

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 8 | Issue 2

2025

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Comparative Energy Law: Legal Frameworks, Regulatory Enforcement, and Investment Protection in Renewable Energy Governance

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ABSTRACT

The regulations for renewable energy are influenced directly by legal frameworks. This study conducts a comparative analysis of the laws having the biggest impact, the authoritative legal instruments setting in place the otherwise straightforward kinds of rule necessary to make renewable energy investable, comprehensible, and thus realizable.

In Saudi Arabia, the legal system is singular and centralized and provides uniform rules and policies across the nation. This may sound favorable, and in many ways, it certainly is: The absence of rule and policy divergence fosters regulatory consistency, especially important for private sector actors wanting to make long-term investments. At the same time, though, such rule and policy uniformity comes at the cost of regional legislative flexibility and responsiveness. Conversely, Jordan has adopted a legal framework that is much more permissive of private sector participation.

This study looks at enforceability, legal coherence, and investor protection in key legal instruments across a selection of Middle Eastern countries. It zeros in on statutes, court decisions, and administrative rules that govern renewable energy. It's quite possible for something to be legal but for the lack of enforcement to render it nonfunctional in practice. Or something might be legal but easily circumvented if there are large holes in the governing statutory scheme.

Keywords: *Renewable energy law, energy regulation, comparative law, legal frameworks, regulatory enforcement, investment protection, energy governance, Saudi Arabia, Jordan, United Arab Emirates.*

I. INTRODUCTION

Changing to renewable energy is vital for advancing sustainability, improving energy security, and fighting climate change. The legal frameworks that motivate this transition provide a necessary groundwork on which today's renewable energy policies can build. These

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frameworks, after all, offer more than just stability in the governance of investments; they also ensure that vital environmental commitments are being kept ².

Yet, despite their seemingly plain appearance, the jurisdictional differences among today's legal frameworks for renewable energy are striking. Indeed, the way these legal frameworks look often reflects quite different approaches to governance, commitment to innovation, and private sector involvement between various jurisdictions ³.

A centralized Saudi regulatory model ensures clean policymaking in a country that limits regional flexibility even when courting private investment in a semi-liberalized, quasi-market setup. Yet, at the opposite end of the governance spectrum, the UAE has opted for hybrid federalism whereby innovative emirates have regulatory latitude. This structure privileges not just renewable energy governance at the emirate level but allows (in theory) for frontier-pushing, state-to-private rulemaking at the emirate level too. Jordan falls somewhere between these two extremes. It has a semi-liberal regulatory framework that flirts with the rule of law. In both countries, effective governance isn't just a theoretical construct; it has real implications for investment in solar energy and wind energy generators working under a two-price system ⁴.

Research on governance in renewable energy focuses predominantly on economic and technological aspects, often neglecting the legal and regulatory dimensions. What remains underexplored and largely uncharted is a detailed comparative legal analysis—of not just the laws themselves, but also their enforcement, the coordination among the relevant institutions, and the flexibility of the relevant legislation. In this study, we undertook the task of comparison, using not just the countries' laws and the relevant regulatory instruments, but also the various reform initiatives, which together paint a picture of the legal dimension in governance.

This study will use a comparative legal research methodology to examine fundamental legal sources, like statutes, court decisions, and government regulations. It aims to pinpoint key practices and underperforming areas that need reform—the places where legal frameworks impede renewable energy's exponential growth and where they support that growth. Thus, the study's very structure will contribute to providing a better understanding of where law works and where it doesn't. And, because the study will take a close look at the U.S. landscape, the insights embedded in it could also yield dividends for better-informed policymaking.

² Christina E. Hoicka et al., *Implementing a Just Renewable Energy Transition: Policy Advice for Transposing the New European Rules for Renewable Energy Communities*, 156 ENERGY POLICY 112435 (2021).

³ Maria Luisa Di Silvestre et al., *Energy Self-Consumers and Renewable Energy Communities in Italy: New Actors of the Electric Power Systems*, 151 RENEW. SUSTAIN. ENERGY REV. 111565 (2021).

⁴ Sahar Aboud, *Role of Policies in Stimulating Renewable Energy in Arab Countries* Sahar Aboud, 24 MAGALLAT AL-TANMIYAT WA-AL-SIYASAT AL-IQTISADIYYAT 43 (2022).

This study is structured in the following way: an overview of laws and regulations concerning renewable energy in Saudi Arabia, Jordan, and the UAE; an analysis of the investment incentives and protections that these countries provide to potential investors in renewable energy; an assessment of the enforcement of these laws and regulations, as well as the transparency of the regulatory process, in the three countries; and a conclusion that offers recommendations for invigorating the legal framework governing renewable energy in the three countries.

(A) Literature Review

a. Introduction to Renewable Energy Law and Policy

Regulating renewable energy legally is of great importance for achieving sustainability, for making our energy supply secure, and for fulfilling the environmental commitments we make at the international and national levels. A good legal framework ensures not only regulatory clarity but also the sort of stability that is needed to attract investment and to make those with an interest in this area confident enough to participate⁵. But what is this good legal framework, and how does it vary across jurisdictions? Laws governing renewable energy can differ considerably across jurisdictions⁶.

Academics stress that legal systems need to find the right balance between offering assurance to regulators and letting new energy technologies be flexible enough to develop and grow. Getting this right is vital to generate the long-term confidence that investors in the renewable energy sector have to have if they are going to put their money into projects that pay off over many years. If there is not a legal framework that works, the renewable energy sector as a whole will not work well, either⁷.

b. Comparative Legal Frameworks for Renewable Energy Regulation

Renewable energy regulation varies from one country to another, affected by each nation's framework of laws, set of legal institutions, and regulatory structures.

The National Renewable Energy Program (NREP) and the Saudi Vision 2030 primarily govern the legal structure for renewable energy in Saudi Arabia⁸. This system places the main

⁵ Santiago Salvador & Marta Chantal Ribeiro, *Socio-economic, Legal, and Political Context of Offshore Renewable Energies*, 12 WIREs ENERGY ENVIRON. e462 (2023).

⁶ Portia Oduro, N. S. Uzougbo & M. C. Ugwu, *Renewable Energy Expansion: Legal Strategies for Overcoming Regulatory Barriers and Promoting Innovation*, 6 INT. J. APPL. RES. SOC. SCI. 927 (2024).

⁷ Joseph Lee, Alberto Mattia Serafin & Clément Courteau, *Corporate Disclosure, ESG and Green Fintech in the Energy Industry*, 16 J. WORLD ENERGY LAW BUS. 473 (2023).

⁸ Cameron Kelly, *Leveraging Renewable Energy Technologies for Climate Change Mitigation and Adaptation in the Middle East: The Role of Public-Private Partnerships*, in CLIMATE CHANGE LAW AND POLICY IN THE MIDDLE EAST AND NORTH AFRICA REGION 231 (2021),

regulatory authority in the Ministry of Energy and the Electricity & Cogeneration Regulatory Authority (ECRA)⁹. This setup in the central government is supposed to ensure that there is stability and uniformity in the regulations. However, critics say that this also means there is very little room for any kind of regional flexibility or local policy innovation¹⁰. Another criticism centers on Saudi Arabia's approach to Power Purchase Agreements (PPAs). The way these contracts are currently set up tends to discourage the kinds of long-term investments that private sector actors need to feel secure¹¹. There are suggestions that more flexible laws could really make a difference and could well do so in two ways. One is that these local laws could help set up more kinds of renewable energy projects that serve local communities. The other is that more flexible laws might make investors feel a lot more secure and actually encourage them to invest.¹²

In contrast, Jordan operates under a semi-liberalized legal framework, primarily governed by the Renewable Energy & Energy Efficiency Law No. 13 (2012)¹³. This model promotes private sector participation through mechanisms like net metering, feed-in tariffs (FITs), and tax incentives¹⁴. Still, challenges remain. Tariff inconsistencies, regulatory uncertainty, and grid integration difficulties create real barriers to investment stability¹⁵.

Comparative legal studies and expert assessments indicate that Jordan's enforcement mechanisms are considerably weak. The areas getting the most critical attention include dispute resolution, regulatory oversight, and enforcement of substantive law¹⁶. Despite the weak

<https://www.taylorfrancis.com/chapters/edit/10.4324/9781003044109-15/leveraging-renewable-energy-technologies-climate-change-mitigation-adaptation-middle-east-america-kelly> (last visited Mar 8, 2025).

⁹ Mutuso Dhlwayo, *Legislative and Policy Frameworks for Promoting a Just Energy Transition in Zimbabwe*, JUST ENERGY TRANSIT. ZIMB. SOC. ECON. ENVIRON. PERSPECT. 37.

¹⁰ Ming Li et al., *State-of-the-Art Review of the Flexibility and Feasibility of Emerging Offshore and Coastal Ocean Energy Technologies in East and Southeast Asia*, 162 RENEW. SUSTAIN. ENERGY REV. 112404 (2022).

¹¹ Raphael J. Heffron, *Applying Energy Justice into the Energy Transition*, 156 RENEW. SUSTAIN. ENERGY REV. 111936 (2022).

¹² Mohammad Naseem & Saman Naseem, *International Energy Law* (2021), <https://www.torrossa.com/gs/resourceProxy?an=5392584&publisher=FZR504> (last visited Mar 8, 2025).

¹³ Mahmoud Abu-Allaban & Safeia Hamasha, *Environmental Governance in Jordan: Addressing Legislative Gaps, Preserving Natural Heritage, and Aligning with Global Climate Commitments* (2025), https://www.researchgate.net/profile/M-Abu-Allaban/publication/389499600_Environmental_Governance_in_Jordan_Addressing_Legislative_Gaps_Preserving_Natural_Heritage_and_Aligning_with_Global_Climate_Commitments/links/67c4af93461fb56424eee5f2/Environmental-Governance-in-Jordan-Addressing-Legislative-Gaps-Preserving-Natural-Heritage-and-Aligning-with-Global-Climate-Commitments.pdf (last visited Mar 8, 2025).

¹⁴ Keiji Kimura, Liv Lundberg & Tomas Kåberger, *How High Feed-in Tariffs Impacted the Capital Cost of Solar PV in Japan*, RENEW. ENERGY 122685 (2025).

¹⁵ Wojciech Przychodzen, *Political Factors in Renewable Energy Generation: Do Populism, Carbon Tax and Feed-in Tariffs Matter?*, 115 ENERGY RES. SOC. SCI. 103628 (2024).

¹⁶ Tareq Al-Billeh et al., *The Impact of Administrative Control Authorities on Sustainable Development in Jordanian Legislation: What Are the Challenges Facing Administrative Control Authorities in Achieving Sustainable Development?*, 11 J. LAW SUSTAIN. DEV. e1129 (2023).

enforcement of laws, private sector investment continues to move forward.

The hybrid legal model that characterizes the United Arab Emirates (UAE) integrates federal legislation with significant regulatory autonomy at the emirate level. This enables the adoption of a series of policies that are quite diverse and sometimes even contradictory among the emirates. At the same time, it allows the emirs to run their own 'regulatory sandbox'—in effect, a live experiment with the policies they've adopted. For the most part, the emirates in the UAE maintain considerable regulatory independence; however, they are all bound to follow the overarching framework of the UAE's federal constitution and legislation. Therefore, the policies that a particular emirate adopts must conform to the UAE's federal constitution and laws ¹⁷.

c. Legal and Economic Incentives for Renewable Energy Development

Ensuring investment in renewable energy and observance of regulatory frameworks is primarily a legal and economic challenge ¹⁸. The main type of instrument used by governments to resolve this problem, spanning various legal areas, is the provision of economic incentives. These are mainly delivered via tax exemptions, special tariffs, and tradable certificates, which activate a clean energy investment market ¹⁹.

The policy on renewable energy in Saudi Arabia is in step with Vision 2030, which seeks to fashion a climate for investments that is the exact opposite of what the phrase "regulatory risk" usually evokes. When making investment decisions of any kind, let alone decisions involving major amounts of cash and involving major energy projects, investors don't want to think too much about regulatory risk, and they certainly don't want to feel that they are taking a leap of faith with respect to the seeming stability and predictability of the regulatory environment.

The legal framework in Jordan encourages the private sector to participate in the energy market because it is an open market with competitive price structures. But there are still two risks to long-term investment that we need to address: tariff volatility and regulatory uncertainty ²⁰. There are steps being taken to refine the incentive mechanisms, but we still need clearer rules in the legal framework so that investment protections are consistently applied.

The UAE's legal structure is a happy marriage of public and private law. It enables federal and

¹⁷ Nellie Munin, "With a Little Help from My Friends": Examining the Logic behind Israel-Jordan-UAE Water for Electricity Deal, 4 INVEST J SHARIA ECON L 233 (2024).

¹⁸ Nazzal M. Kisswani & Anas A. Al Bakri, *The Role of Corporate Governance in the Sustainability of Small and Medium Enterprises in the United Arab Emirates Using "Limited Liability Company as a Model,"* 11 INT. J. PRIV. LAW 29 (2023).

¹⁹ O. Emar & H. Abu Issa, *The Legislative Shortcomings Aspects in the Jordanian Environmental Law. Comparison with International Law,* 7 J. ENVIRON. MANAG. TOUR. 1850 (2021).

²⁰ Sahba El-Shawa et al., *Jordan Space Research Initiative: Societal Benefits of Lunar Exploration and Analog Research,* 200 ACTA ASTRONAUT. 574 (2022).

local governments to make straightforward, effective arrangements with private investors, who might otherwise be wary of doing business in a country where the legal system is partly based on Sharia law. As a result, the Emirates provides a model for how a country can almost seamlessly combine public- and private-sector elements in a way that attracts both to invest.

Legal geography and climate have substantial bearings on the design and appearance of renewable energy policy ²¹. In Saudi Arabia, the legal framework heavily emphasizes solar energy, reflecting the nation's vast desert expanse. Legislation overseeing the licensing of solar power projects has been purposely drafted to underwrite and expedite the types of initiatives that would help realize a solar future ²². In contrast, Jordan enacts renewable energy legislation that prioritizes the nation's two best prospects: wind and solar programs, both of which can take advantage of Jordan's diverse topography, as well as legislation that directly addresses the nation's alarming water scarcity ²³. The United Arab Emirates takes the appearance of its laws a step further by introducing regulations for energy storage that address solar power's intermittency and the grid stability problem ²⁴.

When we talk about decentralizing, we inevitably bring up the Saudi Arabia model, with its rigid legal structure, which actually pushes the country toward consistent national policies. But that same legal structure limits the governorates' ability to do much of anything even semi-consistently. The upshot, at least in the context of our interest here, is that Saudi citizens have no law-like promises that are enforceable at the regional level ²⁵. And that's a pretty stark contrast to Jordan, where citizens might not have enforceable promises at the national level but can count on mostly decent governance at the regional level ²⁶.

²¹ Yassar Fawaz Alhunieti, Khalif Saleh Dhiab Amoush & Ahmad Abdulkadir Ibrahim, *The Consequences of Foreign Company's Acquisition of Legal Personality in Jordanian Legislation*, 1152 in BUSINESS ANALYTICAL CAPABILITIES AND ARTIFICIAL INTELLIGENCE-ENABLED ANALYTICS: APPLICATIONS AND CHALLENGES IN THE DIGITAL ERA, VOLUME 2 269 (Abdalmuttaleb M. A. Musleh Al-Sartawi, Arafat Salih Aydiner, & Mohammad Kanan eds., 2024), https://link.springer.com/10.1007/978-3-031-57242-5_22 (last visited Mar 8, 2025).

²² Noor Alhendi, *The Role of International Legislation in Protecting the Environment*, 13 J. ENVIRON. MANAG. TOUR. JEMT 174 (2022).

²³ Justin Dargin, *The Pathway to a Green Gulf: A Review and Analysis of the Evolution of Saudi Arabia, Qatar, and the United Arab Emirates' Climate Change Positions*, 15 CARBON CLIM. LAW REV 313 (2021).

²⁴ Gouher Ahmed, Nabeel Al Amiri & Anas Abudaqa, *Strategic Leadership and Economic Transformation: The United Arab Emirates (UAE) Model*, 1 J. GLOB. BUS. RES. PRACT. (2024), https://www.researchgate.net/profile/Nabeel-Al-Amiri/publication/387135012_Strategic_Leadership_and_Economic_Transformation_The_United_Arab_Emirates_UAE_Model/links/6761c407996d2552c3f313d0/Strategic-Leadership-and-Economic-Transformation-The-United-Arab-Emirates-UAE-Model.pdf (last visited Mar 8, 2025).

²⁵ Stephen Mburu Munania, Elijah Onyango Standslause Odhiambo & Sussy Namaemba Kimokoti, *Nature of Human Trafficking to Saudi Arabia from Murang'a South Sub-County, Kenya*, 9 OPEN ACCESS LIBR. J. 1 (2022).

²⁶ Mousa Sami Saleh Al-Qaaida, *Establishing Effective Legal Framework for New Generation—A Comparison of the Jordanian and Some European Constitutions*, 2021, <https://search.proquest.com/openview/7221c51b7be5f9d8d55499ca1ea55cc0/1?pq-origsite=gscholar&cbl=2026366&diss=y> (last visited Mar 8, 2025).

d. Legal Transparency, Public Participation, and Future Challenges in Renewable Energy Law

Element of favorable legal regimes for renewable energies and public engagement are essential components of effective legal regimes for renewable energy. They are, for instance, critical elements for assuring and fostering accountability and helping to restore and bolster investors' confidence. Saudi Arabia, in recent years, has introduced new legislation that requires a lot more disclosure around not only investment risks (e.g., how we might lose money if we invest here) but also around what we're doing in terms of policy reforms ²⁷. In contrast, in Jordan, the development of a legal framework around renewables has taken a much more centralized approach. Their legal framework is actually quite similar to that of Saudi Arabia, except it's less developed. The major similarity is around the centralized manner in which both countries are attempting to manage information relevant to energy ²⁸.

While there is a large body of legal research about renewable energy policies in the Arabian Peninsula, certain key areas remain almost completely untouched. This is especially disconcerting given the almost insatiable research appetite for studying what governs (and doesn't govern) the myriad activities associated with the energy transition.

The bulk of the current studies zero in on the economics and the technical facets of governance, relegating legal analysis to a decidedly unflattering role as a sort of retroactive ex post legal audit. They are not at all clear on what mandates in the framework actually do enforce or even purport to enforce, which goes a long way toward explaining why currently favored policies seem not to understand—even not to comprehend—when they are doing; equally incoherent is the reason why they (the policies) should be expected to endure, let alone "succeed" in the sense of achieving outcomes that critics of the status quo will recognize as a significant step toward achieving a more sustainable (or renewably powered) way of life.

II. METHODOLOGY

(A) Research Design

This comparative legal research study tackles policies and laws tied to renewable energy in Jordan, the United Arab Emirates (UAE), and Saudi Arabia. The principal aim is to evaluate how these legal frameworks—freshly minted or reformed—actually function, and how far they

²⁷ Gillan Chi-Lun Huang & Rung-Yi Chen, *Injustices in Phasing out Nuclear Power?: Exploring Limited Public Participation and Transparency in Taiwan's Transition Away from Nuclear Energy*, 71 ENERGY RES. SOC. SCI. 101808 (2021).

²⁸ Rami Al Rawashdeh & Gary Campbell, *Mineral Policy in MENA Countries: The Case of Jordan*, 37 MINER. ECON. 121 (2024).

go toward achieving their stated aims. The second aim is to ferret out any obvious (or not-so-obvious) legal 'best practices' that might serve as models for Jordan. The study does not shy away from identifying problems and weaknesses, regulatory or otherwise, in the three countries' legal frameworks. The focus is primarily—and sometimes exclusively—on the laws themselves and on how the laws are (or are not) enforced ²⁹.

(B) Research Approach and Sources

This research takes a doctrinal legal route, conducting an extensive examination of the main legal sources that pertain to laws governing renewable energy in Saudi Arabia, including an analysis of their associated judicial rulings and governmental policies ³⁰. This study also conducts a comparative legal analysis with laws in place in two other countries, Jordan and the UAE.

This comparison does not merely highlight how the Saudi legal framework governing renewable energy performs compared with the frameworks in Jordan and the UAE. It also shines a light on the legal renewable energy governance framework in Saudi Arabia itself, in an effort to highlight what is good and effective, as well as any marine speed bumps or land mines that might be part of the Saudi framework ³¹.

The main sources consist of texts from legislatures, policies from nations, and decisions rendered by judges. They include Jordan's Renewable Energy & Energy Efficiency Law No. 13 (2012), Saudi Arabia's National Renewable Energy Program (NREP), and the UAE's Energy Strategy 2050 ³². In addition, documents from national and regional energy authorities serve as excellent (and often underutilized) sources for understanding the administrative management of renewable energy.

Academic articles, legal commentaries, government reports, and comparative studies make up the secondary sources for this dissertation. They have been selected intentionally because they focus directly on the challenges governing renewable energy. Together, these sources provide an insightful, in-depth understanding of the international, regional, and domestic layers of the renewable energy governance in Jordan.

²⁹ Amer Morshed, *Evaluation of Practical Accounting Education in Jordan*, 16 HIGH. EDUC. EVAL. DEV. 47 (2022).

³⁰ Sanne Taekema, *Methodologies of Rule of Law Research: Why Legal Philosophy Needs Empirical and Doctrinal Scholarship*, 40 LAW PHILOS. 33 (2021).

³¹ Mohammadjavad Heydariandolatabadi & Ehsan Aliakbari Babukani, *An Exploration of Effective Legal and Non-Legal Methods for Resolving Media Disputes Inside and Outside Courts of Justice (Comparative Study: Iran and the United States)*, 30 METHODOL. SOC. SCI. HUMANIT. 97 (2024).

³² Mohammed A. Aladaseen, *Unlocking Arbitration: Evolving Legal Standards for Commercial Agency Disputes in Jordan and the UAE*, INT. J. LAW MANAG. (2025), <https://www.emerald.com/insight/content/doi/10.1108/ijlma-09-2024-0316/full/html> (last visited Mar 8, 2025).

(C) Comparative Legal Framework

This research undertakes a systematic comparison of how far-reaching the recently enacted laws for renewable energy accomplish the intended aims in Jordan, Saudi Arabia, and the UAE. The research concentrates on several vitally important focal points:

Regulatory Framework: Assessing the extent of centralization or decentralization in governance and its effects on the consistency of policy, the implementation of policy, and the confidence of investors in the system.

Investment Incentives and Legal Certainty: Evaluating mechanisms such as feed-in tariffs, tax incentives, and investor protections in renewable energy projects ³³.

Compliance and Enforcement: The role of judicial oversight, administrative enforcement, and dispute resolution mechanisms in securing regulatory compliance is under investigation ³⁴.

Policies as adaptable frameworks: A framework of legal policies that is adaptable to changing technology, environmental conditions, and market dynamics is a sustainable framework. By sustainable, I mean a framework where good governance can occur over the long haul. Environmental conditions and human societies change, but some policies have the staying power to remain on the books and to remain in actual operation. Those policies, in my opinion, are what we should be aiming for.

Engagement with the public and transparency in governance are essential. This program area explores the law governing public access to regulatory information, participation by stakeholders in rulemaking, and the equity of regulatory outcomes. Impaired access to these instrumentalities and processes can, and does, lead to impaired democracy.

(D) Case Study Justification

This study selected Jordan, Saudi Arabia, and the UAE due to their varied regulatory landscapes and legal frameworks that govern renewable energy. The research compares these three models

³³ Adel Salem Allouzi, Karima Krim & Mohammad Abdalhafid AlKhamaiseh, *The Adequacy of the UAE Commercial Law in 2023 in Regulating Artificial Intelligence as a Subject of the Contract*, https://www.researchgate.net/profile/Adel-Allouzi/publication/384685450_The_Adequacy_of_the_UAE_Commercial_Law_in_2023_in_Regulating_Artificial_Intelligence_as_a_Subject_of_the_Contract/links/670f87f6ec56a35d0d371188/The-Adequacy-of-the-UAE-Commercial-Law-in-2023-in-Regulating-Artificial-Intelligence-as-a-Subject-of-the-Contract.pdf (last visited Mar 8, 2025).

³⁴ Mishael Al-Raggad, Nasir Albalawee & Odai Al Heilat, *Electronic Monitoring as an Alternative to Deprivation of Liberty in Jordanian and Emirati Law.*, 16 PAK. J. CRIMINOL. (2024), https://www.researchgate.net/profile/Ali-Al-Mahasneh/publication/380324303_Electronic_Monitoring_as_an_Alternative_to_Deprivation_of_Liberty_in_Jordanian_and_Emirati_Law/links/6635f93f7091b94e93ef0cd3/Electronic-Monitoring-as-an-Alternative-to-Deprivation-of-Liberty-in-Jordanian-and-Emirati-Law.pdf (last visited Mar 8, 2025).

with the goal of identifying some legal angle or another that could result in improved renewable energy policies for Jordan.

(E) Scope and Limitations

This research probes political and legal changes from 2015 to 2024 and their effects—positive or negative—on the stability of laws and investments in the renewable energy sector. Though its main spotlight is on Jordan, Saudi Arabia, and the UAE, the probe also takes in the wider regional and global energy landscape and its impact on the kinds of regulatory changes that concern (and sometimes confuse) investors³⁵.

(F) Ethical Considerations

This research follows the very best ethical practices in legal scholarship. It interprets legal texts with pinpoint accuracy. It cites all primary and secondary sources correctly. Why is this important? Because it guarantees that the results of this research have integrity and that they respect (and uphold) all the rights that pertain to intellectual property. After all, if one is studying ecology, say, then one is (understandably) picking apart and dissecting nature. But if one is studying (as I am) the laws that govern renewable energy, then what one is essentially picking apart and dissecting is the supposedly sustainable, green nature of those very laws³⁶

III. FINDINGS AND DISCUSSION

Under Law No. 13 (2012), Jordan has made definite legal progress in establishing a framework for renewable energy. But multiple problems keep getting the sector stuck: regulatory inconsistencies create confusion; weak rules create uncertainty about investments; and ineffective enforcement mechanisms fail to provide necessary discipline for long-term compliance with renewable contracts³⁷. Because of these issues, the long-term risks, both legal and financial, are just too great for private investors, who are needed to move renewable energy projects from the drawing board to the construction site. This section sets out the recommendations that would cover the problems with the comprehensiveness and the clarity of the structure in which private investors must operate.

³⁵ Julian Bergmann, Niels Keijzer & Christine Hackenesch, *Blackmailing and Identity Profiling? The Behaviour of Populist Radical Right Governments in EU Development Policy*, 12 *POLIT. GOV.* (2024), <https://www.cogitatiopress.com/politicsandgovernance/article/view/8180> (last visited Mar 8, 2025).

³⁶ *Id.*

³⁷ Yazan Al Maaiteh, *Joining Non-Signatory Third Parties to Arbitration Agreements in Jordan*, 41 *J. INT. ARBITR.* (2024), <https://kluwerlawonline.com/journalarticle/Journal+of+International+Arbitration/41.6/JOIA2024033> (last visited Mar 8, 2025).

(A) The Need for a Comprehensive Regulatory Framework

Despite Jordan's progress in liberalizing the renewable energy sector, regulatory fragmentation and policy inconsistencies create substantial growth obstacles in the market³⁸. The legal framework does not offer clear mandates for licensing processes, grid integration, or energy storage that would guide prospective investors and developers toward greater certainty. Moreover, the laws governing grid connections are themselves fragmented, with no standardized legal provisions to regulate the integrating of renewable energy into the national power system³⁹. Stakeholders cannot afford absent or weak governance. In the private sector, engaging with the public becomes problematic without sufficient trust in the rule of law over time.

To tackle these issues, Jordan needs to revise the Renewable Energy & Energy Efficiency Law No. 13 (2012) to supply clear directions on licensing, energy storage, and grid integration. These tasks could be handled better if there were a dedicated renewable energy authority to oversee this law and ensure that all relevant bodies comply with its directions, that there's consistency in the licensing process, and that disputes are resolved efficiently. There also needs to be much better coordination between the national agencies and the municipality involved in directing renewable energy development so that there's a cohesive, predictable, and sensible set of policies for investors to work with.

(B) Addressing Investment Uncertainty

Jordan's sector of renewable energies is now receiving an increased amount of private investment, thanks to feed-in tariffs (FITs) and net metering schemes. But there are some significant legal and financial uncertainties that are currently keeping private investment at bay, to the detriment of the long-term sector build-out⁴⁰. What are these private investment deal-

³⁸ Mahmoud Abu-Allaban & Safeia Hamasha, *Environmental Governance in Jordan: Addressing Legislative Gaps, Preserving Natural Heritage, and Aligning with Global Climate Commitments* (2025), https://www.researchgate.net/profile/M-Abu-Allaban/publication/389499600_Environmental_Governance_in_Jordan_Addressing_Legislative_Gaps_Preserving_Natural_Heritage_and_Aligning_with_Global_Climate_Commitments/links/67c4af93461fb56424eee5f2/Environmental-Governance-in-Jordan-Addressing-Legislative-Gaps-Preserving-Natural-Heritage-and-Aligning-with-Global-Climate-Commitments.pdf (last visited Mar 8, 2025).

³⁹ Mahmoud Abu-Allaban & Safeia Hamasha, *Environmental Governance in Jordan: Addressing Legislative Gaps, Preserving Natural Heritage, and Aligning with Global Climate Commitments* (2025), https://www.researchgate.net/profile/M-Abu-Allaban/publication/389499600_Environmental_Governance_in_Jordan_Addressing_Legislative_Gaps_Preserving_Natural_Heritage_and_Aligning_with_Global_Climate_Commitments/links/67c4af93461fb56424eee5f2/Environmental-Governance-in-Jordan-Addressing-Legislative-Gaps-Preserving-Natural-Heritage-and-Aligning-with-Global-Climate-Commitments.pdf (last visited Mar 8, 2025).

⁴⁰ Abbas Al-Refaie & Natalija Lepkova, *Impacts of Renewable Energy Policies on CO2 Emissions Reduction and Energy Security Using System Dynamics: The Case of Small-Scale Sector in Jordan*, 14 SUSTAINABILITY 5058 (2022).

breakers? Of course, the most significant issue is tariff instability. We've seen that in the past (see Report 13), and frankly, it should give any would-be investor pause. That's because, as we've said, these kinds of sudden policy shifts—like reducing the FIT rates—very quickly translate into unpredictable returns and, thus, greater financial risk. In addition, there's also the problem of non-standardized power purchase agreements (PPAs). These should be legal contracts that spell out how much the electricity is going to cost, but right now, we've got a hodgepodge of a deal with very different terms, which is a PPA in name only⁴¹. Finally, what's the longer-term consequence of these ensemble problems? For one thing, they could foster right-to-know issues for private investors who lack an inside track on what's going to happen with energy policy.

To ensure that investment returns are not too risky, Jordan needs to set up legally secure FITs and PPA structures that are also standardized. A good investment protection framework for renewables would offer legal remedies if anything went wrong in the investment process (e.g., if contractual disputes arose or if changes in regulation created problems for investors). Such a framework would send the clear signal that Jordan is a safe place to invest in renewables, which should help recruit more private investors to the cause.

(C) Strengthening Enforcement and Legal Accountability

While Jordan has put in place legal measures that are supposed to favor the development of renewable energy, enforcement of these laws is rather weak, to say the least, and this certainly does slow down the transition to clean energy⁴². In recent years, the lack of compliance monitoring has led to the development of a two-tier system in which some laws are enforced and others are not⁴³. Such a lack of clear rules and enforcement not only allows for some legal ambiguity but also leads to very inefficient execution of some of the projects that have been authorized. Moreover, when these projects are put on trial for whatever reason, the courts do not turn out favorable for the developer, and that only makes them (the developers) more hesitant in terms of using the courts, which are supposed to favor them, when the authorized laws are not being enforced⁴⁴.

⁴¹ Hiba Shkhashiro & Maria Szalmane Csete, *Sustainable Energy Transition in Jordan: Policies, Progress, and Promising Trends*, <https://reepqj.com/v2/271-24-shkhashiro.pdf> (last visited Mar 8, 2025).

⁴² Mahdy Darwish & Christelle Ghanem, *Energy Transition in the Levant Region: Assessing the Legal, Institutional and Policy Landscape*, 16 J. WORLD ENERGY LAW BUS. 197 (2023).

⁴³ Bashar Adnan Mustafa Malkawi, *Assessment of the Legal Regulation for the Settlement of Collective Labor Disputes before Labor Court in the Jordanian Labor Law*, 24 J LEG. ETHICAL REGUL ISSUES 1 (2021).

⁴⁴ INVOLVING INADVERTENT, *TWO-TIER COURT*, 63 ST. LOUIS UNIV. LAW J. (2019), https://heinonline.org/hol-cgi-bin/get_pdf.cgi?handle=hein.journals/stlulj63§ion=13 (last visited Mar 8, 2025).

For improved regulatory enforcement, Jordan could set up a renewable energy court to ensure timely resolution of disputes and consistent assurance of legal interpretations. Audits are always good; regulatory audits are better. So, Jordan could pair its renewable energy court with an independent regulatory auditor to ensure law-following in the arena of renewable energy. Lastly, using artificial intelligence (AI) to do the regulatory monitoring of the renewable energy sector sounds like a way to get real-time tracking of the adherence to the laws governing that sector.

(D) Strengthening Jordan's Renewable Energy Governance

If it deals with regulatory inconsistencies, it can eliminate uncertain investment climates. If it strengthens legal enforcement, it can put an end to the kinds of problems that crop up when policies lack authority. This combination of moves would turn a timid legal framework into an investor-friendly legal framework. To the extent that the rules turn into a clear set of policies that can be monitored, the independent audit path is better in the long term than any alternative, even human inspection teams.

Jordan can take the lead in the clean energy global game, drawing by its factor into the framework something all regional players desire: investment. Foreign and domestic capital are crucial to developing sustainable energy. Authors seem to suggest that this kind of investment might be attracted to Jordan if the latter aligns its clean energy laws with international best practices ⁴⁵.

(E) Implications for Jordan's Legal Stakeholders

Collaborating with key legal stakeholders is a fundamental part of closing the regulatory gaps that exist today, resolving some uncertainties around investments, and strengthening the weak points found in enforcement mechanisms. In the first place, legislative bodies must rap the gavel to bring some order to the appearance of anarchy that currently reigns among the country's renewable energy laws. While the existence of two laws governing the same subject is a sure sign of a lack of harmony, even where the same subject is covered by two laws, the judges who must apply the laws can hardly bless the situation with the title of legal clarity and stability unless life has been breathed into a few adequate enforceable compliance mechanisms, a couple of efficient licenses systems, and a structured dispute resolution system that doesn't have fight club written all over it.

⁴⁵ Amer Morshed, *Comparative Analysis of Accounting Standards in the Islamic Banking Industry: A Focus on Financial Leasing*, J. ISLAM. ACCOUNT. BUS. RES. (2024), <https://www.emerald.com/insight/content/doi/10.1108/JIABR-12-2022-0349/full/html> (last visited Dec 29, 2024).

IV. CONCLUSION

This research examined the legal structure of renewable energy in Jordan, comparing it with Saudi Arabia and the UAE and identifying key challenges. It found that, despite significant progress, Jordan's legal framework for renewable energy is inconsistent, enforcement is weak, and investment conditions are uncertain. Even so, the team that conducted the research offered no recommendations for making the Jordanian legal framework more conducive to renewable energy development.

Jordan's semi-liberalized model fosters private sector participation but suffers from regulatory fragmentation. In contrast to a centralized system like Saudi Arabia's, or the hybrid approach of the UAE, Jordan does not have clear mandates on things like licensing and grid integration, which creates uncertainty for investors. What is needed are legal reforms, and they need to be more than just comprehensive; they also need to be predictable.

Strengthening investment protection is vital, too. Jordan provides incentives like feed-in tariffs and net metering, but tariff instability and inconsistent Power Purchase Agreements make for legally risky terrain. We must have binding agreements that make sense, and we must also have specialized mechanisms for resolving disputes, for none of that is quite as reassuring as it should be when it comes to safeguarding investments.

Ultimately, stronger enforcement is necessary. Without a dedicated regulator, oversight is weakened. An independent authority that has the judicial capacity to oversee licensing, compliance, and disputes could certainly enhance legal certainty. But in this digital age, even more can be done. Tools like AI could help scale compliance and improve the sort of transparency that allows all of us to see what is happening. And if we are really going to govern a space as large as cyberspace, we are going to need tools that work at scale.

(A) Recommendations

In order to tackle these problems, Jordan ought to carry out the subsequent legal changes.

1. Strengthening Legal and Institutional Frameworks

Revise the Renewable Energy & Energy Efficiency Law No. 13 (2012) to make clear any and all pertinent information regarding licensing procedures, grid integration laws, and energy storage regulations. Setting up an independent regulatory authority for renewable energy, which will see to it that compliance and legal enforcement happen, as well as the licensing of all sorts of things that need to be licensed, in order to allow them to fulfill their functions legally and to enforce legally the sorts of things that should be enforced.

2. Enhancing Investment Protection

Legally binding power purchase agreements (PPAs) and stable tariff structures to ensure long-term investor confidence. Create an investment protection framework for renewable energy that offers clearly defined legal options in the event of disputes regarding contracts or regulations.

3. Improving Enforcement and Compliance

Set up a dedicated renewable energy court or tribunal to resolve disputes in that sector. Efficiently. Ensure judges have relevant expertise. Model the tribunal on successful existing examples, such as the marine board of inquiry.

Independent regulatory audits and AI-driven compliance monitoring should be implemented to improve the transparency of the system.

4. Promoting Transparency and Public Participation

Mandate public consultations in the formation of renewable energy policy by law in order to bolster accountability. Fortify mechanisms for resolving disputes through arbitration and for ensuring enforceable legal protections for investors.

(B) Future Research Directions

More research is necessary to understand how the decentralized governance of renewable energy laws works, the impacts of new technologies on enforcement of those laws, and how all of that fits into Jordan's legal framework that can stack up against international agreements like the Paris Climate Accord.

If Jordan implements these legal reforms, it will have a more resilient and investor-friendly legal framework. This is critical to ensuring a sustainable and legally robust transition toward renewable energy.
