

KAZAKHSTAN RENEWABLE ENERGY AUCTIONS PARTICIPATION GUIDE

2020

REGULATIONS

**Law of the Republic of Kazakhstan
№ 165-IV dated July 04, 2009**

«On Support of the Use of Renewable Energy
Sources»



**Law of the Republic of Kazakhstan
№ 89- VI LRK dated November 07, 2017**

"On Amendments and Additions
to Certain Legislative Acts of the Republic of
Kazakhstan on Electric Power Industry"



**Order of the Minister of Energy of the
Republic of Kazakhstan No. 280 dated
August 7, 2017**

«On the determination of the organizer of the
auctions»



**Order of the Minister of Energy of the
Republic of Kazakhstan
No. 466 dated December 21, 2017**

«On Approval Rules for the organization and conduct
of auction bidding, including the qualification
requirements for the participants of the auction, the
content and procedure for filing an application, the
types of financial guarantee for the application for
participation in the auction and the conditions for their
entry and return, the procedure for summing up the
results and determining the winners».



THE RE AUCTION MECHANISM

SELECTING THE LOWEST-COST

Fixed tariffs have been replaced by a mechanism aimed at selecting the most effective projects at the lowest prices.

REDUCING THE IMPACT OF THE RES SECTOR

on the increase in tariffs for end users

ESTABLISHING COMPETITIVE MARKET PRICES

- to attract international investments
- to reduce the costs of RE generation
- to reduce the financial burden

TO ASSURE THE ORDERLY DEVELOPMENT OF RES

considering the potential of a unified sector power system

TRANSPARENT SELECTION PROCEDURE

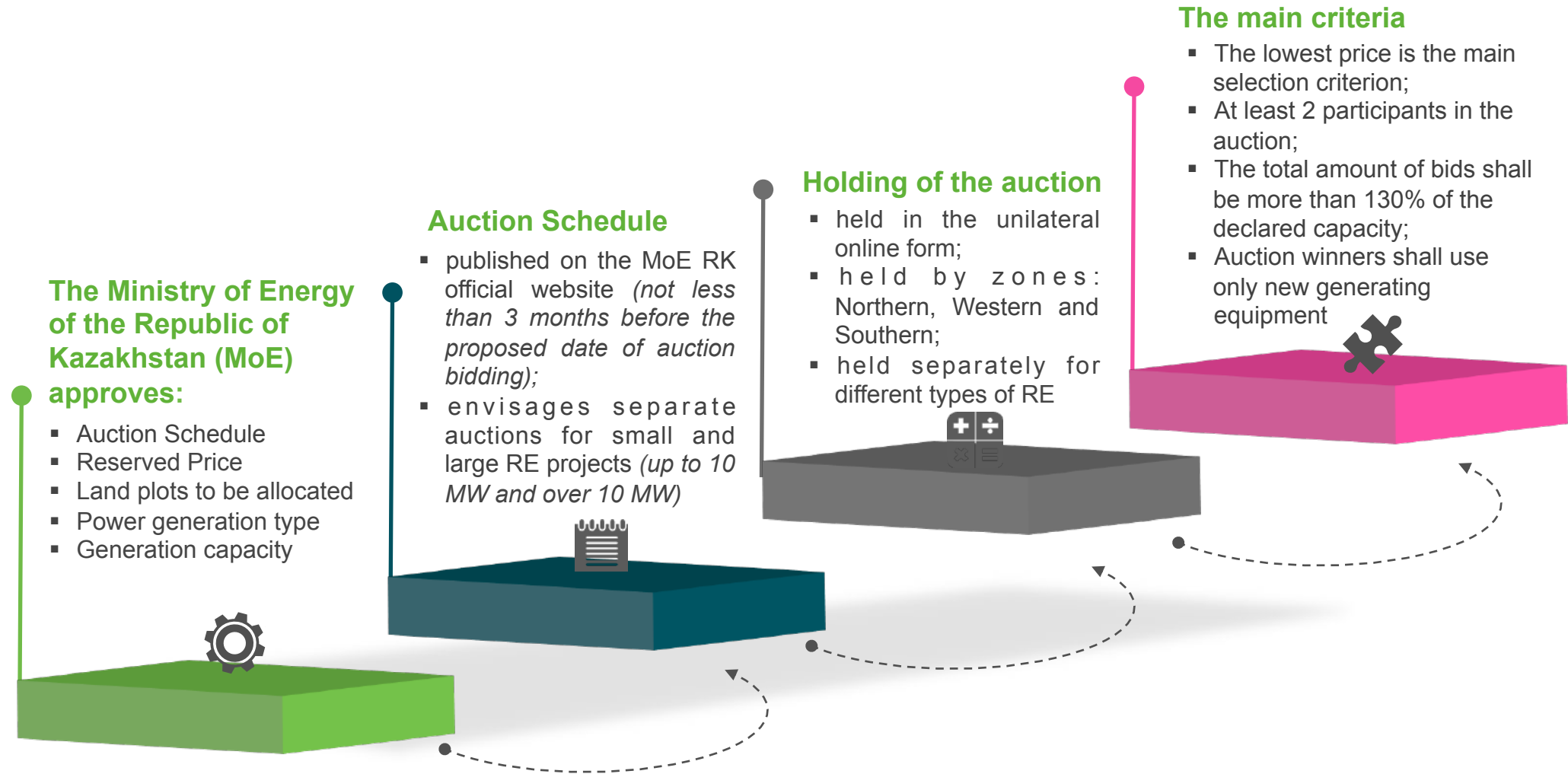
- to ensure a stable and transparent investment environment.

MAINTAINING RES DEVELOPMENT TARGETS

- renewable natural capital and clean physical Capital
- sustainable economic growth
- developed human and social capital



THE RE AUCTION MECHANISM



THE RE AUCTION BIDDING PROCESS

Preparation for action bidding

- Registration in the Organizer's trading system;
- Conclusion of the Auction Services Agreement;
- Payment for the Services;
- Submission of the required documents.

Financial guarantee

- issued and submitted not less than 2 business days prior the auction date;
- KZT 2,000 per 1 kW of installed capacity multiplied by the capacity indicated in the bid;
- issued on the SWIFT system as:
 - bank guarantee; or
 - standby letter of credit;
- released within 3 business days after the auction date;
- shall be valid for at least 150 calendar days from the date of the auction.

Trading session

- held according to the Schedule, from 14-00 to 17-00 Nur-Sultan time;
- the max. duration - 3 hours.

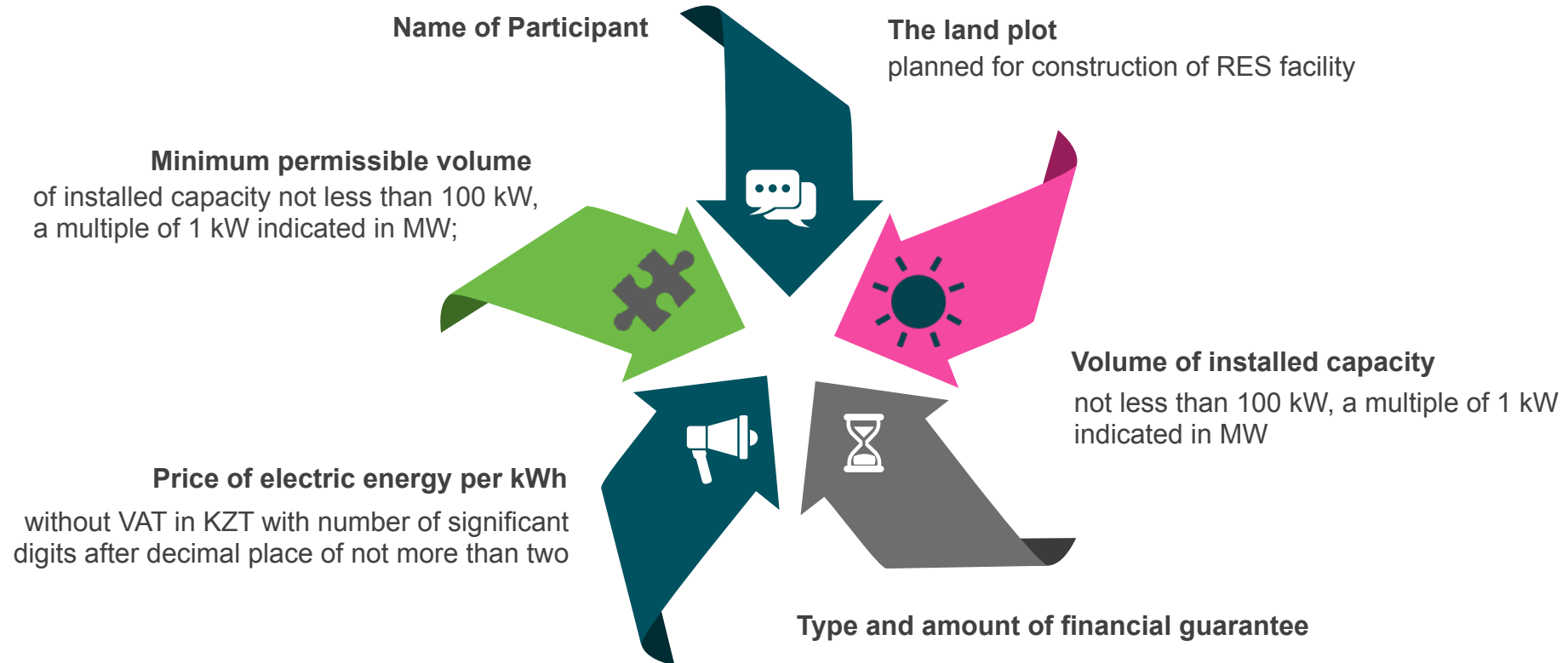
The procedure :

- 1) opening by the Organizer;
- 2) submission of Applications;
- 3) closing the trading session;
- 4) summing up the results;
- 5) formation of the winners register and its publication on Internet resource (within an hour).

Auction Results

- the Organizer notifies the Participants by email (within an hour);
- the Organizer provides information on the auction results to the MoE (within 1 business day);
- the MoE includes the auction winners in RES facilities layout and list of energy producing companies using RES (within 5 business days);
- the auction winners submit applications for concluding PPA contract to the Financial Settlement Center (FSC) (within 60 calendar days).

THE APPLICATION CONTENT



- *Participants can not submit applications indicating the amount exceeding:**
- 1) the amount of installed capacity put up for auction by the authorized body;
 - 2) the maximum permissible capacity for the points of connection to electric grids;
 - 3) the amount of financial guarantee of the application for participation in the auction.

SUBMISSION OF THE DOCUMENTS



To register in the database of the Trading system the Applicant must (in electronic form):

- A copy of the charter;
- A copy of the registration/reregistration certificate of a legal entity;
- a copy of the Resolution of the relevant body of the legal entity regarding the appointment of the first director;
- Power of Attorney for a representative (if the representation of interests is not exercised by the first director);
- Details (email, contact numbers, bank details);
- Confirmation on the submission of the financial guarantee.



Applicants with documentation:

- Letter confirming that the Participant familiarized himself with the documentation published on the Organizer's web site.

Applicants without documentation (with their own land plots and grid connection points):

- A copy of technical specifications for connection to the grid, issued and agreed in accordance with the Grid Code or an indication of the grid connection point;
- Copies of title documents for the land plot in accordance with the Land Code dated June 20, 2003, or an indication of the land plot;
- A copy of the letter of approval by the System Operator (with electrical capacity of 5 MW) or in accordance with the Grid Code or an indication of the grid connection point.

THE RE AUCTIONS FOR 2020

The total auctioned installed capacity -250 MW:

- solar power plants (SPP) – 55 MW (out of which 40 MW is for project-based auction, 15 MW for non-project auction);
- wind power plants (WPP) – 65 MW;
- hydro power plants (HPP) – 120 MW;
- biofuel power plants (BioPP) – 10 MW.

Project increase planned in 2020:

+ 108 projects

Investment protection measures (due to the coronavirus pandemic):

- The PPA performance bond timeframe is extended for 1 year (for non-operating facilities)
- Submission of the operational acceptance certificate to FSC is extended for 1 year



№	RES type	Installed capacity, MW		UPS Zone	Auction time	Auction date
		Small	Large			
1	HPP	20		Northern and Southern Zones	14.00-17.00	9.11.2020
2	SPP	15		Northern and Southern Zones	14.00-17.00	10.11.2020
3	WPP	15		Northern and Southern Zones	14.00-17.00	11.11.2020
4	BioPP	10		All Zones	14.00-17.00	23.11.2020
5	WPP		50	Northern and Southern Zones	14.00-17.00	24.11.2020
6	HPP		100	Northern and Southern Zones	14.00-17.00	25.11.2020
7	SPP*		20	Southern Zone	14.00-17.00	8.12.2020
8	SPP*		20	Southern Zone	14.00-17.00	10.12.2020

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