

# Energy Licenses and Licensing Procedures

Full Description

## **Guidance On Licenses For Regulators**

USAID has been very active in providing technical assistance to new electricity regulators in Eastern Europe. See below three documents produced by USAID that are primers on the legal and economic functions of licenses.

- USAID Issues Paper 1998 - Electricity Generation Licenses and Poland (Prepared by USAID for the Polish electricity regulator);
- [ERRA Issues Paper 2001 - Amendments to Energy Licenses initiated by the Regulator](#) (Prepared by USAID for the Energy Regional Regulatory Association (“ERRA”) – an inter-institutional non-profit association of energy regulators);
- [ERRA Benchmarking analysis: Legal aspects of licensing in ERRA countries \(2013\)](#) (benchmarking analysis on the legal aspects of licensing in 19 member countries – mostly in the Eastern Europe and Central Asia regions).

## **Applications For Licenses and Licensing Procedures**

### **Applications--General and for Retail and Wholesale Service**

#### **Laos PDR**

Licensing procedures for power projects in Laos involve a multi-tiered process. In the initial stage, the project proponent would enter into Memorandum of Understanding (“MOU”) with the government to carry out feasibility studies. Then they proceed to a Project Development Agreement to carry out further studies, before a concession is finally granted. Application and licensing procedures for investing in power projects are published by the Investment Promotion Department of Laos. See [Sample Laws and Regulations](#) for an overview of Laos’ regulatory framework.

#### **Philippines**

Under the [Electric Power Industry Reform Act of 2001 \(“EPIRA”\)](#), the procedures to operate depend on whether the project is one of generation, distribution or supply.

To establish generation operations, proponents must secure a [Certificate of Compliance](#) from the [Energy Regulatory Commission](#) (“ERC”), as well as health, safety and environmental clearances from relevant government agencies.

In order to become a Distribution Utility, proponents are required to have a national franchise granted by Congress.

Suppliers must obtain a license from the ERC in accordance with the [Revised Rules for the Issuance of Licenses to Retail Electricity Suppliers \(“RES”\)](#). Under these Rules, a Retail Electricity Suppliers License

will only be issued to applicants meeting all applicable requirements, which include requirements relating to credit standing, technical and managerial capabilities. Retail Electricity Suppliers are also required to comply with requirements relating to cross-ownership limitations and anti-competitive behavior.

The country's transmission assets are state-owned, but operated and managed by a privately-owned corporation, the [National Grid Corporation of the Philippines \("NGCP"\)](#).

See [Sample Laws and Regulations](#) for an overview of the Philippines' regulatory framework.

## **Vietnam**

As indicated in [Circular No. 36/2018/TT-BCT](#) ("Circular No. 36"), a power generation license will be required for projects generating more than 1MW. The application process will vary depending on the installed capacity of the power project:

- for all types of power projects with installed capacity from 1MW to less than 3MW in one province or city, the developer must apply for a power generation license at the People's Committee or authorized Department of Industry and Trade of the relevant province or city where the project is located.
- for power projects with installed capacity of 3MW or larger, the developer is required to apply for a power generation license at the Electricity Regulatory Authority of Vietnam ("**ERAV**") under the Ministry of Industry and Trade ("**MOIT**").

Circular No. 36 also requires power developers to complete the following before commercial operation is achieved:

- execution of a Power Purchase Agreement ("**PPA**") in accordance with Vietnamese laws (except for certain hydro power plants);
- the supervisory control and data acquisition ("**SCADA**") system serving operation of the power systems in accordance with Vietnamese regulations;
- the information technology infrastructure system, telecommunication infrastructure system serving the operation of the power market; and
- compliance with other regulations on the management and operation of power plants in accordance with the relevant legal documents.

The Electricity Laws provide that an investor must satisfy the following general conditions to be eligible for an electricity generation license:

- having feasible projects or schemes for electricity activities;
- having valid application dossiers for the grant, amendment or supplementation of electricity activity licenses;

- having administrators or managers with managerial capability and professional qualifications that are suitable in the fields of electricity activities;
- having paid the license fee; and
- obtaining certain authorizations and fulfilling ongoing requirements to operate electricity generation plants.

See [Sample Laws and Regulations](#) for an overview of the Vietnam's regulatory framework.

## **Tanzania**

### Energy and Water Utilities Regulatory Authority ("EWURA")

- [Petroleum Licenses - Form 200 Application for Petroleum License](#);
- [Electricity Licensing and Registration - Form 100 License application for Electricity License](#) / online application through the [License and Order Information System](#);
- [Mini-grids Information Portal - Licensing](#).

## **Nigeria**

### Nigerian Electricity Regulatory Commission ("NERC")

- [Regulation and Handbook on Application for Licenses](#)
- [Application Form for License](#)

## **Uganda**

### Electricity Regulatory Authority ("ERA")

- Licensing:
  - [Licensing Procedure](#)
  - [Notice of Intended Application](#)
  - [Application form for a License](#)

- [License Fee Regulation](#)
- Installation Permits:
  - [Installation Permit Guidelines](#)
  - [Installation Permit Regulation](#)
- [Published Forms and Templates:](#)
  - [Standardized Power Purchase Agreement \(PPA\) for the GETFiT Program](#) (Dated 2014; Published 2018)

## **Sri Lanka**

### [Public Utilities Commission of Sri Lanka](#)

- [Licensing Regime](#)
- [Application Forms and Procedures for Electricity Licensing](#)

## **Sample Licenses**

### **Generation**

Most generation licenses are issued on a provisional basis prior to actual operation. A difficult issue for many regulators is when to terminate a provisional license if the license holder fails to make sufficient progress in constructing and operating the planned facility. If the developer proposes to sell under a long term PPA, the regulator will often be required to make a separate regulatory determination as to the reasonableness of the terms and conditions of the proposed PPA. This additional regulatory action introduces an element of uncertainty for license holders.

[EWURA - Tanzania](#) - This is an example of a license in a power sector where there is no wholesale or retail competition.

### **England and Wales**

#### [Office of Gas and Energy Markets \("OFGEM"\)](#) (formerly "OFFER")

- [Electronic public register of licenses](#)
- [Electricity Generation License Standard Conditions](#) (Consolidated to 29 November 2020)

## **Turkey**

### The Energy Market Regulatory Authority (“EMRA”) / Enerji Piyasası Düzenleme Kurumu (“EPDK”)

- Online database: [Electricity Market Production Licenses / Elektrik Piyasası Üretim Lisansları](#) (Turkish)
- (See also [EPDK 2017 Activity Report](#) (English) – Chapter 3 – “Licensing, certification and authorization activities”)

## **Transmission and Bulk Supply**

### **Australia**

- [Sample Transmission License \(2019\)](#) – example of a transmission license granted in a power sector where there is both retail and whole competition. The license sets out a number of conditions which regulate how the license holder must provide network access to users.

### **India**

- [Orissa \(India\) Transmission and Bulk Supply Licence](#)

## **Distribution (in sectors with no retail competition)**

### **Cambodia**

#### Electricity Authority of Cambodia

- [Distribution License for Providing Electric Power Distribution Service at District Center of Kamrieng, Phnom Preuk and Sampeou Loun in Battambang Province](#) (2002) (English)
- [28th Revision of License No 001 dated 01 February 2002 for the withdrawal and expansion of the distribution area of EDC](#) (2020) (Bilingual in Khmer and English)
- [Online database of licenses](#) (Website is in Khmer; license files are bilingual in Khmer and English)

### **India**

#### Andhra Pradesh (India) - General Terms of Supply of Distribution and Retail Supply Licence

## **Distribution (in sectors with retail competition)**

### **Australia**

- [Sample Distribution License \(2016\)](#) – example of a distribution license granted in a power sector where there is both retail and whole competition. The licence sets out a number of conditions which regulate how the license holder must provide network access to users.
- [Guide to Applications for Electricity and Gas Industry Licenses \(VIC\)](#), Essential Services Commission 2019 - This guide sets out an overview of the license application process for, among others, generation projects in Victoria, Australia. See also [Sample Laws and Regulations](#) for an overview of Australia's regulatory framework.

#### Related Content

[Energy and Power PPPs](#)

[Energy Laws and Regulations](#)

[Energy Agreements](#)

[Rural Electrification Funds: Sample Operational Documents and Resources](#)

[Climate-Smart PPPs](#)

[Theft / Non-Technical Losses \(Water and Electricity\)](#)

[Energy & Power PPP Toolkits](#)

[Gender & Energy Projects](#)

[Further Reading on Energy and Power PPPs](#)

#### Additional Resources

[Concessions Build-Operate-Transfer \(BOT\) and Design-Build-Operate \(DBO\) Projects](#)

[Management/Operation and Maintenance Contracts](#)

[Contract Plans / Performance Contracts](#)

[Standardized Agreements, Bidding Documents and Guidance Manuals](#)