



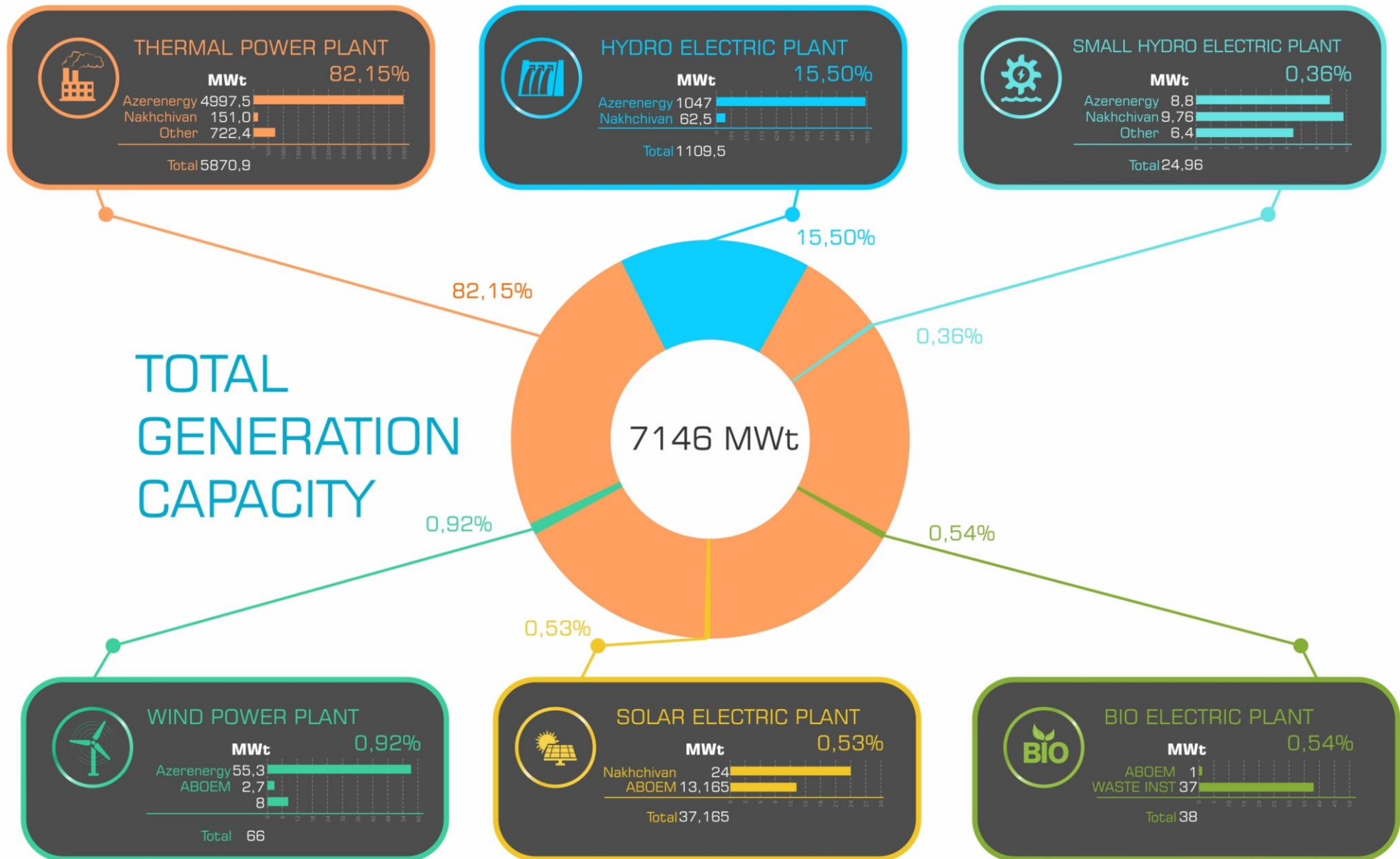
MINISTRY OF ENERGY OF THE REPUBLIC OF AZERBAIJAN



# PRIORITY DIRECTIONS IN ENERGY REFORMS OF AZERBAIJAN

2019

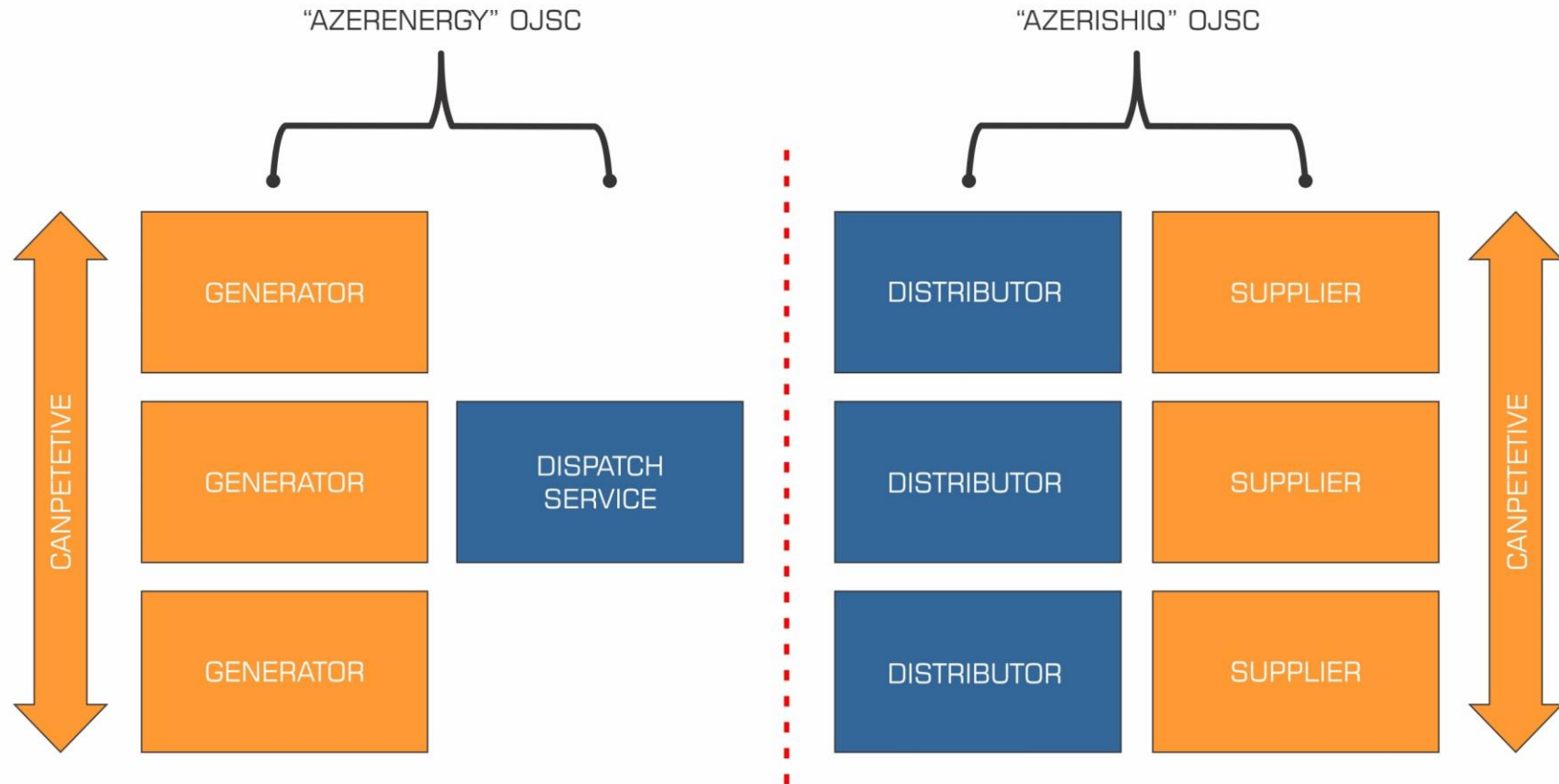
# CURRENT GENERATION CAPACITY



# INTERCONNECTIONS FOR EXPORT OF ELECTRICITY



# CURRENT SITUATION IN ENERGY MARKET



# OBJECTIVES OF THE STRATEGIC ROADMAPS

- Development of legislative base
- Establishment of an Independent Regulatory Agency
- Administrative segregation of generation, transmission, distribution and retail functions for electric energy
- Establishment of wholesale market
- Improvement of investment climate
- Liberalization of energy sector
- Achievement of increasing the attractiveness of energy sector, provision of effectiveness, ecological sustainability, rational competitiveness and effective tariff rates across the value chain
- Development of support mechanisms
- Diversification of electric energy production portfolio by development of renewable energy sector

# WHAT DO WE AIM

- ENERGY EFFICIENCY
- MARKET LIBERALIZATION
- ATTRACTIVENESS FOR FDI
- DIVERSIFICATION FOR CONSUMERS CHOICES OF SUPPLY
- OPTIMIZATION OF TARIFF RATES
- REDUCTION OF BUDGET BURDEN

# ENERGY EFFICIENCY AND EFFECTIVENESS

Development strategy



## WORKS CARRIED OUT

- Development of the Law (Drafted under the support of the “EU4Energy Program” of the European Union)
- Preparation of the National Energy Efficiency Action Plan
- Preparation of secondary legislative acts, norms and standards
- Application of prominent energy efficiency tools (energy audit, energy efficiency services, energy management standards and etc.)



## EXPECTED OUTCOMES

- Provision of effective resource utilization
- Reduction of energy consumption per marginal unit
- Ensure the energy security
- Reduction of waste disposals to the environment
- Reduction of energy cost for consumers



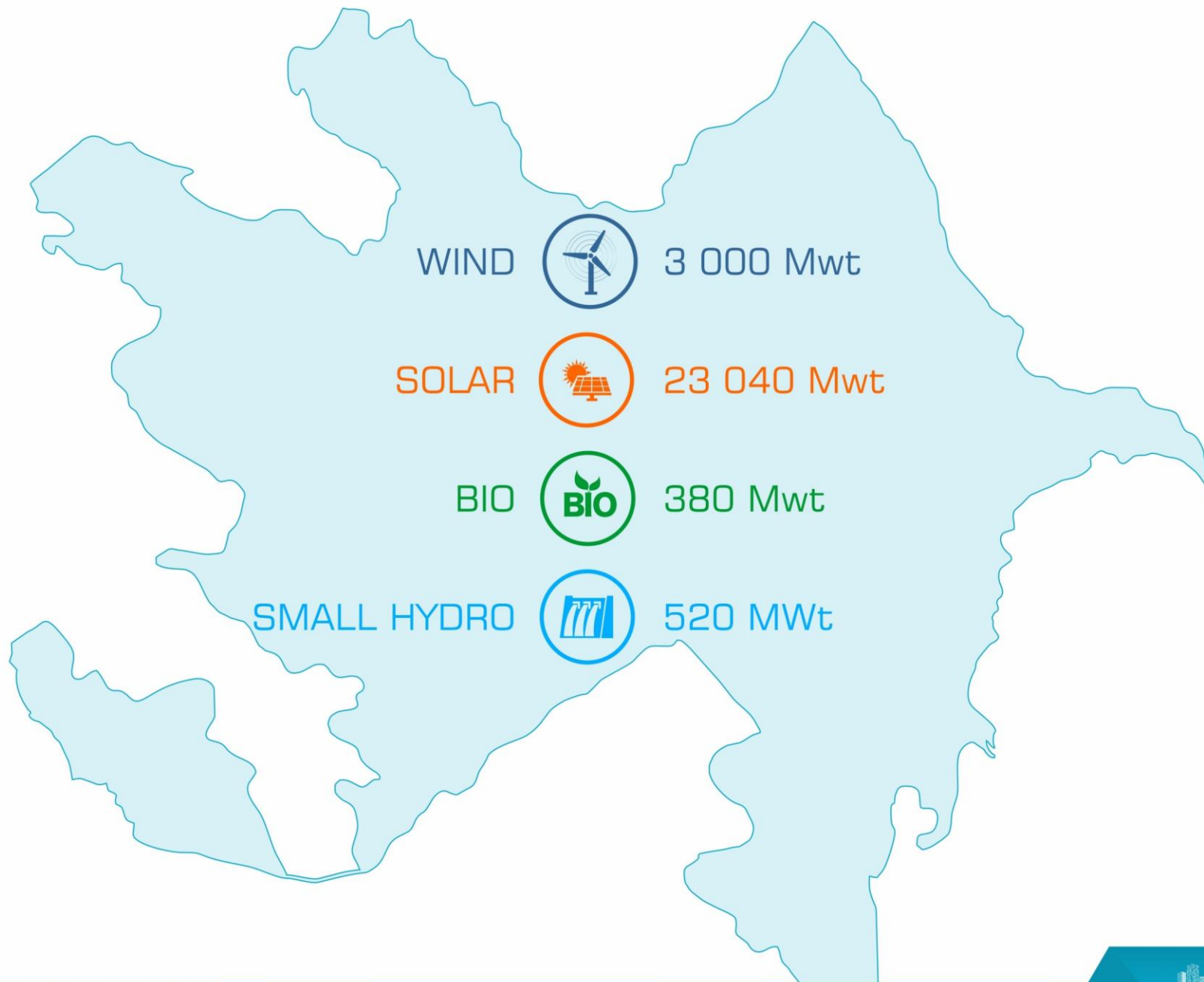
# BENEFITS OF ENERGY EFFICIENCY IMPLEMENTATION

- Energy efficiency in buildings
- Energy efficiency in industry
- High efficiency co-generation
- Energy audit
- EMS
- Standardization, certification, accreditation
- Energy efficiency fund creation
- Labeling of energy - related products

# DEVELOPMENT OF RENEWABLE ENERGY SECTOR IN AZERBAIJAN



# ASSESSED POTENTIAL OF RES IN AZERBAIJAN



# DEVELOPMENT OF RENEWABLE ENERGY SECTOR IN AZERBAIJAN

## LEGISLATIVE BASE

- “Law on Renewable Energy Sources” was drafted by the Ministry of Energy taking into consideration the prominent European experience.
- Bankable PPA (Power Purchase Agreement) is a part of the Law.

## DEPLOYMENT STRATEGY

- The main direction of RES deployment will be carried out via utilizing the **site specific auction model** for zones with high energy potential specified and developed by the state.

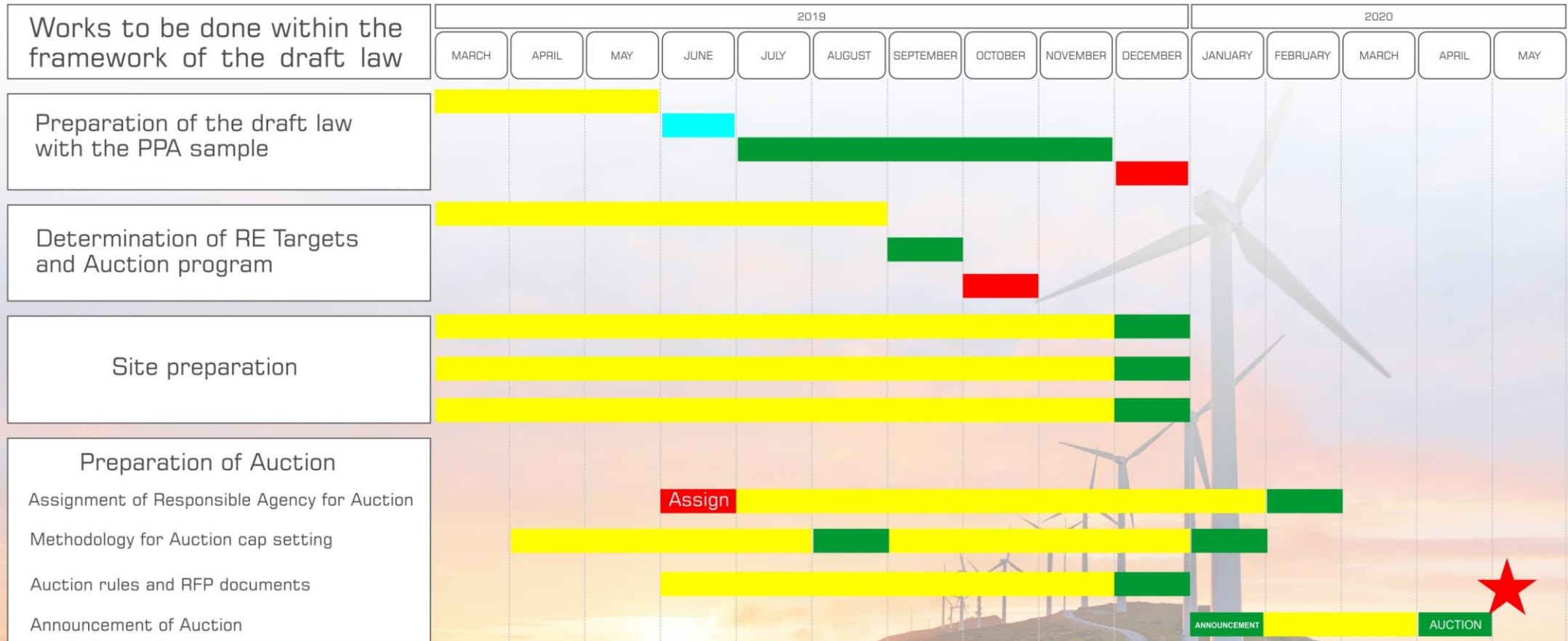
## SUPPORT MECHANISM

- **Feed-in-Tariff mechanism** determined by auctions, customs and tax exemptions will be applied as support mechanisms.

## GUARANTEED OFF TAKE VIA PPA

- Guaranteed connection (connection agreement)
- Priority in dispatch

# IMPLEMENTATION TIME SCHEDULE



# OUR PARTNERS



**Ballast Nedam**



# TARGETS FOR NEAR FUTURE

17,8% (1275 Mwe)  
- 2018

19% (420 MWe) - 2020

30% - 2030



THANK YOU FOR YOUR ATTENTION!!!

