

## **Small-scale renewables need big-scale support in Kazakhstan and Uzbekistan**

### **Kazakhstan**

Implementation of small-scale renewable energy projects in Kazakhstan is subject to general regulation and state policy, regardless to the size of the project except for certain concessions and preferences designed specifically for small-scale renewable energy producers.

For instance, when installing a small-scale renewable energy facility, the owner may receive direct subsidies from the state covering up to 50% of investment costs provided that the generating equipment was manufactured in Kazakhstan or may implement own consumption scheme. The own consumption scheme is available for consumers connected to the electricity network who own renewable energy generating facilities with a capacity of up to 100 kilowatts. According to this scheme the owner of renewable energy facility shall pay to the power supply organization for the consumed amount of electricity subtracting the amount that the renewable energy facility owner supplied to the electricity network in the same period. In case if the renewable energy facility owner supplied more electricity than received the power supply organization shall pay the renewable energy facility owner for the excess amount of electricity supplied to the electricity network.

In reality small-scale renewable energy market in Kazakhstan develops relatively slowly. One of the main reasons for that are insufficient support measures and complex and time-consuming procedure for connecting to the electricity networks.

Kazakhstan Ministry of Energy proposes to amend the legislative acts in order to eliminate the abovementioned and other barriers that prevent development of small-scale renewable energy in Kazakhstan. Thus, the proposed amendments will stipulate:

- 1) state subsidies for compensation of up to 80% capital costs for installation of small-scale renewable energy projects with overall annual amount of up to 1 billion tenge;
- 2) tax exemption for small-scale renewable energy producers for the supplied electricity to the network;
- 3) abolition of the prohibition for individuals to sell excessively generated energy to the network;
- 4) establishment of clear, understandable and simple conditions for the installation, operation and connection to the networks of small-scale renewable energy facilities.

It is anticipated that amendments stated above will give a positive effect on the development of small-scale renewable energy in Kazakhstan.

### **Uzbekistan**

Similar to Kazakhstan, there is no yet precise definition of small-scale renewable energy in Uzbekistan as well. However, Uzbek legislation stipulates specific measures supporting renewable energy use in residential premises. For instance, the Renewable Energy Law provides that individuals using renewable energy in residential premises with complete disconnection from the existing energy networks shall be exempt from property and land tax for 3 years. The law establishes that the production of electric and heating energy from renewable energy for own use shall be free of any permits.

On August 22, 2019 the President of Uzbekistan signed a resolution to speed up measures to improve energy efficiency and development of the renewable energy sector, which contains a package of measures aimed at supporting small-scale RE in Uzbekistan.

According to the resolution, starting from January 1, 2020 the state budget of Uzbekistan will compensate 30% of the expenses of individuals for purchasing solar plants, solar water heaters, as well as energy-efficient gas-burner devices (up to limits established by the resolution) and will make compensation of a part of expenses for repayment of loan interest received from commercial banks for purchase of renewable energy facilities.