



Amendments to the legislation on renewable energy sources and electric power industry

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In brief

On December 7, 2020, the head of state signed the law "On amendments and additions to some legislative acts of the Republic of Kazakhstan on supporting the use of renewable energy sources and electric power".

In details

The Law "On amendments and additions to some legislative acts of the Republic of Kazakhstan on supporting the use of renewable energy sources and electric power" introduces the following amendments:

- Introduction of purchase and buy approach on a centralized basis of flood electric power through the Finance Center on support of renewable energy sources (RFC).
- Stimulating the construction of generating units with a maneuverable generation mode. For such projects, an auction selection mechanism will be used, which will reduce the dependence of the electric power system of Kazakhstan on external sources.
- Introduction of the concept of "surcharge to support the use of renewable energy", which will be taken into account in excess of the maximum tariff for electric energy of traditional stations.
- Establishing the possibility of providing financial aid to RFC from the Government of Kazakhstan in case of non-fulfillment of obligations by RFC for payments to renewable energy projects.
- Increase the term of the contract for the purchase of renewable energy from the current 15 years to 20 years.

The adoption of the Law will create favorable conditions for the development of the energy market, including renewable energy. Whereas, the extension of the contract for the purchase of renewable energy will allow investors to offer lower tariffs at auction, thereby significantly increasing the attractiveness of the renewable energy market in Kazakhstan.

The Law is available for review at the following link: online.zakon.kz. We will be happy to discuss with you the impact of the Law on your business.