



Key challenges and opportunities for development of sustainable energy policies in Kyrgyzstan, Azerbaijan, and Uzbekistan

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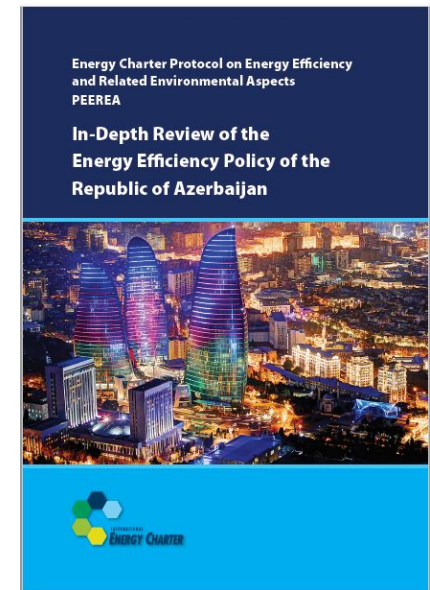
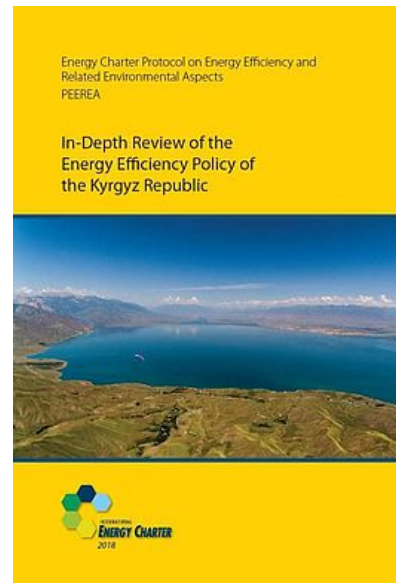
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IN DEPTH ENERGY EFFICIENCY REVIEW

The Energy Charter's energy efficiency review process relies on two major complementary components: regular monitoring based on a standard review format and in-depth energy efficiency reviews.

Most recent In-Depth Review of the Energy Efficiency Policy Reports:

- Uzbekistan** - to be published in 2021
- Azerbaijan** - published in 2020
- Kyrgyzstan** - published in 2018



KEY CHALLENGES

- Vulnerable consumer protection = non-cost-reflective energy tariff
- Fossil fuel subsidies (last 10y): AZ - \$16 bln; UZ- \$60 bln (IEA,2021)
- Vicious circle: *electricity is a right – loss making energy companies*
- low reliability – low willingness to pay
- State-owned vertically integrated energy companies
- Lack of incentives for utilities to improve the cost-efficiency of their services
- Long pay-back period – low profitability EE projects





TURNING CHALLENGES INTO OPPORTUNITIES

- No single state body responsible for EE (and RES)
- Lack of implementation of the most cost-efficient policy instruments: MEPR, MEPS, DSM, etc.
- Lack of awareness on Multiple Benefits – EE is not only about Energy Savings! AZ Example for 2021-2025:
 - *NG Savings: 3.5-4.2 bcm;*
 - *Increased export revenue: \$666-787 mln;*
 - *Reduction of budget subsidies: \$491-981 mln;*
 - *New investments: \$2,460-3,389 mln;*
 - *Creation of new jobs: 118-123 thousand.*
 - *CO2 emissions reduction: 4-10 MtCO2;*



OPPORTUNITIES

- Independent energy regulator
- Cost reflective tariff policy & vulnerable consumers protection
- Potential export of saved energy
- Strengthening of the institutional arrangements
- DSM= less outages, resource adequacy & system reliability



OPPORTUNITIES

- Energy Audit & energy management systems = better productivity & competitiveness
- Comprehensive energy efficiency legislation & enforcement
- SMART energy targets
- Effective evaluation, monitoring and verification





***THANK
YOU***

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