Performance Report: Memorandum of Understanding between UNECE and the National Party involved the Republic of Kazakhstan
Objectives of the Memorandum includes the following works:

- Building a Web site of the National Project, information on the National Energy Policy for Regional Analysis, National Case Study;
1. *Web site of the National Project*

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**Contents:**

- Briefly about the Republic of Kazakhstan;
- About the Project;
- Brief description and objectives of the Project;
- The value of the Project for the Republic of Kazakhstan;
- Calendar of events;
- Investment fund public-private partnership;
- The Republic of Kazakhstan as a member of the Project;
- National Coordinator (NC);
- National participating institutions (NPI);
- News;
- Environment and activities in the field of energy efficiency and renewable energy sources in Kazakhstan;
- Institutional structures in the sector supplying electricity, heat and gas;
- Brief description of the electricity sector;
- Energy policy of Kazakhstan;
- Politics of Kazakhstan in the field of energy efficiency and renewable energy;
- Investment programs and projects;
- Legislation and investment climate in the area of energy efficiency and renewable energy.
1. **The project of constructing the Web site of the National Project analyzed:**

- state contribute to the development of energy efficiency policies at all levels of government in the Republic of Kazakhstan in order to achieve economic and environmental benefits for the country;
- status of international cooperation for development of energy efficiency and renewable energy to address global climate change;
- removing barriers to the establishment and improvement of market mechanisms in the areas of energy efficiency and renewable energy development;
- sharing of good, international experience in energy efficiency, technology transfer, development of renewable energy and disseminate best practices of funding and implementation of effective tools in promoting energy efficiency and renewable energy development.

2. **At the present time is:**

- completion of individual modules;
- addition, specific projects and the regulatory, legislative documents.
2. Information on the National Energy Policy includes:

- Information on the status of key energy sectors of the country;
- Information on the implementation of reforms in the energy sector in the Republic of Kazakhstan aimed at creating energy systems on a market basis, including information on energy, electricity and gas markets, energy conservation, energy efficiency and renewable energy sources;
- Information about the characteristics of energy policy, the legal, administrative and institutional barriers "bottlenecks" that prevent the formation of market efficiency and renewable energy.
3. National Case Study (Case Study)

• National case study done on the topic:

"Analysis of the results of energy reform in Kazakhstan and a project on renewable energy"
The national study was conducted on the following issues:

- Characteristics of the power sector before the reform;
- Regulatory framework to reform;
- Specific policy barriers;
- Formation and implementation of policy reforms;
- Policies to attract investment;
- Statutory prerequisites for the implementation of reform;
- Conclusions regarding the benefits of reform;
- Lessons learned;
- Recommendations for possible adoption of a similar approach in neighboring countries;
- Investment projects.
Analysis of the results of policy reform:

The formation of modern politics of energy development in Kazakhstan was based on the parameters and characteristics of the market conditions that meet in a split level with modern requirements of sustainable development, and create favorable base date of introduction and development of the industry:

- The presence of interstate and interregional transmission lines, united into a single electrical power systems sector of the country, enabled to create a market of electric energy;
- Association in the unified power system of all power stations provided an opportunity to create a competitive environment between:
  - producers of primary and final energy;
  - fuel and energy resources and technological converters;
  - transport companies of all types of energy resources;
  - Coverage of electricity grids throughout the country will create conditions for the development of both traditional and renewable energy sources;
- The concept of industry restructuring aimed at creating conditions that allow rapid adaptation to international standards and requirements.
Policies to attract investment
One of the measures to attract investments by the Government of Kazakhstan, was the legal tariff policy.

The price of electricity in Kazakhstan is at its lowest level in comparison with all members of the Energy Charter in Europe and Asia. Existing tariffs are too low, not taking into account the investment component, will create favorable conditions for investment in energy, do not encourage energy conservation and lead to higher specific energy consumption. On the proposal of the Ministry of Energy and Mineral Resources approved and made several changes to the legislation of the Republic of Kazakhstan on Electricity Regulation of the Government of the Republic of Kazakhstan dated April 14, 2010 № 302.

The essence of these proposals is reduced to the statutory obligations, to set limits basic rates for groups of homogeneous power until 2015. Power plants operate on three types of electricity tariffs: the limit, the payment and the individual.

As a result of this innovation the Government approved a realistic and adequately-increasing trend of prices for electricity until 2015. This will cut a significant gap in electricity prices in Kazakhstan, with prices in the international market, thus preserving the competitive advantage of industry at the expense of relatively inexpensive electricity.

Limiting rate set for each group of plants separately, for seven years, over the years. Power plants are divided into groups formed by the type of power plants, installed capacity, type of fuel used, the remoteness of the location of the fuel.

Limit tariff is set at a level that should ensure repayment of investments attracted by the creation of new assets, expansion, renovation, reconstruction and modernization of existing assets.
Introduction of the maximum tariffs for electricity in Kazakhstan will attract this year in industry investment of around 85 billion tenge, the chairman of the Agency for Regulation of Natural Monopolies (AREM) Nurlan Aldabergenov.

"At present, Kazakhstan introduced a new tariff system, which sets the limit tariff for manufacturers, in connection with what we expect to increase investment attractiveness of the industry and investment in the industry at a rate of about 85 billion tenge this year" - said Aldabergenov, speaking in April 2010 year at the national meeting of Kazakhstan's energy.

According to him, in 2009, investment in industry amounted to 65 billion tenge, while this year the majority of investments - about 62 billion tenge - ARNM forward in the field of energy distribution companies.

In addition, the head of the agency positively evaluated the first results of the introduction of differentiated depending on the quantity of electricity tariffs.

"The purpose of this innovation - it saves energy, at the moment as a result of the introduction of differentiated tariffs resulting in savings of up to 150 million kWh, this has resulted in fuel savings in the order of 30,000 tons of coal, reducing emissions by 13,500 tons, saving consumers at the same time exceeded 2 billion tenge, "- said Aldabergenov.
Investment Projects:

This slide shows two of the project on the use of associated gas and renewable energy:

1. Draft gas piston power (SBS) with capacity 3.4 MW Aryskum company “Intma” of 250 km. from the town of Kyzyl-Orda in Kazakhstan. Commissioning of power plant running on oil and associated gas not only provides a highly efficient and reliable production and delivery of electricity consumers, but simultaneously solves major environmental challenge.

2. The project is the construction of small hydropower stations in Almaty and South Kazakhstan regions with total capacity - 8,4 MW, LLP "Energy-Alem” on the river Issyk.
1. Draft gas piston elektrostantsii kompany "Intma"

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<thead>
<tr>
<th>Narrative</th>
<th>Unit</th>
<th>Value</th>
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<tr>
<td>Installed power:</td>
<td>Electric</td>
<td>MW</td>
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<td></td>
<td>Heat</td>
<td>Gcal / h</td>
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<td>Basic equipment: SBS &quot;JMS-620 Qty</td>
<td>Qty</td>
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<td>The number of hours of use of installed capacity:</td>
<td>Electric</td>
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<td></td>
<td>Heat</td>
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<tr>
<td>Electricity generation</td>
<td>Million. kWh</td>
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<td>Production (rental):</td>
<td>Electric</td>
<td>Million. kWh</td>
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<td></td>
<td>Heat</td>
<td>Th. Gcal</td>
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<td>Electricity consumption for own needs</td>
<td>Million. kWh</td>
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<td>Annual consumption of fuel</td>
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<td>Specific consumption of fuel:</td>
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<td>released by thermal energy</td>
<td>Kg / Gcal</td>
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2. Hydroelectric power project company LLP “EnergoAlem”

### Technological parameters

| Installed capacity                                   | MW     | 5.0    |
| Guaranteed capacity                                   | MW     | 1.8    |
| Average annual production                             | million / kW*h | 28.1. |
| Maximum water flow hydro                              | m³/s   | 4.0    |
| Pressure calculated (gross)                           | m      | 160.0  |
| Average annual water flow of the river in the winter / summer | m³ / s | 3.8 |
|                                                     | m³ / s | 2.2 / 5.3 |
Thank you for your attention!

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