



# ELECTRICITY

INDUSTRY AND LEGAL UPDATE

KALIKOVA & ASSOCIATES

*Information for effective business solutions*

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## Industry Updates

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### **All proceeds from sale of electricity generated by the Kambar-Ata HPP-2 to be used to construct the second generating unit**

The Government of the Kyrgyz Republic along with the Ministry of Energy of the Kyrgyz Republic plans to use the proceeds from sale of electricity generated by the Kambar-Ata HPP-2 to construct the second generating unit, reported the deputy General Director of Elektricheskies stancii OJSC Aslanbek Bakiev on November 27, 2010 during the startup of the first generating unit of the Kambar-Ata HPP-2.

The first generating unit will produce up to 700 million kW of power annually.

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### **The first generating unit of the Kambar-Ata HPP-2 launched**

On November 27, 2010, the first generating unit of the Kambar-Ata HPP-2 was launched. During the startup ceremony, Mr. Avtandil Kalmanbetov, the deputy Minister of Energy was present.

The generated electricity will be transmitted through three 110 kW power lines to the United Power Grid of Central Asia.

It is known that 9 billion soms were spent to launch the generating unit.

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### **Electricity generated by the Kambar-Ata HPP-2 to be supplied to Toktogul district of Kyrgyzstan**

Mr. Stalbek Ukubaev, General Director of Narynhydroenergoostroi OJSC informed that

## Legal Updates

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### **Jogorku Kenesh of the Kyrgyz Republic declined the second reading for the draft Law amending the Law of the Kyrgyz Republic “On Energy Sector”**

The Jogorku Kenesh declined the second reading of the draft law “On amendment to the Law of the Kyrgyz Republic “On Energy Sector” at the proposal of Azamat Arapbaev, Head of the Committee on Fuel/ Energy and Mining Industry

The draft law was intended to regulate import of electricity in connection with deficit in the internal market of the republic. As Mr.Arapbaev advised the issue of importing electricity had become irrelevant in connection with the increase of the water volume in the Toktogul reservoir and the launch of the first generating unit of the Kambar-Ata HPP-2 which ensured a satisfactory volume of electricity for the internal market.

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### **Order of the Ministry of Energy of the Kyrgyz Republic “On approval of the Policy on Technical Board under the State Energy and Gas Inspectorate under the Ministry of Energy of the Kyrgyz Republic” dated August 4, 2010 No 259**

This Policy defines the status, membership and competence of the Technical Board of the State Energy and Gas Inspectorate under the Ministry of Energy of the Kyrgyz Republic which is its main technical body pursuant to the Policy.

The Policy authorizes the Technical Board to solve the issues of improvement of state energy supervision and to adopt regulations. Orders, instructions which are mandatory for the State Energy Inspectorate and all legal entities

electricity generated by the Kambar-Ata HPP-2 is supplied to the Toktogul district.

He also mentioned that the first generating unit of the hydropower plant has capacity to produce power every day during 7-8 months.

Mr. Ukubaev told that electricity will be transmitted to Kara-Kul city and further will be supplied to the Kursai HPP.

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### **Valeryi Dil appointed Head of Directorate of the project on development of small and medium energy sector in the Kyrgyz Republic**

Pursuant to the Decree of the President of the Kyrgyz Republic, Valeryi Dil was appointed as head of the Directorate of the project on development of small and medium energy sector in the Kyrgyz Republic.

To remind, earlier the Directorate was headed by Mr. Felix Kulov and Mr. Valeryi Dil was his deputy.

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### **Roza Otunbaeva revokes resolution on reconstruction of Uch-Kurgan HPP and construction of Uch-Kurgan HPP and Datka and Kurshab substations by EPI Co LTD**

President Roza Otunbaeva signed a resolution to revoke the resolution on reconstruction of the Uch-Kurgan HPP, construction of Datka and Kurshab substations (500/220 kW) and reconstruction of electrical networks WL-220 kW by a South Korean company Epi Co LTD.

The presidential press office informed that these resolutions were adopted due to default by EPI Co LTD on its obligation to construct the power facilities.

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### **Kyrgyzstan, Kazakhstan and Uzbekistan signed agreement on parallel operation of power grids**

Press office of the Ministry of Energy of the Kyrgyz Republic reported about the signing of the agreement on parallel operation of power grids with Kazakhstan and Uzbekistan.

As reported, on December 6, 2010, the power and water supply authorities of Kazakhstan and

irrespective of the type of ownership which generate, transmit, distribute and use electricity, and for public officials and individuals in the Kyrgyz Republic.

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### **Order of the President of the Kyrgyz Republic dated December 20, 2010 УП N 342**

Mr. Shadiev Askarbek Alimbaevich is appointed Minister of Energy of the Kyrgyz Republic by the order of the President.

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### **The regulation of Jogorku Kenesh of the Kyrgyz Republic "On approval of the structure of Jogorku Kenesh of the Kyrgyz Republic" dated December 23 2010 N 30-V**

Pursuant to this regulation the structure of the Jogorku Kenesh of the Kyrgyz Republic includes the Fuel/Energy and Mining Industry Committee. Arapbaev Azamat Abdullajanovich is appointed as head of this committee.

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### **Resolution of the Jogorku Kenesh of Kyrgyz Republic "On performance of Resolution of Interim Government of Kyrgyz Republic dated June 16, 2010 N88 "On preparing economy and population of Kyrgyz Republic to fall-winter period 2010/2011 and measures to accumulate necessary water volume in Toktogul reservoir"**

This resolution was adopted by the Jogorku Kenesh of the Kyrgyz Republic upon hearing the reports of Omurbek Babanov, first vice-premier-minister and Askarbek Shadiev, minister of energy on preparing the economy and population of the Kyrgyz Republic to fall-winter period 2010/2011.

In particular, it is said in the resolution that in 2010 favorable weather allowed to increase the volume of water in the Toktogul reservoir which as of January 10, 2011 was 17.91 billion cubic meters which is 6.3 billion cubic meters more than in 2009.

Also it was mentioned that in the current year there were produced 11,857.3 million kW/hours or 108.9% of the amount produced in 2009. The useful supply of electricity over 11 months of 2010 reached 5,464.77 million kW/hours which is 1.9%

Kyrgyzstan signed a Memorandum on parallel operation in 2011.

On December 4, 2010, the arrangement was achieved and the relevant documents were signed on the parallel operation of Kyrgyz and Uzbek power grids.

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### **Asian Development Bank to invest about 45 million US dollars for improvement of Kyrgyz power sector**

Bobur Alimov, acting Director of ADB Representative Office in the Kyrgyz Republic informed that in 2010 the Board of Directors approved the project on improvement of the Kyrgyz power sector.

About 45 million US dollars will be invested into this project. The purpose of the project is to decrease technical and commercial losses in the Kyrgyz power sector by identifying and remedying the causes of such losses. Also the project provides for the installation of metering equipment on transmitting stations and switchboards joined into one automated system. This will help identify the amount of losses and take appropriate measures to decrease them.

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### **In 2010 Kyrgyzstan sold 1.47 billion kW of electricity to Kazakhstan and 1.13 million kW to China**

In 2010 Kyrgyzstan sold 1 billion 470 million kW of electricity to Kazakhstan, reported Minister of Energy Askarbek Shadiev at the meeting of the Committee on Fuel/Energy and Mining Industry.

To compare, in 2009 Kyrgyzstan sold to Kazakhstan 826 million kilowatt hours. Besides, in 2010 Kyrgyzstan exported to China 1 million 130 thousand kilowatt hours, in 2009 – 1 million 120 thousand kilowatt hours.

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higher than over the same period in 2009.

With respect to electricity export, it is reported that Elektricheskie Stancii OJSC exported 1,470.78 million kW/hours to Kazakhstan in 2010.

In addition, the resolution contains information on losses in the Kyrgyz energy sector. The following levels of common losses in distributing companies were reported:

Vostokelektro OJSC – planned 25%, actually 30.5%;  
Oshelektro OJSC – planned 25%, actually 25.9%;  
Jalalabatelektro OJSC – planned 25%, actually 28.2%.

One of the factors of such situation is insufficient work of the distribution companies with consumers of electricity.

For example, commercial losses in 2010 were:

Vostokelektro OJSC – 14%;  
Oshelektro OJSC – 7.5%;  
Jalalabatelektro OJSC – 10.7%;  
Severelektro OJSC – 9.5%.

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