

EBRD Energy in Kazakhstan

November 2022



European Bank
for Reconstruction and Development

Energy Eurasia MEA Factsheet

Energy Eurasia MEA investments cover *renewable electricity generation, electricity transmission and distribution and natural gas infrastructure*

The team's focus lies on energy and resource efficiency, renewables and energy infrastructure all underpinned by the Bank's mandate of supporting transition to lower carbon economies and promoting private sector participation, as well as helping countries to meet the goals of the Paris alignment.

Energy Eurasia MEA in Numbers



Since 1991 we invested

€ 9.33
billion

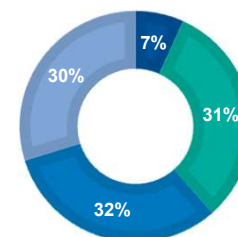
in

344
projects

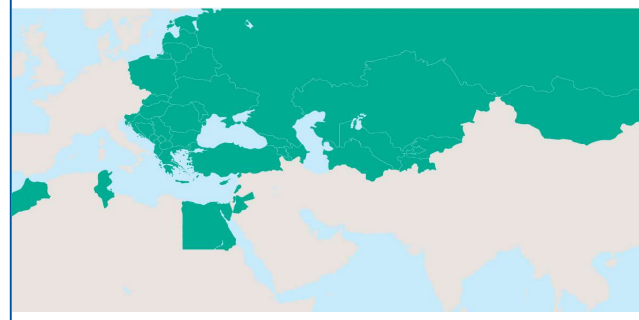
We invest in Renewables, Electricity Generation, Transmission and Distribution, and Natural Gas Infrastructure.

As of October 2022, Energy Eurasia MEA portfolio is **EUR 4.2 bn across 131 operations. Investment portfolio in Kazakhstan is EUR 352mm and includes 25 projects**

Energy Eurasia MEA Portfolio



- Conventional electricity
- Electricity Networks
- Renewable
- Natural Gas Infrastructure



EBRD Energy Kazakhstan

Kazakhstan Renewables Framework

Kazakhstan Renewables Framework

- The Framework to support the construction of solar, wind, hydro, biogas, distribution and transmission projects.

Phase I – 200 million euro

- The first phase supported the creation of **312 MW** of renewable power generation capacity across the country, attracted four private international investors and supported a grid-strengthening project.

Phase II – 300 million euro

- In September 2019 EBRD approved a **€300 million extension** of Kazakhstan Renewables Framework, with two projects being already signed under the framework with total capacity of **126 MW**.



On photo: 100MW Saran Solar Park (financed by EBRD and GCF)

Strategic and Capital Framework 2021-2025

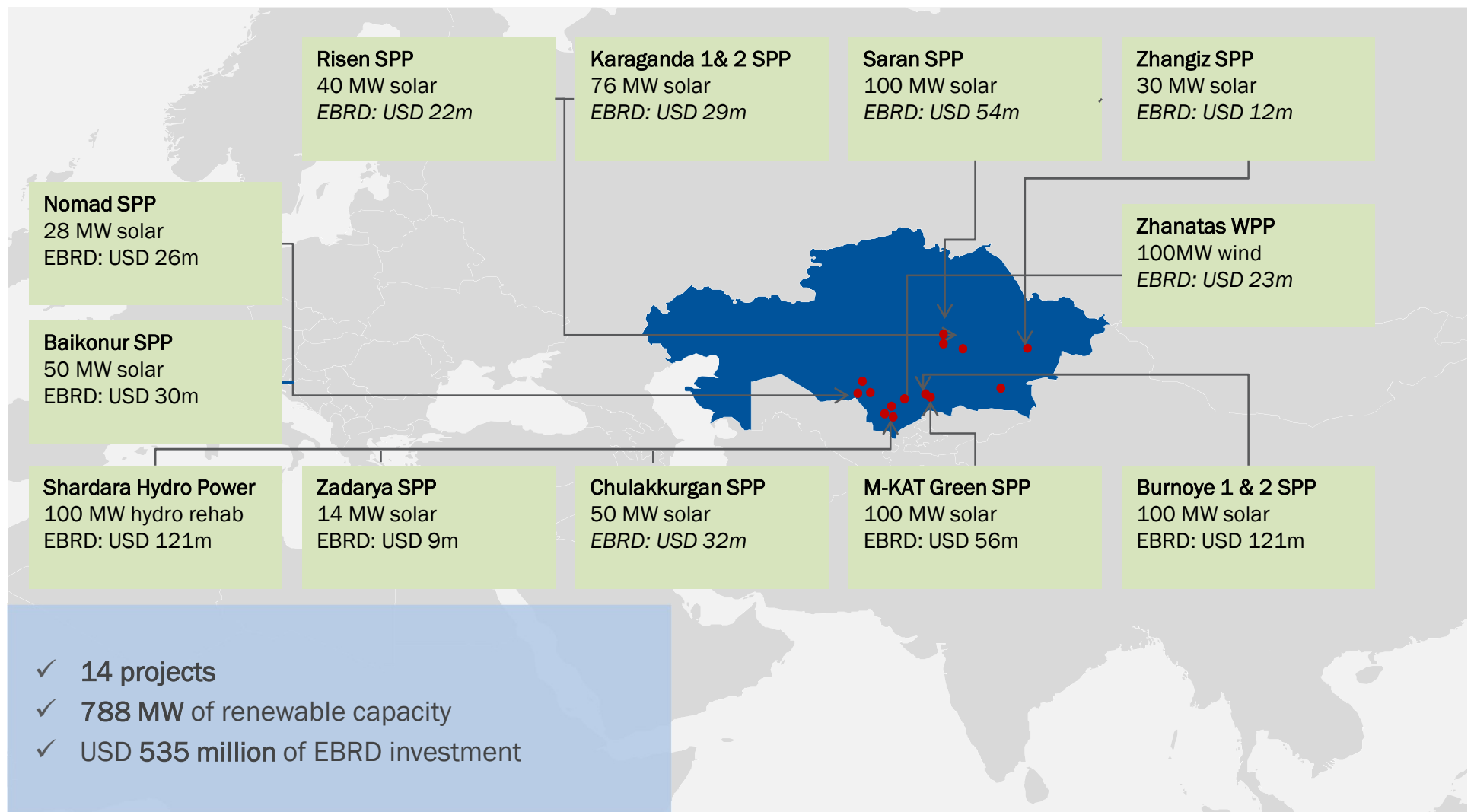
- The Bank aims to increase this ratio to more than 50% by 2025 and reduce greenhouse gas emissions by at least 25 million tons over the same period.

EBRD Investments in Renewables in Kazakhstan

- The EBRD is the pioneer in supporting sustainable energy projects in Kazakhstan and has committed **over \$535 million in 14 projects**, which will add **788MW of additional renewable energy capacity** and support the **rehabilitation of 100MW Hydro Power Plant**. EBRD supported investors from China, UK, France, UAE, Germany and others.
- Most of these projects (438MW of 688MW) are under the broader **€500 million Kazakhstan Renewables Framework** (which is supported by GCF), and the corresponding **Memorandum of Understanding** signed with the Kazakh authorities.
- It is expected that once operational the projects will contribute to GHG emission reductions **by ca. 1,000,000 tonnes of CO2 annually**.

EBRD investments in renewables in Kazakhstan

2014 – 2021



*Highlighted in green are projects co-financed by GCF

Promoting Green Economy in Kazakhstan

LEGISLATION

POLICY DIALOGUE ACTIVITIES

2009	<ul style="list-style-type: none"> Introduction of feed-in tariff system with uniform structure 	<ul style="list-style-type: none"> Assisting for drafting of secondary legislation implementing the renewable energy law (2009)
2011-2013	<ul style="list-style-type: none"> Launch of operational legal framework with a set of rules and norms on renewable energy Introduction of (i) fixed feed-in tariffs, (ii) development of the Financial Settlement Centre off-taking energy via (iii) development of Power Purchase Agreements agreement 	<ul style="list-style-type: none"> Advice to the Government of Kazakhstan on Developing FiTs for Renewable Energy Sources (2010) Advising on improvement renewable energy primary legislation (2011) Advising on a renewable energy sources allocation (2013)
2013	<ul style="list-style-type: none"> Introduction Law on supporting the use of Renewable Energy 	<ul style="list-style-type: none"> Modelling the social impact of renewable energy feed-in tariffs (2013)
2014	<ul style="list-style-type: none"> Introduction of full indexation of feed-in tariffs against inflation 	<ul style="list-style-type: none"> Assisting in the final stage of developing renewable energy legislation (2014)
2015-2016	<ul style="list-style-type: none"> Introduction of the Green Economy Law which provides further supports to the development and operation of renewable energy projects 	<ul style="list-style-type: none"> Assisting Ministry of Energy on establishing a bankable regulatory and legal framework (2015-2016) Strategic Environmental Review (SER) of RES development in Kazakhstan (2015-2016)
2018-2019	<ul style="list-style-type: none"> Introduction of auction scheme for RES development. 858MW of solar, wind, hydro and biomass capacity was auctioned. 	<ul style="list-style-type: none"> Assisting in the review of the PPA bankability (2018) Memorandum of Understanding (2019) Support for the implementation of wind auctions in Kazakhstan, including regulatory support on the tender process and documentation for the wind power projects (2019-2021)
2020-2021	<ul style="list-style-type: none"> Introduction of auctions for manoeuvrable capacity and PPA tenor extension up to 20 years 	<ul style="list-style-type: none"> Assisting Ministry of Energy on developing Low carbon pathway (2021-2022)

EBRD investments in renewables

Project requirements

Reliable sponsors

✓ Financially stable shareholders (sponsors) of the project, preferably with successful experience in RES

Advanced technologies

✓ The use of advanced technologies for renewable source facilities

Adequate costs

✓ Adequate cost of equipment, construction, and the total project cost

Verified resources

✓ Confirmation of renewable energy resources potential

Offtake contracts

✓ Long-term contract for the supply of electricity

Verified by consultants

✓ Independent Technical/Environmental/Legal due diligence

Strong economics

✓ Strong project economics (DSCR, IRR)

Thank You!



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