INTERNATIONAL ENERGY CHARTER

Kyrgyzstan's Transition to Sustainable Energy: Barriers and Solutions

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Recent trends and developments

- Patterns of regional electricity trade;
- Climate change vulnerabilities;
- Energy abundancy vs energy deficiency;
- National strategies highlight role of FDI, but regulatory and institutional barriers remain;
- FDIs most of the time pursue strategic (geopolitical) objectives (not commercially driven);
- RE as a solution to ensure energy security;
- Regional electricity cooperation is key for any large-scale RE and/or EE projects.

Urgent need for modernisation of energy infrastructure and transformation of energy systems.

Power Trade in Central Asia

2016		Imports						GWH
		Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	Afghanistan	Total
Exports	Kazakhstan		353.3					353.3
	Kyrgyzstan	210.6		13.5		5.8		229.9
	Tajikistan		14.1					14.1
	Turkmenistan							0
	Uzbekistan		3.3				1497.8	1501.1
	Total	210.6	370.7	13.5	0	5.8	1497.8	2098.4

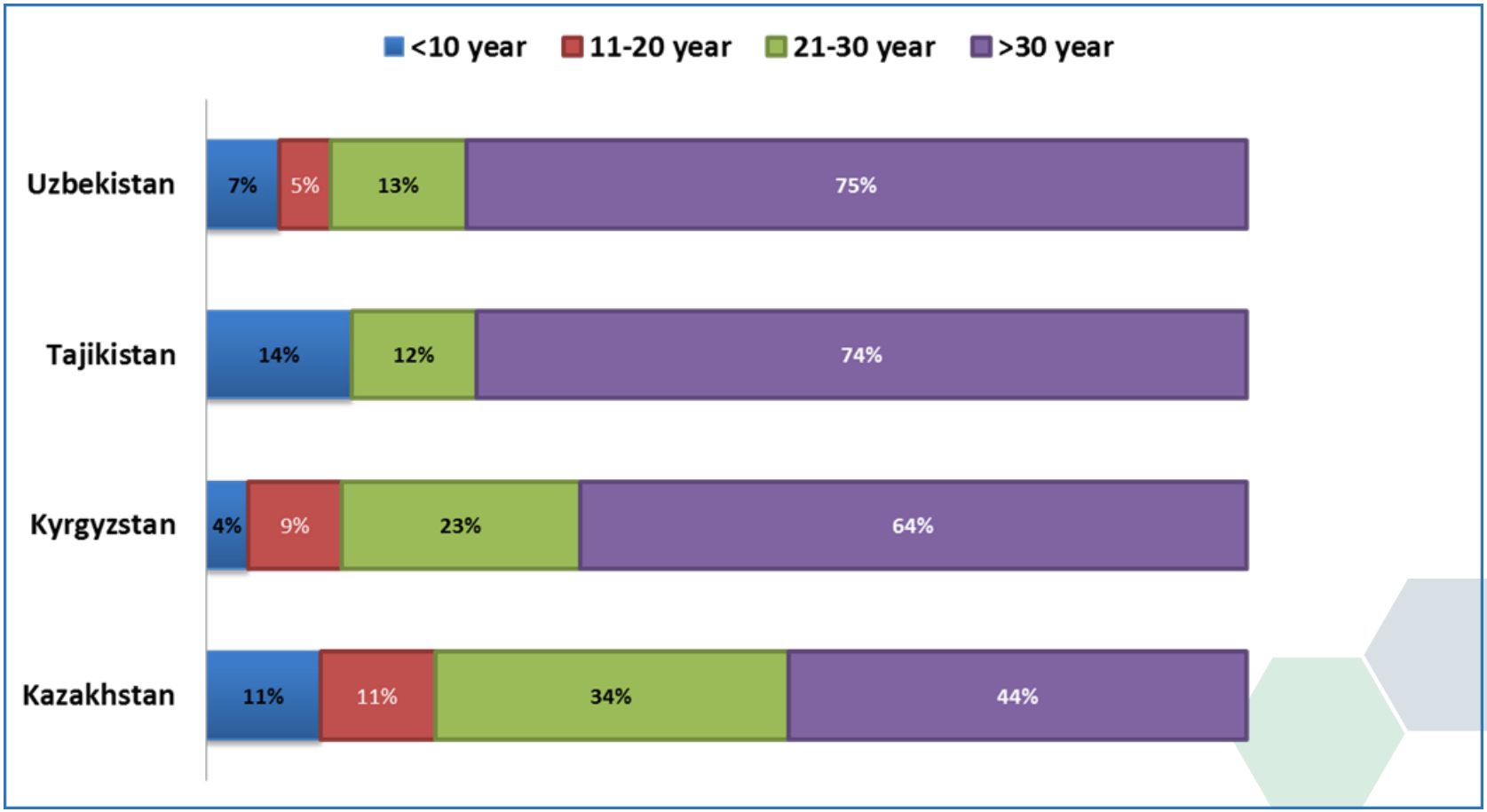
2017		Imports						GWH
		Kazakh	Kyrgyz	Tajiki				
Exports	Kazakh							
	Kyrgyz							
	Tajiki							
	Turkmenistan							0
	Uzbekistan		3.7				1850.8	1854.5
	Total	8.9	18.9	12.8	0	1218	1850.8	3109.4

2018		Imports						GWH
		Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	Afghanistan	Total
Exports	Kazakhstan		6.1	21.1				27.2
	Kyrgyzstan	3.3		24.8		754.9		783
	Tajikistan	12.1	2.8			1480.9		1495.8
	Turkmenistan					356		356
	Uzbekistan		3.7				2591.7	2595.4
	Total	15.4	12.6	45.9	0	2591.8	2591.7	5257.4

While intra-regional electricity trade in 1998 accounted for over 25 000 GWh

Source: CDC Energiya, 2019

Age of Generation Capacities



According to 2016 Kazakh MoE 57 % of generating capacities are over 30 years old

Source: Fichtner, 2012

Enabling Energy Investments

National Strategies and Policies + Political Commitment

- ✓ Market structure and investment climate
- ✓ Regulatory framework, tariffs and subsidies
- ✓ Corporate governance
- ✓ Operational efficiency
- ✓ Transfers and subsidies

Energy investments
O&M expenditures

Energy security =
adequate and reliable
energy supply

Achieving energy security and sustainable energy

- Strategic vision – long-term objectives, market structure and ownership;
- Sound institutional frameworks – policies, instruments and enforcement mechanisms;
- Regional market – regional legal and institutional framework, technical and regulatory harmonisation.

Role of the ECT in promoting sustainable energy

Legal Certainty and Transparency	A supra-national legal framework of binding character enhances transparent procedures and legal certainty
Foreign Investment Protection	Energy Charter Treaty provides security for investments
Transmission/Transit	Common rules to coordinate interconnected systems
Cross-border power trade	From bilateral cross-border trade to an integrated power system

Platform for political and technical dialogue;
Dispute settlement – Conciliation Rules for transit disputes;
Model Early Warning Mechanism;
Model IGA and HGA for Cross-Border Electricity Projects;
Energy Investment Risk Assessment (EIRA);
In-depth Energy Efficiency Reviews.

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