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**DIRECTIVE FOR MAXIMUM  
DURATION OF LICENSE FOR NON-  
HYDRO POWER GENERATION  
PLANTS FOR COMMERCIAL  
PURPOSES**

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*Addis Ababa, 2005*

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# **DIRECTIVE FOR MAXIMUM DURATION OF LICENSE FOR NON-HYDRO POWER GENERATION PLANTS FOR COMMERCIAL PURPOSES NO. 1/ 2005**

## **1 Issuing Authority**

This Directive is issued by the Ministry of Infrastructure pursuant to the authority vested in it by Article 18(2) of the Electricity Operations Council of Ministers Regulations No. 49/1999.

## **2 Short Title**

This Directive may be cited as the “Maximum Duration of License for Non-Hydro Power Generation Plants for Commercial Purposes Directive No. 1/2005”.

## **3 Definitions**

In this Directive, unless the context requires otherwise:

- 3.1 “***Thermal Power Generation***” means the generation of electricity using coal, fuel oil or natural gas.
- 3.2 “***Geothermal Power Generation***” means the generation of electricity using geothermal resource.
- 3.3 “***Biomass Power Generation***” means the generation of electricity using agricultural products, agricultural or industrial residues, or urban solid waste.
- 3.4 “***Wind Power Generation***” means the generation of electricity using wind energy.
- 3.5 “***Solar Power Generation***” means the generation of electricity using solar energy.
- 3.6 “***Diesel Power Generation***” means the generation of electricity using diesel oil.

## **4 Objective of the Directive**

The objective of this Directive is to set a maximum limit on the duration of a license for non-hydro power generation plants for commercial purposes.

## **5 Duration of License**

The duration of a license issued pursuant to this Directive shall be based on the economic lifetime and effectiveness of the project, public interest, and development of the national power supply system; provided, however, that the maximum duration of the license shall not exceed the following:

- 5.1 for ***Thermal Power Generation*** license..... **30 years**
- 5.2 for ***Geothermal Power Generation*** license ..... **25 years**
- 5.3 for ***Biomass Power Generation*** license.... **20 years**
- 5.4 for ***Wind Power Generation***  
license.... **20 years**

5.5 for *Solar Power Generation*

license..... **20 years**

5.6 for *Diesel Power generation*

license ..... **15 years**

## **6 Effective Date**

This Directive shall enter into force as of the 9<sup>th</sup> day of January 2005.

Done at Addis Ababa on the 6<sup>th</sup> day of January 2005.

Minister of Infrastructure