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## **Abu Dhabi Department of Energy issues Final Decision on New Regulatory Control Mechanisms for TAQA's Transmission and Distribution Business**

*The Abu Dhabi Department of Energy (DoE) and TAQA's Transmission and Distribution network companies have worked together to determine investment needed in the electricity and water network sectors to meet the Emirate's sustainability ambitions*

**Abu Dhabi, UAE – 13 July, 2023:** Abu Dhabi National Energy Company PJSC (TAQA) is pleased to announce that the Abu Dhabi Department of Energy (DoE) has issued its final decision on new regulatory control mechanisms following its exhaustive, multi-year review of regulatory controls in the electricity and water utility sectors in the Emirate.

The decision officially sanctions the second period of regulatory control, termed RC2, which applies to TAQA's UAE-based subsidiaries: Abu Dhabi Transmission and Despatch Company (TRANSCO), Abu Dhabi Distribution Company (ADDC), and Al Ain Distribution Company (AADC), setting permitted revenues of approximately AED 50 billion for the combined businesses, excluding passthrough costs over a period spanning 2023 to 2026.

The announcement culminates two years of extensive engagement by the DoE with the TAQA network companies, as part of a comprehensive, structured and transparent consultation process.

The DoE's published final decision document encapsulates stakeholders' feedback to the draft proposals put forth by the DoE in March 2022, as well as an evaluation of those responses.

The RC2 decision further highlights the role the TAQA network companies play in enhancing energy security and enabling the energy transition, while simultaneously ensuring equitable returns for shareholders. Moreover, it incentivises the companies to persist in their ongoing strategies of pursuing operational excellence and high levels of customer satisfaction. It will also enable the continuation of ongoing investments in the delivery of reliable services to communities.

The decision empowers the TAQA Group to further its strategic vision of solidifying its position as one of the most reliable, efficient, and high-performing utility leaders in the



region. This is in alignment with delivering sustained value to customers and other stakeholders in Abu Dhabi.

TAQA's UAE-based subsidiaries, TRANSCO, ADDC and AADC, cumulatively constituted approximately 50% of TAQA's net income in 2022.

**Jasim Husain Thabet, TAQA's Group Chief Executive Officer and Managing Director**, said: "This outcome is the result of a strong collaboration between the DoE and our teams in TRANSCO, ADDC, ADDC, and TAQA, who have worked hard over the past two years guided by a thorough, fair and transparent process based on international best practice, resulting in agreement to meaningful improvements in the RC2 mechanisms compared to RC1. It enables our sector companies to make the financial investments required to accelerate the energy transition here, at home, while also improving customer service standards as the Abu Dhabi based power and water champions. The outcome also ensures that during this four-year period, TAQA Group can continue delivering on our growth strategy, which includes investment in the critical power and water infrastructure that is central to the energy transition in Abu Dhabi and the UAE."

RC2 builds on the success of the previous set of controls and lays the foundation for TAQA to advance its [2030 strategy goals for sustainable growth and returns](#). As part of this strategy, TAQA's transmission and distribution business plans to execute substantial UAE-based infrastructure and networks growth projects and invest up to AED 40 billion by 2030 to grow its UAE Regulated Asset Base.

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## About TAQA

Established in 2005, TAQA is a diversified utilities and energy group headquartered in Abu Dhabi, the capital of the United Arab Emirates, and listed on the Abu Dhabi Securities Exchange (ADX: TAQA). TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The company's assets are in the United Arab Emirates as well as Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Kingdom, and the United States. For more information, please visit: [www.taqa.com](http://www.taqa.com).

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