

Law of the Republic of Kazakhstan
«ABOUT SUPPORT OF USE OF RENEWABLE SOURCES OF
ENERGY»

The present Law regulates public relations in the area of the usage of Renewable Energy Sources, establishes legal, economic and organizational grounds to facilitate generation, transportation and consumption of the electricity and (or) heat produced by Renewable Energy Sources.

Chapter 1. General Provisions

Article 1. Basic definitions of the present Law

The present Law uses the following basic definitions:

- 1) Renewable Energy Sources – energy resources that are replaced rapidly by natural processes: energy of sunlight, wind energy, hydrodynamic water energy for 25 MW derivation units working without modification of hydro-geological regime of rivers, geothermal energy: ground heat, heat of underground waters, rivers, water basins, and antropogenic resources of primary energy sources: biomass, bio-gas and other organic waste fuel, which is used for electricity and (or) heat power generation;
- 2) Qualified Energy Production Organization is the organization that generates electricity and (or) heat power using Renewable Energy Sources;
- 3) Standard Electricity Losses are the technological losses of electricity for transportation and electrical grid distribution;
- 4) Authorized Body is the authorized governmental body that is in charge of support in the area of the usage of Renewable Energy Sources;
- 5) Renewable Energy Unit is the independent technical unit of electricity and (or) heat power generation, which is using renewable energy sources and corresponding infrastructure components (facilities, feed-in network devices) that are technically required for operation of such renewable energy unit.

Article 2. Legislation of the Republic of Kazakhstan in the area of support of renewable energy sources utilization

1. Legislation of the Republic of Kazakhstan in the area of renewable energy sources utilization support is based on the Constitution of the Republic of Kazakhstan and consists of the present Law and other normative legal acts of the Republic of Kazakhstan.

2. Public relations in the area of bio-fuel production and trade shall be regulated by the legislation of the Republic of Kazakhstan about the state regulation of production and trade of bio-fuel.

3. Public relations in the area of electrical and (or) heat energy generation, transmission, and consumption, which are not regulated by this Law, shall be regulated by the legislation about electrical energy.

4. If an international treaty ratified by the Republic of Kazakhstan establishes other rules than the present Law, then the rules of the international treaty shall apply.

Chapter 2. State regulation in the area of support of renewable energy sources utilization

Article 3. Purposes and methods of the state regulation in the area of support of renewable energy sources utilization

1. State regulation in the area of support of renewable energy sources utilization is performed with a purpose of creation of favorable conditions for electrical and (or) heat power generation with utilization of renewable sources of energy in order to reduce energy intensity of economic sector, to decrease environmental impact of power industry, and to increase the share renewable energy sources for electrical and (or) heat power generation in the Republic of Kazakhstan.

2. State regulation in the area of support of renewable energy sources utilization for electrical and (or) heat power generation includes:

- 1) approval of renewable energy units location plan (program);
- 2) licensing;
- 3) establishing of indicative goals and amount of renewable energy sources in the total volume of electrical power generation in the Republic of Kazakhstan in electrical power development programs;
- 4) creation of conditions for training of Kazakhstani specialists and conducting of scientific research in the area of renewable energy sources;
- 5) technical regulation;
- 6) acceptance of normative legal acts in the area of development of renewable energy sources utilization.

Article 4. Main directions of the state regulation in the area of support of renewable energy sources utilization

State regulation in the area of support of renewable energy sources utilization is performed in the following main directions:

- 1) establishing of favorable conditions for construction and operation of renewable energy units;
- 2) stimulation of electrical and (or) heat power generation using renewable energy sources;

- 3) provision of investment preferences for construction and operation of renewable energy units;
- 4) establishment of favorable conditions for efficient integration of renewable energy units into the unified energy system and electricity and heat power market of the Republic of Kazakhstan;
- 5) contribution to fulfillment of the international obligations of the Republic of Kazakhstan in reduction of green-house gases emissions.

Article 5. Authority of the Government of the Republic of Kazakhstan in the area of support of renewable energy sources utilization

The Government of the Republic of Kazakhstan:

- 1) develops main directions of the state policy in the area of renewable energy sources utilization;
- 2) approves programs for renewable energy sources development and utilization;
- 3) approves procedural order of monitoring of renewable energy sources utilization;
- 4) approves technical regulations in the area of renewable energy sources utilization.

Article 6. Authority of the Authorized Body in the area of support of renewable energy sources utilization

The Authorized Body:

- 1) executes state policy in the area of usage of renewable energy sources;
- 2) develops programs for renewable energy sources development and utilization;
- 3) develops technical regulations and offers amendments for improvement of the state standards in the area of designing, construction, technical maintenance and safety of renewable energy units for electricity and (or) heat power generation;
- 4) develops and approves normative legal acts in the area of renewable energy sources utilization;
- 5) approves renewable energy units location plan (program);
- 6) endorses projects of construction of renewable energy units with a capacity of twenty-five megawatts and higher;
- 7) based on the order established by the Government of the Republic of Kazakhstan, carries out monitoring of usage of renewable energy sources through:
 - keeping the record of energy potential of renewable energy sources, level of implementation and share of electricity and (or) heat power generation from renewable energy sources in the energy balance of the Republic of Kazakhstan;
 - determination of compliance of the generated volume of electrical power produced from renewable energy sources to respective figures in program documents;
 - analysis of renewable heat power potential utilization level;

8) controls renewable energy units connection to electrical and (or) heat power grid of energy transmission organizations, in accordance with legislation of the Republic of Kazakhstan in the areas of electrical energy;

7) coordinates and interacts with state bodies, enterprises and research and development institutions in the field of support of usage and development of renewable energy sources;

8) provides international cooperation in the field of usage of renewable energy sources.

Article 7. Authorities of local executive bodies in regions (city under republic jurisdiction, capital) in the area of support of renewable energy sources utilization

Local executive bodies of the regions (city under republic jurisdiction, capital):

1) participate in implementation of programs for renewable energy sources development and utilization;

2) develop regional Renewable Energy Sources development program with consideration of Renewable Energy Sources units' location at remote non-electrified sites, where the centralized power supply is inexpedient;

3) endorse projects for construction of Renewable Energy Sources units of up to 25MW capacity in the region.

Chapter 3. Support of usage of Renewable Energy Sources

Article 8. Support in designing and construction of units of Renewable Energy Sources

1. Local executive bodies of the regions (city under republic jurisdiction, capital) shall consider programs of renewable energy sources implementation and utilization during development of plans, economic and social programs of the region improvement (city under republic jurisdiction, capital).

2. Local executive bodies of the regions (city under republic jurisdiction, capital) shall reserve and provide land, including water preserved areas, according to the legislation of the Republic of Kazakhstan, for construction of renewable energy sources units, in accordance with the plan (program) of the renewable energy units location.

3. Persons performing designing and construction of renewable energy units have rights for receiving investment preferences, in accordance with the legislation of the Republic of Kazakhstan about investments.

Article 9. Support in selling of electricity and (or) heat power generated with renewable energy sources

1. Regional electricity distribution companies, which have directly connected Renewable Energy Sources units into the network, shall purchase the full volume of the renewable electricity generated by respective qualified energy production organizations to cover up to fifty percent of the electricity loss in the respective distribution network.

If the renewable electricity generated by the qualified energy production organization exceeds the volume of 50 percent of electricity loss of corresponding regional distribution company, then the rest of such renewable electricity volume shall be purchased by the system operator to cover the electricity loss of the national electricity network.

2. Heat power generated by the qualified energy production organizations and supplied into general network of heat supply of the town or of the settlement, with the corresponding parameters of a heat-carrier in general system, shall be purchased by the power supply organization.

The cost of heat power generated by qualified energy production organization shall be included into the tariff of the power supply organization, according to the legislation of the Republic of Kazakhstan about natural monopolies.

The qualified energy production organization shall adjust with the energy supply organization the time-period of heat power supply into the general network depending on the season.

3 The price of the renewable power is established by the qualified energy production organization but not more that a level stated in the feasibility study of the project of construction of renewable energy unit.

4. When the qualified energy production organizations supply renewable electricity, they shall be exempted from tariff payments for the services rendered by the energy transmission organizations.

5. Expenses for transmission of electricity produced by the qualified energy production organizations shall be included into the tariff for power transmission services of the regional electrical grid companies and system operator, according to the legislation of the Republic of Kazakhstan about natural monopolies.

6. The qualified energy production organizations shall have the right to enter direct agreements for electricity supply with the consumers.

Article 10. Support of Renewable Energy Sources units for electricity and (or) heat power grid connection and transmission

1. New Renewable Energy Sources units and reconstructed units with replaced fifty percent of balance sheet cost regardless of start-up date shall be connected to the nearest point of electricity and (or) heat power network of the power transmission company in accordance with the class of generator voltage or heat-carrier parameters in the general network of heat supply.

2. Energy transmitting organization shall provide with unimpeded and nondiscriminatory identification of the nearest point of electricity and (or) heat power network in accordance with generator voltage of heat-carrier parameters in the general network of heat supply, and provide with connection of the renewable energy sources units.

3. The electricity generated from renewable energy sources shall get priorities for transmission in case of limited section of current electricity network.

4. Renewable electricity units shall get priorities in dispatching of the electricity capacity.

5. Extension and reconstruction of the present electricity and heat network facilities of energy transmitting organizations in order to connect renewable energy sources units shall be carried out by the owner of the electricity and heat power networks. The cost for such extension and reconstruction shall be included into the tariff of the energy transmitting organization – the owner of the network, in accordance with the legislation of the Republic of Kazakhstan about natural monopolies.

6. Construction of renewable energy units network facilities to the point of grid connection shall be provided by the owner of such renewable energy unit, and the cost shall be included into the project cost.

Chapter 5. Final Provisions

Article 11. Responsibility for violation of the present Law

Persons violating the present Law shall bear responsibility, in accordance with the legislation of the Republic of Kazakhstan.

Article 12. Entry into force

The present Law shall become effective in ten calendar days after the day of its first official publication.

**President
Of the Republic of Kazakhstan**