the Authority and in compliance with regulations regarding safety of electricity operations.

### **Article 6: Electricity operations not requiring a license**

Operation of a project meant for electricity auto-production for less than fifty kilowatts (50 kW) shall not require any license issued by the Authority and shall not be subject to prior notification.

## **CHAPTER III. LICENSE CATEGORIES AND RESPONSIBILITIES**

### **Article 7: Types of licenses**

1. The Authority shall issue licenses for the following activities under these regulations:
  - a. Production;
  - b. Transmission;
  - c. Distribution;
  - d. Domestic Trade;
  - e. International Trade.
2. Notwithstanding the provision of the Article 7.1 of these regulations, the Authority reserves the right to issue special regulations on rural electrification licenses as under Article 26 of the Law governing electricity in Rwanda;

3. These regulations do not govern the concession licenses or agreements. The Ministry in charge of Energy shall be responsible for issuing concession agreements as per Article 25 of the Law governing electricity in Rwanda.

**Article 8: License for Electricity Production**

1. The production of electric power shall be subject to a license issued by the Authority.
2. Notwithstanding the provisions of Article 16 of the Law governing electricity in Rwanda, the holder of a license for production of electricity shall have the right to :
  - a. generate electrical power and sell it to other licensees or large scale customers inside the Republic of Rwanda;
  - b. access the transmission or distribution networks in accordance with a contractual agreement between him and the transmission or distribution company approved by the Authority.

**Article 9: License for electricity transmission**

1. The transmission of electric power shall be subject to a license issued by the Authority.
2. Notwithstanding the provisions of Article 17 of the Law governing electricity in Rwanda, the holder of a license for transmission of electricity shall have the right to:
  - a. buy/transmit/sell electrical energy on his network to other Licensees or consumers connected to the transmission network inside the Republic of Rwanda
  - b. use his transmission network for communication purposes as long as it does not negatively affect the performance of the transmission network.

**Article 10: License for Electricity Distribution**

1. The distribution of electricity shall be subject to a license issued by the Authority.
2. Notwithstanding the provisions of Article 18 of the Law governing electricity in Rwanda, the holder of a license for distribution of electricity shall have the right to :
  - a. purchase electrical power from the transmission company or any other Licensee and sell it to other Licensees or consumers inside the Republic of Rwanda, consistent with license conditions set by the Authority;
  - b. access the transmission network in accordance with a contractual agreement between him and the transmission company approved by the Authority.



### **Article 11: License for Electricity Domestic trade**

1. Any activity of electricity trade within the Republic of Rwanda shall be subject to a license issued by the Authority;
2. Notwithstanding the provisions of Article 19 of the Law governing electricity in Rwanda, the holder of a license for electricity domestic trade shall have the right to:
  - a. Purchase electrical power from a transmission or distribution company and sell it inside the Republic of Rwanda in accordance with license conditions set by the Authority;
  - b. Enter into a contract for the supply and sale of electricity to customers in accordance with an agreement approved by the Authority.

### **Article 12: International electricity trade license**

1. The importation and exportation of electricity shall be subject to a license issued by the Authority.
2. Notwithstanding the provisions of Article 19 and 41 of the Law governing electricity in Rwanda, the holder of a license for international electricity trade shall have the right to:
  - a. Import or export electricity across the borders of the Republic of Rwanda, consistent with license conditions set by the Authority;
  - b. Contract for purchase or sale of electric power directly from producers and arrange for wheeling of the electricity under the conditions determined by the Authority;
  - c. Enter into contracts for the supply and sale of electricity to large scale customers consistent with these regulations.

### **Article 13: Prohibitions for license holders**

No license holder is allowed to:

1. Perform other electricity sector functions or activities outside the scope of the issued license explicitly approved by the Authority;
2. Perform any modifications which might influence the compatibility of the network with generators, distribution networks and neighboring networks, thereby adversely affecting the security and safety of supply.

## **CHAPTER IV. LICENSE APPLICATION PROCEDURE**

### **Article 14: License Application**

1. An applicant for license shall complete the license application form specified in Schedule 1;
2. Application forms shall be collected from the Authority headquarters, website or any other areas specified by the Authority;
3. All application forms shall be submitted in typewritten form or in an electronic form approved by the Authority. In the later case, the applicant shall underline a statement to the electronic form confirming that the electronic version is identical to the typewritten form to be submitted later to the Authority;
4. All confirmations or certifications required for the license application must be submitted in a verified copy;
5. The license application form, with all attachments, must be signed by the applicant or his/her authorized representative. The signatory party must sign a verification statement that:
  - a. All information provided to the Authority in the application form is true and correct to the best of the applicant's knowledge; and
  - b. The applicant accepts responsibility for payment of all future regulatory charges and fees, as established by the Authority for license holders.
6. The license application shall be accompanied by a cover letter which contains:
  - a. a statement describing the type of license required;
  - b. the term of the license requested;
  - c. in the case of an application renewal, any significant change in license terms and conditions requested compared to the current license.

### **Article 15: General information and documents to accompany application**

1. In order to be complete, an application must be accompanied by payment of all application and processing fees as prescribed in Schedule 2 of these regulations.
2. The license application shall contain the following information where applicable :
  - a. Applicant's name and a list of applicant's affiliated companies;

- b. Applicant's internal organizational structure;
  - c. Description of the geographic territory for which applicant requests a license;
  - d. Detailed list of current physical facilities to be covered by the license, with tables of the technical standards schemes and parameters of the facilities;
  - e. Description of the technical standards that will apply to any future construction or maintenance of physical facilities to be covered by the application;
  - f. Applicant's financial and technical capacity to carry out license activities, including the qualifications of key employees responsible for supervision of the proposed license activities;
  - g. A business plan covering the duration of the license applied for, bearing in mind that an updated business plan shall be submitted every five (5) years to the Authority.
  - h. Three-year plan of activities;
  - i. Specify the targeted customers by customer class or supply activity;
  - j. List of fixed assets by depreciation groups and the last annual statement of depreciation;
  - k. A proposed quality of service improvement plan to address any service deficits;
  - l. Description of any rights of way requested by applicant;
  - m. Affirmation that the applicant has not been convicted of any civil or criminal violations of economic or environmental laws, as well as a disclosure of any pending charges concerning civil or criminal violations of economic or environmental laws;
  - n. Affirmation that the members of applicant's senior management have not been convicted of any civil or criminal violations of economic or environmental laws, as well as a disclosure of any pending charges concerning civil or criminal violations of economic or environmental laws;
3. Other documents to accompany the application include :
- a. Trade registration certificate specifying that electricity services are one of the businesses to carry out;

- b. Certified copies of any development agreement or concession contracts between the Republic of Rwanda and applicant pertaining to the activity to be licensed;
- c. A copy of the power purchase agreement (PPA) reviewed and approved by the Authority prior to its signature by concerned parties;
- d. Copies of any contracts for purchase or sale of power applicable to the facility;
- e. Certified copies of any contracts between applicant and third parties that directly affect the technical operation of the facilities;
- f. The Environmental Impact Assessment Certificate;
- g. District Authorization approving planned activities at the site;
- h. Copies of applicant's financial statements audited by an independent auditor for the previous three years for the existing companies and the initial balance sheet for newly formed companies;
- i. Reports of any governmental inspections and reports of any other type of third party certifications, conducted on the physical facilities covered by the application;
- o. An inventory of all insurance held by applicant on the facilities covered by the license application;
- p. List of all other Rwanda or foreign licenses held by the applicant pertaining to the electricity sector activities;
- q. Any other information deemed necessary by the Authority for decision making at any phase of the proceeding.

**Article 16: Technical Requirements of Electricity License Applications**

1. The following specific information shall be provided for each of the listed electricity licensed activities below:
  - a. **Production License Application**
    - i. a sufficient description adequately specifying the actual or proposed location of each generating station operated or intended to be operated under the license or permit if granted;
    - ii. the number of generating plants or stations operated or to be operated;

- iii. the date when any proposed generating plants or stations are expected to be commissioned;
- iv. the maximum power (MW, MVA, MVA<sub>r</sub>) expected to be available from each generating plant or station at any one time and the aggregate power (MW, MVA, MVA<sub>r</sub>) expected to be available from each generating plant or station during any year, exclude in each case such wattage as is expected to be consumed at the station;
- v. the efficiency of each mode of generation;
- vi. the expected life of each generating plant or station;
- vii. the numbers of generating units and the capacity of each generating unit;
- viii. particulars of the entity or entities to whom the applicant intends to provide electricity;
- ix. Any existing contracts between the applicant and third parties related to sale of electricity to be generated at the plant;
- x. Technical data in tabular form on the power production plant, network, and ancillary facilities owned by the applicant and to be used for the activity of electricity production;
- xi. Technical data in tabular form on the power production plant, network, and ancillary facilities which are not owned by the applicant, but which will be used for the purpose of conducting electricity operations, including details on ownership of these assets;
- xii. A layout map and block functional scheme of the plant, network, and ancillary facilities;
- xiii. Specification and technical characteristics of metering devices, and the location of the meters;
- xiv. Any long-term plans for construction of new facilities and major refurbishment of existing facilities;
- xv. Overview of customers who will be directly connected to any power production or transmission network facility;
- xvi. Overview of the applicant's monitoring systems for any power plant, network, and ancillary facilities;

- xvii. A list and description of software functions acquired for the performance of the core activity;
- xviii. Statement on the capability and readiness of the applicant to meet its obligations under applicable law and regulations pertaining to public service;
- xix. Any other information that may be required by the Authority.

**b. Transmission License Application**

- i. a sufficient description adequately specifying the actual or proposed locations of the electric supply lines and electrical plant constituting the intended transmission system, and the area to which the application relates;
- ii. An identification of the voltages of the electric supply lines forming part of the intended transmission system;
- iii. An indication of the extent to which, and the locations in which, those electric supply lines will be placed underground and overhead;
- iv. particulars of the person or persons from whom, and the points at which, the applicant to receive the electricity which he will transmit as well as particulars of the expected connection points and quantities;
- v. Point of interconnections to other transmission systems;
- vi. forecast annual maximum demands in his transmission system (MW or GW) and energy (GWh) to be transmitted;
- vii. A layout map and block functional scheme of the transmission network, and ancillary facilities;
- viii. A list of any customers who are directly connected to the transmission network;
- ix. An overview of applicant's capacity to monitor the transmission network in order to ensure safe and reliable transmission of electricity;
- x. Specification and technical characteristics of metering devices and the location of the meters;
- xi. Any long-term plans for construction of new facilities and major refurbishment of existing facilities;

- xii. A list and description of software functions acquired for the performance of the core activity;
- xiii. A description of the applicant's proposed arrangements for compliance with the applicable provisions of the Grid Code;
- xiv. Statement on the capability and readiness of the applicant to meet its obligations under applicable law and regulations pertaining to public service;
- xv. Summary of the methodology and criteria for network operation and the functional scheme of activities;
- xvi. List of the assets to be used in communication among electricity sector participants in performing system operations, and designation of the owner of those assets;
- xvii. Overview and timeline for development of technical and commercial rules necessary for efficient performance of activities by the system operator;
- xviii. Overview and anticipated timeline for signing contracts with other electricity sector participants, or international trade parties necessary for the system operator's activities;
- xix. A list of the international organization memberships of the system operator;
- xx. Summary of key congestion management challenges and applicant's plans to address those network constraints;
- xxi. Any other information that may be required by the Authority.

**c. Distribution License Application**

- i. a sufficient description adequately specifying the actual or proposed locations of the electric supply lines constituting the intended distribution system and the area to which the application relates;
- ii. An indication of the extent to which, and the locations in which, those electric supply lines will be placed underground and overhead;
- iii. particulars of the person or persons from whom, and the points at which, the applicant to receive the electricity which he will distribute as well as particulars of the expected connection points and quantities;

- iv. Point of interconnections to the transmission or other distribution systems;
- v. forecasted annual maximum demands in his distribution system (MW or GW) and energy (GWh) to be distributed;
- vi. A layout map and block functional scheme of the distribution network, and ancillary facilities;
- vii. A list of targeted customers who shall be connected to the distribution network;
- viii. An overview of applicant's capacity to monitor the purchase and sale of electric power in order to ensure safe and reliable services;
- ix. Applicant's proposed connection, billing, and customer service policies;
- x. An overview of applicant's capacity to monitor the distribution network in order to ensure safe and reliable distribution of electricity;
- xi. Specification and technical characteristics of metering devices, and the location of the meters;
- xii. Any long-term plans for construction of new facilities and major refurbishment of existing facilities;
- xiii. A list and description of software functions acquired for the performance of the core activity;
- xiv. A description of the applicant's proposed arrangements for compliance with the applicable provisions of the Grid Code;
- xv. Statement on the capability and readiness of the applicant to meet its obligations under applicable law and regulations pertaining to public service;
- xvi. Summary of the methodology and criteria for network operation and the functional scheme of activities;
- xvii. List of the assets to be used in communication with the system operator and other network participants, and designation of the owner of those assets;
- xviii. Summary of key congestion management challenges and applicant's plans to address those network constraints;



xix. Any other information that may be required by the Authority.

**d. Trade License Application**

- i. Summary of the methodology and criteria for purchase and sale operations and the functional scheme of activities;
- ii. List of the assets to be used in communication among electricity sector participants in performing purchase and sale activities, and designation of the owner of those assets;
- iii. An overview of applicant's capacity to monitor the purchase and sale in order to ensure safe and reliable services;
- iv. Applicant's proposed connection, billing, and customer service policies;
- v. A layout map and block functional scheme of the network and ancillary facilities;
- vi. A list and description of software functions acquired for the performance of the core activity;
- vii. Statement on the capability and readiness of the applicant to meet its obligations under applicable laws and regulations pertaining to public service;
- viii. Any other information that may be required by the Authority.

**Article 17: License Application Submission and Review**

- 1. Following submission of the license application, the Authority shall process the license application in accordance with licensing process and procedures prescribed herein;
- 2. Any license application determined by the Authority to be incomplete shall be considered a defective filing;
- 3. Any license application from an applicant who has not made full payment of all regulatory fees due to the Authority under a prior license shall be considered to be a defective filing until full payment of the outstanding balance is made;
- 4. The Authority may require the applicant to cure the defective filing before any further Authority proceedings take place;

## **Article 18: License Application Proceedings**

1. Upon receipt of a license application, the Director General of the Authority shall cause a docket to be opened to track the application. The docket shall reflect all procedural and substantive decisions on the license application;
2. The Authority may upon scrutiny of the application, within twenty one (21) days after the receipt of the application, notify and require the applicant to furnish such additional information or particulars or documents as considered necessary for the purpose of dealing with the application;
3. If the Authority determines that the license application is complete, it shall publish a public notice of the license application in a newspaper of general circulation in the Republic of Rwanda. The notice shall include a brief summary of the proposed license application and inform the public how, when and where to submit comments on the proposed license. Notice shall also be posted on the Authority's website and at its headquarters;
4. Directly affected parties and local authorities shall be invited to lodge with the Authority objection within a specified time being not less than twenty one (21) days after the publication;
5. The Authority, after receiving an objection from the public, shall notify, within a period not exceeding fifteen (15) days, the applicant and the objector in case the objection is found to be relevant;
6. The Hearing shall be conducted under specific procedures issued by the Authority, and the duration of the Hearing shall not be considered as part of the license processing timelines;
7. The Authority shall make known its decision regarding any objection within thirty (30) days after the hearing.
8. Where the objection is accepted, the Authority shall -
  - (a) inform the applicant in writing its reasons for the rejection within thirty (30) days after the hearing;
  - (b) If necessary, the Authority shall request for amendments to the application or provision of additional information within fifteen (15) days to enable it reconsider the application.
9. The Authority shall strive to complete consideration of a license application within sixty (60) days of receipt of the application. The sixty (60) days' period does not include the time for the applicant to respond or the Authority to request for additional

information. This time limit is an internal administrative goal and not an enforceable deadline.

10. The Regulatory Board may promulgate additional substantive rules on license proceedings.

#### **Article 19: Hearings on License Application**

1. The Authority shall, at its sole discretion, determine if a hearing should be held on the license application.
2. The Authority shall retain the right to hold a public hearing on a license application in order to offer interested parties an opportunity to comment;
3. The Authority may waive a hearing for small projects, allowing submission of comments in writing;
4. For rural electrification projects, no hearing shall be necessary. However, submission of comments in writing is allowed;
5. In cases of significant disputed issues of fact or law, the Authority may schedule a formal hearing to provide for submission of evidence.

#### **Article 20: Final Decision**

1. The Regulatory Board shall make a final decision on the license application in a regular session, relying upon applicable rules and regulations;
2. The Regulatory Board members shall decide to either issue the license, with or without conditions, or to deny the license application;
3. The Regulatory Board shall issue its decision as promptly as possible, but in no event later than sixty (60) days following receipt of a complete application, except where unusual circumstances require a longer period of review in order to render a fair and reasonable decision. In the case where the Regulatory Board requires additional time for decision in order to obtain information from third parties, to resolve technical or legal issues, or similar reasons, the Authority shall provide written notice to the applicant, with an explanation of the cause for the delay;
4. The Regulatory Board shall publish a public notice of the final decision in a newspaper of general circulation in the Republic of Rwanda. The notice shall include a brief summary of the decision. The notice shall also be posted on the Authority's website.

## **Article 21: Criteria for license issuance**

1. The Authority shall issue a license to an applicant that demonstrates the following:
  - a. The applicant fulfills all technical, operational, safety and other conditions in accordance with applicable laws, regulations, and standards;
  - b. The applicant has demonstrated the technical and financial capacity and readiness to perform all related activities applied for and to provide safe and reliable services in accordance with all applicable laws, regulations and standards;
  - c. The applicant has demonstrated the technical and financial capacity to decommission the physical facilities covered by the license upon termination of the license term, in full compliance with all applicable technical and environmental requirements;
  - d. The applicant has sufficient employees with appropriate qualifications to perform its activities;
  - e. The applicant has demonstrated the capacity to provide accounting reports and other financial information required by the Authority in the format and detail prescribed;
  - f. The applicant and key members of management have not been found liable for any significant civil or criminal violation of an economic or environmental law or law related to fraud in Rwanda or another country;
  - g. The applicant has not had a license revoked or been found liable for significant license violations in Rwanda or another country within the past ten years;
  - h. The applicant has provided appropriate financial guarantees of performance to assure that the licensee will fulfill all license conditions, including, but not limited to, surety bonds, escrow accounts or letters of credit;
  - i. The applicant fulfills all established criteria for the protection of the environment;
  - j. the applicant has right, title and interest to conduct the proposed activities on the site selected, or can obtain such right, title and interest through expropriation proceedings;
  - k. the applicant has demonstrated that he/she will comply with all applicable Republic laws and other regulations, including but not limited to, the Authority regulations and decisions;

2. Any other substantive criteria that the Authority determines are needed to fully protect the public health, safety and welfare.
3. The license shall be issued upon the payment of initial license fee prescribed in Schedule 2.

**Article 22: Reasons for rejection of License Application**

Notwithstanding the reasons for refusal to grant a license as determined in Article 14 of the Law governing electricity in Rwanda, the Authority shall reject a license application when it is found that:

1. The application was incomplete and the requested information was not submitted within the deadline set by the Authority;
2. The applicant failed to demonstrate that it could meet the criteria for license issuance;
3. The applicant failed to demonstrate the technical or financial capacity to carry out the licensed activities;
4. The applicant has a history of significant criminal, civil, or license violations for economic, environmental, or fraudulent acts within Rwanda or other countries;
5. Members of the applicant's management have a history of significant criminal, civil, or license violations for economic, environmental, or fraudulent acts within Rwanda or other countries;
6. The applicant does not have sufficient right, title and interest to conduct the license activities;
7. The applicant failed to comply with the Authority orders, information requests, or other decisions during a prior license term;
8. The applicant failed to pay an application fee or regulatory fee due the Authority under a prior license;
9. The applicant is in, or about to enter, insolvency, bankruptcy or liquidation; or
10. Any other basis the Authority determines is needed to protect the public health, safety and welfare.

## **CHAPTER V. LICENSE CONDITIONS**

### **Article 23: License Renewal**

1. The License holder must file an application for any license renewal at least one hundred and eighty (180) days prior to the expiration of the current license;
2. The license renewal proceeding shall be subject to the same procedures and approval criteria as an initial license application;
3. The Authority shall attempt to make its decision not later than thirty (30) days prior to the expiration of the current license, and shall issue the license not less than seven (7) days prior to the license expiration, so long as the applicant has filed its renewal application and requested additional information in a timely manner.

### **Article 24: License Modification**

1. A license modification proceeding may be initiated by the Authority or by the request of the license holder;
2. The Authority may modify a license before the expiration of the license term when it determines that an amendment of the license is needed in order to respond to:
  - a. Significant changes in the controlling laws or regulations, or significant court decisions that directly affect the license provisions;
  - b. The inability of the license holder to comply with controlling license provisions due to events beyond licensee's control (e.g., force majeure; major facility failures);
  - c. Changes in the ownership or organizational status of the licensee (e.g., legal unbundling of the utility or merger with third party);
  - d. Significant non-compliance by the licensee with current license provisions or other Authority rules, decisions or orders.
3. The license modification proceeding shall be subject to the procedures prescribed in the Law governing electricity in Rwanda.

### **Article 25: License transfer**

1. Modification and transfers of licenses, including the direct or indirect sale, assignment, conveyance, lease or other transfer of assets or activities subject to a license to a different individual or institution shall be subject to a prior written approval of the Authority;

2. Such approval shall be granted after consideration of the matter and if the proposed transferee meets all the conditions for granting the relevant license;
3. Failure to comply with such requirements shall amount to license suspension or revocation.

**Article 26: Procedures for license transfer**

1. A license transfer proceeding is initiated by an application from the licensee. Until the Authority has issued an approval of the transfer, no licensee may attempt to transfer its license to another person;
2. A license transfer proceeding shall be conducted in the same manner as review of a license application. The transferee shall be considered as the applicant to assume the operational license. The duration of the license and the license terms and conditions shall remain the same, unless the license transferee requests a license modification as part of the transfer proceedings;
3. In the unusual circumstances where a licensee's technical or financial status raises questions about security of supply for citizens of the Republic (e.g., in cases of financial insolvency), the Authority may, on its own initiative, commence a license transfer proceeding in order to ensure that a license is transferred to a third person, in order to provide secure supply for customers.

**Article 27: License Revocation**

1. A license revocation proceeding may be initiated by the Authority or by a request made by the licensee;
2. The Authority may revoke a license before the expiration of the license term when it determines that revocation is needed in order to respond to:
  - a. Licensee failure to comply with license terms and conditions;
  - b. Licensee abandonment of license activities;
  - c. Failure of the licensee to provide the Authority with monitoring and reporting data required by the license or failure to cooperate with the Authority inspection and audits;
  - d. Licensee submittal of false or deliberately misleading data or information to the Authority in response to the Authority's request or in response to the Authority's monitoring reporting inspection or audit requirements;
  - e. Licensee failure to provide timely access to the Authority or inspection or audit of licensee's facilities and corporate records;

- f. Bankruptcy, financial insolvency or liquidation of licensee; or
  - g. Licensee failure to pay regulatory fees to the Authority.
3. A license revocation proceeding shall be conducted in the following manner:
- a. The Authority shall commence a license revocation proceeding by sending written notice to the licensee advising the licensee of the commencement of a revocation proceeding, and requiring licensee to file a response;
  - b. If the licensee contests the revocation or fails to respond to the Authority's notice, the Authority shall hold a hearing on the license revocation;
  - c. If during the course of the revocation proceedings, the licensee cures the violation that gave rise to the revocation proceeding, the Authority may, but shall not be required to, terminate the license revocation proceeding. The Authority may convert a proceeding, in its sole discretion, to license enforcement, modification or transfer proceeding.

**Article 28: License Register**

1. The Authority shall maintain a register of all licenses issued;
2. The register shall consist of complete copies of the licenses, as well as all documents in the record of the license application proceeding, or any related license modification, revocation or transfer proceeding, including:
  - a. application for license;
  - b. documents and enclosures submitted with the application for license;
  - c. public hearing documents;
  - d. All correspondences pertaining to the application for license as well as the Regulatory Board decisions;
  - e. Any documents pertaining to an enforcement action by the Authority related to the license.
3. The Authority shall maintain a summary register in electronic form, consisting of at least the following data:
  - a. License registry number;
  - b. Name and headquarters address of licensee;



- c. The effective date and term of the license; and
  - d. The date of any ruling on license modification, transfer or revocation.
4. The Authority shall make all information in the license register available to the public, except those documents that are considered confidential information under the Authority rules.
5. The Authority shall maintain a docket of all pending license applications or license-related proceedings, with information on the date the proceeding was opened and the estimated period needed for decision upon the license.

**Article 29: Appeal on license matters**

1. Where the applicant is not satisfied with the decision of the Authority refusing to grant the license and, after failure of an out of court settlement, he/she may appeal before the competent court;
2. The procedure for appeal shall be determined in the Dispute Resolution Regulations;
3. The Authority's decisions shall remain effective pending a final judicial decision on the appeal.

**Article 30: Term of Electricity Sector Licenses**

1. The license applicant may request a specific period of time for the license term in the application;
2. The Authority shall issue a license for a defined period of time not less than five (5) years and not more than twenty five (25) years;
3. The Authority may consider the following non-binding norms in establishing a license term:
  - a. Production – 25 Years
  - b. Transmission – 25 Years;
  - c. Distribution – 25 years;
  - d. Domestic or international trade – 5 years;

## **CHAPTER VI. PROVISIONAL LICENSES**

### **Article 31: Provisional license**

1. The Authority shall grant provisional license at its discretion for preparation of activities related to electricity production, transmission, distribution or international trade;
2. A license applicant may apply for a provisional license for the purposes of carrying out assessments, studies and any other activities necessary to apply for a full license;
3. The duration of the provisional license shall not exceed twelve (12) months;
4. The provisional license shall expire at the end of the stated license term or when the applicant is granted a full license, whichever occurs earlier;
5. The provisional license does not entitle the licensee to produce, transmit, distribute or sell electricity. To undertake these activities, the applicant must apply for a full license under Chapter IV of these regulations.

### **Article 32: Application for a provisional license**

1. An application for provisional license shall contain the following:
  - a. A statement describing the activities that the applicant requests to undertake under the provisional license, including a timeline for completing environmental impact studies, feasibility studies and negotiating necessary contracts;
  - b. A statement explaining the term of the requested provisional license;
  - c. Description of the geographic territory for which applicant requests a provisional license;
  - d. A statement describing the progress on the project to date, including a copy of any pre-feasibility analysis conducted;
  - e. A description of any interactions with government agencies on the project to date, including a copy of any supporting documents obtained (MoU, etc);
  - f. Applicant's name and a list of applicant's affiliated companies;
  - g. Applicant's internal organizational structure;

- h. Applicant's financial and technical capacity to carry out proposed activities, including the qualifications of key employees responsible for supervision of the preparation for the project;
    - i. Affirmation that the applicant has not been convicted of any civil or criminal violations of economic or environmental laws, as well as a disclosure of any pending charges concerning civil or criminal violations of economic or environmental laws;
  2. The provisional license application, with any attached documents, must be signed by the applicant or his/her authorized representative. The signatory party must sign a verification statement that all information provided to the Authority in the application is true and correct to the best of the applicant's knowledge.

## **CHAPTER VII. MONITORING AND ENFORCEMENT**

### **Article 33: License Monitoring Requirements**

1. The Authority shall monitor the performance of each license holder for full compliance with all terms and conditions of the license;
2. The Authority shall include terms and conditions in the license requiring licensees to report on financial, technical, organization and other data needed to allow the Authority to effectively monitor license compliance to ensure progress toward a competitive marketplace and to ensure accurate tariff setting;
3. The Authority may also perform physical inspections of the license holder's facilities and corporate records on license holder's premises. These inspections may be conducted on an announced and unannounced basis. The inspections and audits shall be conducted during normal business hours, except when the Authority has a reasonable basis to believe that non-compliant activities are occurring outside of normal business hours;
4. The Authority shall monitor licensee compliance with all decommissioning terms and conditions of the license even after expiration of the license term in order to ensure full compliance with those terms and conditions and to ensure that the land is returned to its original condition.

### **Article 34: License Enforcement Action**

1. If the Authority determines that the licensee has failed to comply with any term or condition of the license, the Authority shall send a written warning to the licensee including a deadline for correction of the alleged license violation.
2. If the license holder, after receipt of the warning from the Authority, does not cure the alleged non-compliance, the Authority may open a license enforcement proceeding,

which may consist of monetary sanctions, license modification, revocation or transfer.

3. If the licensee cures the license violation following receipt of the Authority notice, the Authority may still commence a license enforcement proceeding in order to impose financial sanctions or license modification, revocation or transfer in order to address the historic violation.

## **CHAPTER VIII. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 35: Transitional period**

1. Any existing activity related to electricity generation, transmission, distribution and trading conducted by any natural or legal person, including operations conducted pursuant to concessions, must apply for a license within six (6) months of the effective date of these regulations, and shall be conducted in compliance with the provisions of these regulations;
2. Any other person who commences electricity sector operations after the effective date of these regulations shall submit an application for a license in due form as provided for under these regulations prior to commencing operations.

### **Article 36: License Interpretations**

Upon request and in appropriate circumstances, the Authority may, at its sole discretion, provide an interpretation of these Regulations to assist the licensee or license applicant in ensuring its compliance with these regulations.

### **Article 37: Repealing provision**

All prior provisions contrary to these regulations are hereby repealed.

### **Article 38: Commencement**

These regulations shall come into force on the date of its publication in the Official Gazette of the Republic of Rwanda. They shall take effect on the date of approval and signature by the Chairman of the Regulatory Board.

**Done on 25<sup>th</sup>/07/ 2013**

**{Signed and Sealed}**

**Eugène KAZIGE**

**CHAIRMAN OF THE REGULATORY BOARD**



## **SCHEDULE I: APPLICATION FORM**

***APPLICATION FORM FOR ELECTRICITY  
GENERATION, TRANSMISSION, DISTRIBUTION AND  
TRADE LICENSE***

# 1. INFORMATION FOR THE APPLICANT

## 1.1 Purpose

This form is to be filled by an applicant to the Regulatory Authority for the issuance of a license in generation, transmission, distribution, domestic and/or international trade of electricity in the Republic of Rwanda.

## 1.2 Information

Any applicant must provide information in the spaces hereunder and enclose additional information where required.

The Regulatory Authority may also request the applicant to provide more clarification on submitted information.

## 1.3 Application Fee

The applicant is required to pay the application fee as determined by the Regulatory Authority from time to time.

## 1.4 Submission of an application

The filled **application form** and **the payment receipt of the application fee** shall be submitted to the Regulatory Authority either by hard copies or electronically.

In the later case, the applicant shall underline a statement to the electronic form confirming that the electronic version is identical to the typewritten form to be submitted later to the Authority.

## 2. APPLICANT IDENTIFICATION

### 2.1 Identity of the Applicant

State the full name of the Applicant.

Person Name (s) :

.....

Cooperative Name:

.....

Company Name:

.....

### 2.2 Address and Contact Details of Applicant

Business Address:

.....

Province

.....

District

.....

Sector

.....

Cell

.....

P.O. Box

.....

Telephone:

.....

Fax

.....

E-mail:

.....

### 2.3 Contact Person on behalf of the Applicant

The full name of a person to whom the Regulator can direct enquiries and correspondences about the license application. If the contact details of this person are different from the contact details of the Licence Applicant provided above, please also provide the contact details for this person.

Name: .....

Position: .....

Address: .....

P.O.Box .....

Telephone: .....

Fax: .....

E-mail: .....



### 3. TYPE OF THE LICENSE

#### 3.1 Type of License

Tick the type of license applying for:

Generation	
Transmission	
Distribution	
Domestic Trade	
International Trade	

#### 3.2 Names and addresses of major shareholders of the Licence Applicant

If applicable, state the full names and addresses of the major shareholders of the Licence Applicant.

	Names	Contacts
1		
2		
3		
4		

**3.3 Criminal records**

Is the applicant, its officers or major shareholders involved in any legal proceedings, civil or criminal, commenced or likely to be commenced in relation to the business activities of the License Applicant (including past proceedings)?

**Yes/No If Yes, provide details:**

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**3.4 Licences held by the Applicant in other Countries.**

If the Applicant holds electricity licenses in other Countries please provide details. If a license previously held has been suspended or cancelled, please provide details.

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**3.5 Documents to be attached to the application form**

- Application letter addressed to the Director General of RURA
- Original receipt of the application fee payment
- Trade registration certificate/Legal personality for cooperatives
- Business plan
- Environmental Impact Assessment Certificate
- Memorandum of understanding/Concession agreement between the Republic of Rwanda and applicant pertaining to the activity to be licensed
- Power purchase agreement (not applicable to provisional license)
- District authorization approving planned activities at the site
- Copies of applicant's financial statements audited by an independent auditor for the previous three years for the existing companies and the initial balance sheet for newly formed companies
- Other relevant information detailed in the Electricity Licensing Regulations depending on the type of License applied for.

**3.6 Additional Information**

If the License Applicant wishes to provide any additional information to support the application, please provide this information below.

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**4. STATUTORY DECLARATION**

**Statutory Declaration**

I, *(insert name)* ..... of *(insert address)* .....  
..... being the *(insert position)* ..... of the  
Applicant, *(insert name of applicant)* .....

**Hereby DECLARE** that the information contained in this application, and  
attachments thereto upon which I have placed my signature, for the grant of a *(insert  
type of license applied for)* ..... license under the  
*Electricity law* is true and correct and that I make this solemn declaration

Signed: .....

Declared at *(place)*: .....

On *(date)*: .....

**FOR OFFICIAL USE ONLY**

Approving Officer's use:

I .....

hereby certify that I have verified and sighted all documents required

Date.....

Signature

.....

Approved/name and position/

.....

Date of Approval and Signature

...../...../.....

## SCHEDULE II: APPLICATION AND LICENSE FEES

### 1. APPLICATION FEES

License application	USD 500
License transfer Application	USD 500

### 2. LICENSE FEES- ELECTRICITY

CATEGORIES	CAPACITY	Fees in USD
<b>GENERATION LICENSES</b>		
Category I	Above 200 MW	50,000
Category II	From 50 but less than 200 MW	40,000
Category III	From 10 but less than 50 MW	30,000
Category IV	From 5 but less than 10MW	25,000
Category V	From 1 but less than 5 MW	15,000
Category VI	From 0.5 MW but less than 1MW	10,000
Category VII	less than 0.5 MW	5,000
<b>TRANSMISSION LICENSES</b>		
Transmission		25,000

<b>DISTRIBUTION LICENSES</b>		
Cat.I	Very large distributors 100MW (864 GWh) and above	30,000
Cat.II	Large distributors  From 50 MW (432 GWh) but less than 100 MW (864 GWh)	20,000
Cat.III	Medium Distributors  From 10 MW (86,4 GWh) but less than 50 MW (432 GWh)	15,000
Cat.IV	Small distributors up to 10MW  From 1 MW (8,64 GWh) but less than 10 MW (86,4 GWh)	10,000
Cat.V	Very small distributors  Less than 1 MW (8,64 GWh)	5,000
<b>INTERNATIONAL TRADING</b>		
Above 33KV both import and export		30,000
less than 33KV export		10,000
less than 33KV import		10,000
<b>DOMESTIC TRADING</b>		
Big dealers		3,000
Small dealers		300
<b>ISOLATED SYSTEMS</b>		
0.5MW- 5MW		10,000
Less than 0.5 MW		5,000