

17 MARCH 2016, BRUSSELS



HIGH-LEVEL CONFERENCE EU ENERGY COOPERATION WITH THE EASTERN NEIGHBOURHOOD AND CENTRAL ASIA

Celebrating the 20 years of the INOGATE Programme
and preparing for the new stage



* Determining the charging rules and size of payment for technological connection

Kyrgyz Republic

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Regulation of the Fuel and Energy Complex under the
Government of the Kyrgyz Republic (SARFEC)

INOGATE's Assistance to the SARFEC under the Government of the Kyrgyz Republic

- Implementation of applications (AHEF 112.KG, AHEF 113.KG, AHEF 114.KG) of the Ministry of Energy and Industry (MEI) of the KR and State Department under the MEI of the KR, namely:

-AHEF 114.KG “ESTABLISHMENT OF AN INDEPENDENT REGULATOR IN THE ENERGY SECTOR”

-AHEF 112.KG “CHARGING RULES AND PAYMENT FOR TECHNOLOGICAL CONNECTION TO THE POWER AND GAS NETWORKS IN THE KR”

-AHEF 113.KG “CAPACITY BUILDING IN THE COMPILATION AND ANALYSIS OF ENERGY BALANCE”

WHAT HAS BEEN DONE REGARDING THE IMPLEMENTATION OF APPLICATIONS (AHEF 112 KG, 113 KG, 114 KG)

- * 1. AHEF 112 KG - INOGATE EXPERTS HAVE PROVIDED ASSISTANCE IN THE DEVELOPMENT OF “CHARGING RULES AND PAYMENT FOR TECHNOLOGICAL CONNECTION TO THE THIRD PARTY POWER AND GAS NETWORKS”
- 2. AHEF 113 KG - EXPERTS OF THE REGULATOR AND MEI WERE TRAINED IN THE STATISTICS AND DATA COMPARISON; LONG-TERM STRATEGY OF ENERGY AND FUEL RESOURCES DEVELOPMENT HAS BEEN PREPARED BASED ON STATISTICAL FORECASTS WHICH IS APPLIED IN DRAFTING OF ENERGY STRATEGY DEVELOPMENT UNTIL 2030.
- 3. AHEF 114 KG - AN INDEPENDENT REGULATOR HAS BEEN ESTABLISHED (SARFEC AT THE GOVERNMENT OF THE KR). REGULATOR’S CAPACITY HAS BEEN BUILT.

REGULATION BODY IN THE KYRGYZ REPUBLIC

The State Agency on Regulation of the Fuel and Energy Complex at the Government of the Kyrgyz Republic was established by the Government Resolution # 650 of November 14, 2014 with the support of the INOGATE Programme and other international donors, and is an authorised regulating and antimonopoly government agency in the fuel and energy complex.

KEY TASKS

Ensuring balance of interests of consumers and FEC entities

Performing antimonopoly regulation in the FEC

Ensuring equal opportunities and conditions of access for all the consumers to the power lines, heat transmission and gas supply systems

Creating conditions for improved economic efficiency and reliability of functioning of the FEC entities

Performing state regulation of the activity of FEC entities to ensure electricity, heat and natural gas supply of consumers at economically sound prices in the territory of the Kyrgyz Republic

KEY ISSUES RELATED TO THE TECHNOLOGICAL CONNECTION TO POWER, GAS AND HEAT NETWORKS

- the absence of a regulatory act governing the rules and procedure of determining the charge for technological connection to power, gas and heat networks;
- the lack of transparency in determination of the size of payment for technological connection;
- unequal and unfair approach to consumers of power and heat supplying organisations in the rules and procedure of determining the charge for technological connection to the networks;
- the absence of a regulation on interaction among regulating bodies, heat, gas and electricity suppliers and customers regarding the determination of the size of payment for technological connection to the networks.

WORK DONE

In April 2015 the State Agency together with MEI of the KR began drafting the rules and procedure for determination of payment size for technological connection to power and heat networks.

In June 2015 the developed drafts were reviewed by the Expert Council under the State Agency and MEI of the KR, and it was decided to elaborate the draft.

To elaborate the draft the State Agency and MEI of the KR have established a Working Group comprising of experts from the State Agency, MEI, power supplying companies and independent experts.

After elaboration the drafts have undergone the public consultation procedure and were submitted to the Government of the KR for the approval in a due course.

PROJECT'S KEY OBJECTIVES

Establishment of common approach to the rules and determination of the size of payment for technological connection of the facilities to power, gas and heat supplying networks in the Kyrgyz Republic

Financing the reconstruction and development of electricity, gas and heat supplying networks by energy supplying companies and customers

Ensuring transparency of setting up rules and the size of the payment for technological connection, and the elimination of potential corruption risks

Maintaining the balance of interests of customers-consumers, energy supplying and gas companies during technological connection to the networks.

Procedure of determining the size of payment for technological connection to the power networks

The payment for technological connection to the power networks is set individually for each electricity supplying company.

Calculation of the basic charge for 1 kW of technological connection capacity is performed based on the calculations submitted by the power supplying company to the State Agency based on the actual costs of the base year of technological connection at voltage levels 0.4 kW and 10(6) kV.

Costs of reconstruction of power networks included in payment size determination must be individually accounted by the electricity supplying company and shall not be included in the required gross revenues of a company by core activities.

THANK YOU!

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Kyrgyz Republic

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