

**By-law No.76 of the Year 2001**  
**Electricity Companies Licensing Bylaw Issued in Pursuant to Article No. (7) & (18) of the**  
**General Electricity Law**

Article One: This By-law shall be called the Electricity Companies Licensing bylaw of the Year 2001 and shall be put into effect after its publication in the official gazette.

Article Two: The following words, wherever mentioned under this law shall have meanings assigned to them thereunder unless the context provides otherwise.

LAW : General Electricity Law

COMMISSION: Electricity Sector Regulatory Commission (ERC).

BOARD : ERC Board of Directors

LICENSE : A special permission granted by the Commission to the applicant to enable it generate, or transmit or distribute electricity in conformance with the provisions of this bylaw.

Article Three

A: No one is permitted to establish or operate generating or transmitting or distributing facilities of electricity in Jordan unless it has a license issued by the Commission which allows it to practice such activities in accordance with the Law and this bylaw.

B: The main industrial companies willing to generate electric power and establish their own power stations in excess of Five (5) MW shall approach the Commission for a license.

Article Four

a. The applicant for the license (applicant) shall make an application to the Commission on a special form developed for this purpose supported by the following documents:

1. Copy of the registration certificate of the company.
2. A comprehensive technical report of the facilities of the company.
3. A financial report of the company.
4. Description of service & geographical area.

b. Besides what is mentioned in (a) above, the applicant shall provide the commission with any data or document deemed to be necessary for granting the license.

c. The Commission should study the documents and information presented, and in no more than one month from the date of receiving all required documents, report to the Board with a justified recommendation to accept or reject the request for a license. The Board shall issue its decision within fifteen days from the date of the recommendation report.

Article Five

A: The license shall contain:

1. The name of the company, its type and address.

2. Company registration data.
  3. License issuance date and duration.
  4. Type of service and the service geographical area.
- B. A license is issued by the Board on special form developed for this purpose by Commission. The applicant shall submit a written declaration to comply with license conditions and any other condition issued by the board in conformance with the Law and this bylaw.
- C. The Commission maintains a record for each license. This record contains the information stated in part A of this article, and any other information related to license renewal, amendment, suspending, and revoking.

Article Six- The Licensee shall undertake:

- a. To practice the work according to the Law, conditions and instructions mentioned in the license and decisions made by the commission.
- b. To comply with the relevant standards and technical instructions related issued by the commission.
- c. To provide the service to the whole geographic area assigned to him.
- d. To provide the required financial guarantee to repay the fees and subscriptions when the license is cancelled.
- e. Not to stop the provision of the service except in the cases and conditions specified by the board.
- f. To take care of nationals by providing reliable service to them.
- g. Not to merge, or purchase an existing company of the same nature or sell any of its assets, or shares without the approval of the Commission in writing.
- h. To measure electrical energy using meters approved by the Commission.
- i. To provide the commission with the following documents:
  1. Mid term financial data
  2. Annual report and the financial reports.
  3. Annual plan and planned budget for the next year.
  4. Any technical or financial information requested by commission.
- j. To comply with any instructions issued by the Board in compliance with the approved policy of electricity sector.

## Article Seven

- a) The license is renewed, modified, suspended, or revoked by a board decision.
- b) If the licensing conditions have changed, the licensee shall request the commission to amend the license accordingly.

## Article Eight

- a. If the licensee violates any of its undertakings stated in article 6 of this bylaw, the Commission will issue a written warning to the licensee to comply with the violated condition(s) within three months, otherwise the license will be subject to suspension.
- b. In case of a license suspension, the licensee and the concerned parties will be notified in writing within ten days from the date of suspension decision.
- c. When the Licensee complies with all the conditions of the license, the Commission shall stop the suspension of the License.

## Article Nine

- a. The license will be cancelled if the licensee is bankrupt, or no longer meets the qualifications or the licensee has not corrected its position as per article S-a of this bylaw or upon the justified licensee request.
- b. When a license is cancelled, the Board shall assign a committee to administer the company whose license is cancelled as per board decision.

## Article Ten

A company whose License has been canceled may apply for a new license only after three years from the date of cancellation.

## Article Eleven

- a. The Commission shall collect from the company to be licensed the following fees:
  1. For one time, a licensing fee in the amount equal to 0.2% from the capital of the company.
  2. 0.075 fils/kwh of the company's sales upon the renewal of the license.
- b. The commission shall collect from the industrial companies which have been granted an approval to build their own power stations, a one-time license fee equal to 50 fils/kw of the capacity of the generating station.
- c. Companies which use new and renewable energy resources (such as solar, and wind) is released from the licensing fee which is paid upon licensing, and shall pay an annual license fee equal to 0.006 fils/kwh sold.

## Article Twelve

- a. For the companies that are involved in the work for the first time, the fee is paid at the beginning date of operation, the annual license fee is paid in four equal installments in accordance with the relevant board decision.
- b. By the end of the fiscal year, the commission will determine the exact due amount of fee based on the actual kwh sold and shall carry out a financial settlement with each licensed company.

## Article Thirteen

All operating Companies, except those distribution companies that were granted concession agreements, shall apply for a license within one month from the stating date. These companies shall pay the licensing fees within the period specified by the Board and in conformance with the conditions determined by the Board.

## Article Fourteen

Pursuant to the Director General recommendation, The Board has the right to issue the necessary instructions for the implementation of this bylaw.