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

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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
• 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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