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Implementation of projects in the area of Renewable Energy Sources (RES)

The rapid development of the energy sector in the Republic of Kazakhstan forced the state to actively focus on creating conditions for the use of renewable energy sources. EXPO-2017 have become an additional incentive for the development of renewable energy projects. However, the renewable energy sector is, relatively young in Kazakhstan and there are a number of issues that need to be discussed. Some of them we would like to discuss below.

1. State Support to RES

One of the main legislative acts that regulate operations in the area of RES is the Law of the Republic of Kazakhstan 'On Support of Using Renewable Energy Sources', dated 4 July 2009 (hereinafter – the '**RES Law**'). The state regulation in the area of RES is mainly focused on the development of favourable conditions for the construction and operation of RES facilities, as well as the promotion of the power production through RES. In this regard, and based on the RES Law, the following types of state support for legal entities using or intending to use RES facilities can be distinguished:

- 1) investment preferences in accordance with the business legislation (where the construction of a RES facility is an investment project within the framework of the legislation);
- 2) setting fixed tariffs for the purchase of electricity from the energy producing company for the period of 15 years after beginning of electricity supply.

In accordance with the Article 7-1 of the RES Law, the accounting and financial centre (AFC) undertakes to purchase electricity received through RES facilities at a fixed tariff established as of the date of signing the contract for the purchase of electricity or at auction price in view of the annual indexation of the tariff.

Thus, fixed tariffs are approved by the Government of the Republic of Kazakhstan for a period of 15 years. Approved fixed tariffs are subject to indexation in view of inflation and changes in the exchange rate, in the procedure established by regulatory enactments.

As of the current date, fixed tariffs are established by the *Resolution of the Government of the Republic of Kazakhstan, dated 12 June 2014*.

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