



## On Electric Power Industry

### *Unofficial translation*

Law of the Republic of Kazakhstan dated 9 June 2004 № 588.

#### Unofficial translation

This Law regulates public relations arising in the process of production, transmission and consumption of electric power.

Footnote. Preamble amended by Law of the Republic of Kazakhstan dated 11.04.2006 № 136 (enforced from the date of its official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

### Chapter 1. General provisions Article 1. Basic concepts used in this Law

This Law shall use the following basic concepts:

1) emergency reservation - the minimum consumption of electric energy (minimum consumed capacity) of consumer's objects with a completely stopped process, ensuring their safe state for life, health and environment, as well as functioning of current collectors of systems of duty and security lighting, security and fire alarm systems, fire extinguishing pumps, drainage, cooling of the main technological equipment, communication and emergency ventilation;

2) disruption – unacceptable divergences of operating conditions of an electric installation or its elements, occasioning their removal from service or damage during operation;

2-1) “Emergency” mode - a measure introduced by the system operator to maintain stable operation of the unified electric power grid of Kazakhstan or its individual parts;

2-2) readiness passport - an annually issued document confirming readiness of energy producing and energy transmitting organizations for operation in the autumn-winter season;

2-3) single purchaser - a legal entity determined by the authorized body, which performs centralized purchasing of service for maintaining electric capacity readiness and centralizes the provision of service for ensuring electric capacity readiness to carry the load in accordance with the procedure stipulated by this Law;

2-4) generating unit – an installation generating electric power;

2-5) generating unit with a maneuverable generation mode - a generating unit with adjustable electric capacity;

2-6) auction bidding for the construction of newly commissioned generating units with a maneuverable generation mode (hereinafter -auction bidding) - a process organized and conducted by the auction bidding organizer in an auction-based electronic system, aimed at selecting projects for the construction of newly commissioned generating units with a

maneuverable generation mode and determining their individual tariffs for the service of maintaining the electric capacity readiness;

2-7) participant in auction bidding for the construction of newly commissioned generating units with a maneuverable generation mode (hereinafter - auction bidding participant) - a legal entity that has been registered in the electronic system of the auction bidding organizer and received the status of a participant;

2-8) the organizer of auctions bidding for construction of newly commissioned generating units with a maneuverable generation mode (hereinafter - auctions organizer - a legal entity, whose more than fifty percent of shares (stakes in the authorized capital) are held by the state and persons affiliated with it, determined by the authorized body, which organizes and conducts auction bidding in accordance with the procedure stipulated by this Law;

2-9) an individual tariff for the service of maintaining the electric capacity readiness during the construction of newly commissioned generating units with a maneuverable generation mode – a tariff determined on the basis of auction bidding results;

2-10) planned generation-consumption balance - the difference between the values of generation and consumption of electric power (for one hour of the operating day) of the balancing electricity market entity approved by the system operator in the hourly daily schedule of electric power generation-consumption, in kWh;

2-11) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

2-12) the actual generation-consumption balance - the difference between the actual values of production and consumption of electric energy (for one hour of the operating day) of the balancing electric energy market entity in kWh;

2-13) hybrid group - a group of wholesale electricity market entities with an aggregate share of renewable energy sources in electricity generation of at least twenty-five percent, located in one energy hub and included in the list of hybrid groups in the procedure approved by the authorized body;

2-14) hybrid group administrator - a legal entity included in a hybrid group, acquiring (purchasing) electricity from energy-producing organizations included in a hybrid group, for the purpose of its subsequent sale to consumers within this hybrid group and (or) on the balancing electricity market, and also being a balance provider for energy-producing organizations and electricity consumers included in the hybrid group;

2-15) hybrid group consumer - a consumer that is a wholesale electricity market entity and included in the list of hybrid groups;

2-16) dispatch technological control - a process carried out by a dispatcher and intended to solve the tasks of monitoring and managing the operating modes of electric grids by means of automated dispatch and technological control systems, also receiving and processing

messages from individuals and legal entities about preconditions for the occurrence or occurrence of technological disruptions that require response measures and elimination of failures and damages;

2-17) individual tariff for the service of maintaining the electric capacity readiness of newly commissioned power generating organizations - a tariff determined based on the results of a tender held by an authorized body for the construction of generating units to be newly commissioned, including repayment of the amount of capital expenditures and remuneration on the relevant loans raised for the implementation of the project, and the rate of return on invested capital, subject to annual indexation to the inflation rate determined according to data from the authorized state statistics body, or annual indexation taking into account changes in the exchange rate of the national currency to foreign currencies, determined according to data from the National Bank of the Republic of Kazakhstan;

3) Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019);

4) Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019);

4-1) green tariff - a tariff for the sale by the single purchaser of electric power generated by facilities using renewable energy sources, established by the single electric energy purchaser in accordance with the rules for determining the tariff on support of renewable energy sources, approved by the authorized body;

4-2) green energy consumer - a wholesale electricity market entity that purchases from the single electric power purchaser the electric power generated by facilities using renewable energy sources at green tariffs determined in accordance with this Law;

5) system emergency – disturbance of the operating regimes of electricity generation facilities, leading to instability of the single electric power system of the Republic of Kazakhstan and to its separation into parts;

6) system services - services provided by the system operator in accordance with this Law ;

7) system operator - a national company that performs centralized operational dispatch management, ensures parallel operation with the power systems of other states, maintains balance in the unified electric power grid of the Republic of Kazakhstan, provides system services and purchases auxiliary services from wholesale electricity market entities, and also maintains and keeps operational readiness of the national power grid and ensures its development;

7-1) system and ancillary services market - a system of relationships between the system operator and wholesale electricity market entities related to the provision of system and ancillary services;

8) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication);

- 8-1) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication);
- 9) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication);
- 10) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication);
- 11) investment program – program directed at creating active assets and expanding, updating, reconstructing and re-equipping existing active assets;
- 12) Excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (shall be enforced from 01.01.2020);
- 13) Excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (shall be enforced from 01.01.2020);
- 14) Excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (shall be enforced from 01.01.2020);
- 15) commercial metering device - a technical device intended for commercial metering of electric power, electric energy, authorized for use in accordance with the procedure established by the legislation of the Republic of Kazakhstan;
- 15-1) Excluded by the Law of the Republic of Kazakhstan dated December 26, 2019 № 284-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication);
- 15-2) a buyer of electricity in the wholesale market - a legal entity that purchases electricity for the purpose of electricity supply or consumption, as well as to cover regulatory and technical losses;
- 15-3) autumn-winter period - the heating season, the beginning and end of which are established by local executive bodies;
- 16) single electric power system of the Republic of Kazakhstan – the set of electric power plants, power transmission lines and electric substations ensuring reliable and qualitative power delivery to consumers in Kazakhstan;
- 17) electrical capacity reserve of single electric power system of the Republic of Kazakhstan – the electrical capacity of the energy-producing organizations' power units, having the required structure, value and degree of completion for dispatching control, according to contractual requirements;
- 18) ancillary services - services purchased by the system operator from the subjects of the wholesale electric power market to ensure the necessary volumes and structure of regulating reserves of electric power, regulation of active and reactive power, to start the power system from a de-energized state;
- 18-1) state technical inspector – authorized official carrying out state control of compliance with requirements of Kazakh legislation concerning the electric power industry;

18-2) a market council - a non-commercial organization, carrying out an activity on monitoring the functioning of electric energy and capacity market, as well as other functions, stipulated by this Law;

19) operating days – regular days within which the system operator shall carry out operations involving centralized dispatch management of execution of electrical energy buy-and-sell agreements concluded by wholesale electrical energy market entities;

20) centralized operational dispatch management – the process of uninterrupted management of technically coordinated work of organizations producing, transmitting and supplying energy and of consumers of electrical energy, ensuring a specified level of reliability of the single electric power system of the Republic of Kazakhstan and compliance with the standard quality of electrical energy;

20-1) the operator of the centralized trading market - an organization, carrying out centralized trading in electric energy, including spot-trading in electric energy, and a service on maintaining the readiness of electric capacity;

20-2) positive imbalance - imbalance, the value of which is greater than zero (not negative), in kWh;

20-3) operational day - a calendar day starting at 00.00 and ending at 24.00 CET, during which the daily schedule of production and consumption of electrical energy is implemented;

20-4) unified state management system of the fuel and energy complex (hereinafter referred to as the information system of the authorized body) - information system of the authorized body in the field of electric power industry for monitoring and interaction with electric power industry entities;

21) interregional and (or) interstate power transmission lines – power transmission lines with a voltage of 220 kV and more transferring electrical energy between regions and (or) states;

22) regional electric network company - an energy-transmitting organization, having direct technological connection with an energy-producing organization and (or) a national electric network, owning cable or overhead power lines of at least four voltage classes (220, 110, 35, 20, 10 (6), 0, 4 kilovolts), operating electric networks of the regional level and having at least 10,000 connected consumers;

22-1) level of exploitable fuel storage – the minimum exploitable fuel storage of the energy-producing organizations in a daily computation;

22-2) regulating electric power - the range (share) of available electric power, within which the power plant is able to operate with the specified parameters;

22-3) an expert organization - a legal entity carrying out activities to conduct energy expertise in accordance with the legislation of the Republic of Kazakhstan;

22-4) balance provider - a wholesale electricity market entity that has assumed responsibility for financial settlement on the balancing electricity market of its own imbalances and imbalances of other entities of the balancing electricity market in accordance

with the agreements concluded with them, included in the list of balance providers, formed by the balancing market settlement center;

22-5) the settlement center of the balancing market - an organization determined by the authorized body that carries out centralized purchase and sale of balancing electricity and negative imbalances in the balancing electricity market in the manner and within the time frames prescribed by this Law;

23) balancing electricity - electricity intended to cover positive imbalances in realization by the system operator of the approved hourly daily schedule of electricity production and consumption;

23-1) marginal tariff for balancing electricity - the maximum permitted price for the balancing electricity market entities, for the sale of balancing electricity to the settlement center of the balancing market, determined in accordance with the procedure prescribed by this Law;

23-2) imbalance - the difference between the planned and actual balance of generation-consumption in kWh;

23-3) negative imbalance - imbalance, the value of which is less than zero (negative), in kWh;

23-4) marginal tariff for negative imbalances - the maximum price permitted for the balancing electric energy market entities for the purchase of negative imbalances from the settlement center of the balancing market, determined in the manner prescribed by this Law;

24) technical dispatching control – service rendered by system operator when carrying out centralized operational dispatch management of regimes of production and consumption of electrical energy in the single electric power system of the Republic of Kazakhstan;

24-1) technological reservation - the minimum consumption of electric energy (minimum consumed capacity) and the length of time, required for completion of a continuous technological process and prevention of danger to humans' lives and the environment;

24-2) technological disruption - failure or damage to equipment, power plants and networks, including as a result of fire or explosions, deviations from established modes, unauthorized shutdown or limitation of equipment performance or its malfunction, which led to a disruption in the process of production, transmission, consumption of electric and (or) thermal energy;

24-3) Excluded by the Law of the Republic of Kazakhstan dated 03.01.2022 № 101-VII ( shall be enforced upon expiry of sixty calendar days after the date of its first official publication);

24-4) authorized body in housing relations and housing maintenance and utilities - the central executive body exercising management in the electric power industry in terms of electric power consumption and methodological support in this industry;



24-5) household consumer - an individual who uses electrical energy for his own household needs, not related to the production (sale) of goods, works and the provision of services;

25) consumer - an individual or legal entity consuming electrical power on contractual basis;

26) authorized body – state body carrying out management in the electrical power industry;

26-1) is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

27) national electric network – a set of substations, distribution substations, interregional and (or) interstate power lines and power transmission lines, carrying out the issuance of electric energy of power stations with a voltage of 220 kilovolts and above, which are not subject to privatization and shall be transferred to the national company in the manner and on conditions, determined by the Government of the Republic of Kazakhstan;

27-1) service on the transmission of electrical power via the national electrical grid - a service provided by the system operator to wholesale electrical power market entities and organizations of other states in the manner determined by this Law;

27-2) service on the use of the national electric grid - a service for ensuring technical maintenance and maintaining the operational readiness of the national electric grid, related to the electric power transmission sphere in accordance with the legislation of the Republic of Kazakhstan on natural monopolies, provided by the system operator to the wholesale electricity market entities in the manner determined by this Law;

27-3) conditional consumer - a wholesale consumer who purchases electricity from energy-producing organizations included with him in the same group of persons, an industrial complex and a qualified consumer, determined in accordance with the Law of the Republic of Kazakhstan "On support of the use of renewable energy sources";

28) Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).

29) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

29-1) electric networks - a set of substations, distribution substations and power transmission lines, connecting them, designed to transfer electric energy;

30) electrical networks conservation zone – land, water and air areas designated for securing the preservation of electric networks, creating normal operating conditions and preventing damage to them and accidents among the population living in the conservation zone of these networks;

30-1) electric charging station - an electrical installation for charging mechanical vehicles equipped with electric engines;

31) electric power regulation service - a service provided to a system operator, energy transmitting, energy supplying organizations and consumers that are subjects of the wholesale electric power market, for compensation of deviations of the actual electric load of the subjects of the wholesale electric power market from the declared electric load;

31-1) a service on maintaining the readiness of electric capacity - a service, rendered by energy-producing organizations to a single purchaser for maintaining the readiness of electric capacity of generating installations to bearing the load, certified in the established manner;

31-2) marginal tariff for the service of maintaining the readiness of electric power - approved by the authorized body for a period equal to seven years, the maximum value of the tariff (price) for the service of maintaining the readiness of electric power for all operating energy-generating organizations (with the exception of the volume of the service of maintaining the readiness of electric power, in provision of which the operating power generating organizations and the winners of the tender for the construction of the newly commissioned generating plants, as well as the winners of the auction, use an individual tariff for the service of maintaining the readiness of electric power, established by the authorized body);

31-3) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

31-4) individual tariff for the service of maintaining the readiness of electric power - a tariff determined on the basis of an investment agreement concluded between the authorized body and the energy –generating organization for modernization, expansion, reconstruction and (or) renewal of generating plants;

31-5) a service for ensuring the readiness of electric capacity to bearing the load - a service, rendered by a single purchaser on ensuring the readiness of electric capacity of generating installations, certified in the established manner, in the unified electric power system of the Republic of Kazakhstan to bearing the load;

31-6) a market of electric capacity - a system of relationships between the subjects of the wholesale electric energy market, connected with the maintenance of generating equipment by energy- producing organizations in a state of readiness for production of electric energy, renewal, support, reconstruction and technical re-equipment of existing production assets, as well as their creation;

31-7) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication);

31-8) centralized biddings for electric capacity - a process aimed at concluding contracts for rendering the services on maintaining the readiness of electric capacity between energy-producing organizations and a single purchaser in an electronic trading system;

31-9) list of power plants - an approved list of energy-producing organizations that meet the criteria established by this Law;



32) electric power industry - the sphere of production, transmission, supply and consumption of electric energy;

32-1) a single purchaser of electrical energy - a legal entity with 100% state participation, determined by the authorized body, carrying out centralized purchase and centralized sale of planned volumes of electrical energy in the manner prescribed by this Law;

32-2) net consumer of electric energy (hereinafter referred to as the net consumer) - an individual or legal entity that shall provide all or part of its own consumption of electric energy and (or) heat energy from a small-scale facility for the use of renewable energy sources, owned by it by right of ownership or other proprietary right, connected to the electricity distribution network and equipped with systems for separate metering of the volume of consumption of electric energy from the network and the volume of supply to it, including combustors.

32-3) commercial metering of electric energy - metering of electric energy required for mutual settlements between the parties under electric energy transmission agreements, also under electricity supply agreements;

33) wholesale electricity market entities - energy-producing, energy-transmitting, energy-supplying organizations, energy-producing organizations using renewable energy sources, energy-producing organizations using secondary energy resources, energy-producing organizations using energy waste recycling, consumers of electric energy, digital miners and administrators of hybrid groups included in the list of wholesale electricity market entities formed by the system operator, as well as the system operator, the operator of the centralized trading market and the single purchaser of electric energy;

33-1) marginal tariff for electric power - approved by the authorized body every seven years, a monetary value of the cost of electric power generated by an energy-generating organization included in the group of energy-generating organizations selling electric power, consisting of the costs of generating electrical energy and the rate of return determined by the methodology, established by the authorized body;

34) guaranteeing supplier of electric energy - an energy supplying organization, which provides energy supply to consumers in cases of termination of energy supply to consumers by all other energy supplying organizations through no fault of the consumer, determined by the authorized body for each territorial unit (region) from among the existing energy supplying organizations in the region;

35) transfer of electric energy - technologically related actions, aimed at transfer and (or) distribution of electric energy through electric networks;

35-1) automatic system of commercial metering of electrical energy – set of measuring instruments and hardware and software packages for the measuring, collection, processing, storage and transfer of electrical energy accounting data;

36) daily schedule of electrical energy production-consumption – document regulating the hourly value of production and consumption of electrical energy for every calendar day in

accordance with electrical energy buy-and-sell agreements concluded by wholesale market participants on the markets for decentralized buy and sell of electrical energy and centralized trade of electrical energy;

37) electrical energy production-consumption balancing management organization – the service rendered by the system operator to organize the function of the balancing electrical energy market;

37-1) a group of energy-producing organizations, selling electric energy - a set of energy-producing organizations, formed according to the following criteria: type of energy-producing organizations, established capacity, type of fuel used, distance from the location of fuel, location in one part of the unified electric power system of the Republic of Kazakhstan, in which there are no technical restrictions on the transfer of electric energy;

38) retail electricity market - a system of relationships that operates on the basis of electricity supply contracts between energy supply organizations included in the list of wholesale electricity market entities, formed by the system operator, and the retail electricity market entities;

39) retail electricity market entities- consumers of electricity and energy transmission organizations that are not included in the list of the wholesale electricity market entities, formed by the system operator;

39-1) wholesale electricity and power market - a system of relationships between the wholesale electricity market entities, consisting of the wholesale electricity market, balancing electricity market, electrical power market and the market of system and auxiliary services;

40) wholesale electricity market - a system of relations related to the sale and purchase of planned electricity volumes, functioning on the basis of contracts for the sale of electricity between the wholesale electricity market entities;

41) centralized trade in electrical energy - transactions for the sale and purchase of electrical energy handled between energy producing organizations and a single purchaser, as well as between a single purchaser and digital miners in the electronic trading system in accordance with this Law;

**42) Is excluded by Law of the Republic of Kazakhstan № 394-V as of 12.11.2015 (shall be enforced from 01.01.2019).**

43) spot bids for electrical energy (hereinafter spot bids) – organized trade in hourly volumes of electrical energy on short-term basis in regimes: for a day before and during operating days;

44) balancing electricity market - a system of relationships between the balancing electricity market entities and the settlement center of the balancing market, arising from the physical settlement of electricity imbalances in the unified electric power grid of the Republic of Kazakhstan by the system operator and related to the purchase and sale of balancing electricity and negative imbalances;

45) simulated electrical energy market balancing mode (hereinafter simulated mode) – the functioning of the balancing electrical energy market without financial settlement for the electrical energy unbalances;

46) balancing electricity market entities - entities of the wholesale electricity market;

47) an energy expertise - an expertise, conducted in the field of electric power industry for compliance with regulatory legal acts of the Republic of Kazakhstan on operating facilities, projects of reconstructed, modernized and newly constructed facilities in the field of electric power industry, as well as in investigation of technological violations and industrial injuries on them in accordance with the rules, approved by the authorized body;

48) energy transmitting organization - an organization that provides on contractual basis the electric power transmitting service;

49) energy supplying organization - an organization that sells purchased electric energy to consumers;

50) energy producing organization - an organization that shall produce electricity and (or) heat energy for its own needs and (or) sales, except for net consumers, which shall be such in accordance with the legislation of the Republic of Kazakhstan in the field of support for the use of renewable energy sources;

51) is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019);

52) selling price of electrical energy from an energy producing organization - the selling price of electrical energy of an energy producing organization included in the relevant group of energy producing organizations selling electrical energy, not exceeding its marginal tariff for electrical energy multiplied by the relevant hourly rates determined in the manner established by the authorized body.

Footnote. Article 1 is in the wording of Law of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009), as amended by laws of the Republic of Kazakhstan dated 01.03.2011 № 414-IV (enforced from date of its first official publication); 22.07.2011 № 479-IV (enforced upon expiry of ten calendar days after first official publication); 04.07.2012 № 25-V (the order of enforcement see Art. 2); and 04.07.2013 № 128-V (enforced upon expiry of ten calendar days after first official publication); dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 241-VI as of

02.04.2019 (shall be enforced ten calendar days after its first official publication); dated 26.12.2019 № 284-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2019 № 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 № 380-VI (see Article 2 for the entry into force); dated 03.01.2022 №101-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023); dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (see Article 2 for the entry into force); dated 18.07.2024 № 126-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 2. Legislation of the Republic of Kazakhstan concerning the electric power industry**

1. The legislation of the Republic of Kazakhstan concerning the electric power industry shall be based on the Constitution of the Republic of Kazakhstan and consist of this Law and other normative legal acts of the Republic of Kazakhstan.

2. If an international agreement, ratified by the Republic of Kazakhstan establishes rules other than those contained in this Law, the rules of the international agreement shall be applied.

## **Chapter 2. State regulation of the electric power industry Article 3. Goals and objectives of State regulation of the electric power industry**

1. State regulation of the electric power industry shall be carried out for the purpose of:

1) maximum satisfaction of energy consumer demand and protection of the rights of electricity market participants;

2) securing the safe, reliable and stable function of the electrical energy complex of the Republic of Kazakhstan;

3) unifying management of the electrical energy complex of the Republic of Kazakhstan as a particularly important life support system of the State's economic and social complexes.

2. The objectives of State regulation of the electric power industry are:

1) efficient, safe functioning and development of the electric power complex based on the unity of management, development of competition in the wholesale electricity market;

2) the right of consumers, who are retail electricity market entities, to choose an electricity supplier in accordance with the legislation of the Republic of Kazakhstan;

3) regulation of activities in the sphere of natural monopoly, and creation of conditions for protection of domestic energy producers;

4) creation and improvement of a regulated electricity market;

5) rational and economical consumption of electricity;

6) use and development of renewable and non-conventional energy sources;

7) attraction of investments in development and re-equipping of the electrical energy complex;

8) creation of conditions for fulfilling a set of actions to protect the environment and reliability and safety of construction in the operation of power transmission lines and electric and energy installations;

9) creation of conditions for organizing an energy delivery in remote areas of the state;

10) establishment of national operating standards for the single electric power system of the Republic of Kazakhstan and for quality of electrical energy.

10-1) providing crediting of construction, reconstruction and modernization of electric networks of regional electric grid companies owned by public utilities;

11) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

3. State regulation of electrical energy includes:

1) licensing;

2) State regulation of tariffs (prices and rates);

3) de-monopolization and privatization of electricity generation facilities;

4) state supervision of reliability, safety and economy of production, transfer, control and consumption of electrical energy;

5) technical regulation and standardization in the field of electric power industry;

5-1) crediting of construction, reconstruction and modernization of electric networks of regional electric grid companies owned by public utilities at the expense of budget funds, carried out in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

6) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

7) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

Footnote. Article 3 as amended by laws of the Republic of Kazakhstan dated 11.04.2006 № 136 (enforced from the date of first official publication); 29.12.2006 № 209 (for method of instruction see Article 2); and 10.07.2012 № 31-V (enforced upon expiry of ten calendar days after first official publication); dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); № 184-VI as of 05.10.2018 (shall be enforced six months after its first official publication); dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

**Article 3-1. Peculiarities of state regulation of the national electric network**

1. The national company shall be prohibited from alienating the national electric network to individuals and (or) legal entities, as well as its encumbrance with the rights of third parties

2. The national managing holding shall be prohibited from alienating the shares of the national company, as a result of which the national managing holding will own less than eighty-five percent of the voting shares of this national company.

**Footnote.** The Law is supplemented by Article 3-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

### **Article 3-2. Basic principles of state regulation in the electric power industry**

State regulation in the electric power industry is based on the following main principles:

- 1) planned and sustainable development of the electric power complex;
- 2) observance of the interests of all entities in the electric power industry;
- 3) use of efficient methods and technologies in the process of production, transmission and consumption of electric power;
- 4) ensuring the safety of people's life and health, environmental protection in the use of electric power;
- 5) mandatory state regulation of safety in the use of electric power.

**Footnote.** Chapter 2 has been supplemented with Article 3-2 under the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

### **Article 4. Competence of the Government of the Republic of Kazakhstan**

The Government of the Republic of Kazakhstan shall:

- 1) develop the main directions of the state policy in the field of electric power industry;
  - 1-1) provide state financial support to a single purchaser in case that it is impossible to fulfill its obligations before energy- producing organizations on maintaining the readiness of electric capacity due to insufficiency of its revenues from rendering the service on ensuring the readiness of electric capacity to bearing the load for compensation of expenses, incurred by it solely in provision of this service;

**1-2) Excluded by the Law of the Republic of Kazakhstan dated 03.01.2022 № 101-VII ( shall be enforced upon expiry of sixty calendar days after the date of its first official publication);**

**1-3) provides state financial support to the single purchaser of electric power in the event of a loss and (or) a deficit of funds arising from late payment by consumers for purchased electric power;**

**1-4) in the case specified in paragraph 7-2 of Article 15-6 of this Law, determines the winner of the tender for the construction of newly commissioned generating units;**



1-5) performs other functions assigned to it by the Constitution of the Republic of Kazakhstan, laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

2) Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Footnote. Article 4 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2016); dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.01.2022 № 101-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 5. Competence of the authorized body**

The authorized body shall:

1) form and implement the state policy in the electric power industry;

2) Is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

3) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2016);

4) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2016);

5) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

6) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication);

6-1) develop and approve the rules of functioning of the information system of the authorized body;

7) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

7-1) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

7-2) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

7-3) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

8) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2016);

9) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

10) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

10-1) develop and approve rules for crediting construction, reconstruction and modernization of power grids of regional power grid companies owned by public utilities, in coordination with the central authorized body for budget planning;

11) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

12) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

13) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

14) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

15) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

16) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

17) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

18) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

19) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

20) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

21) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

22) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

23) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

24) take decision on inclusion of electric energy in the list of purchased property (assets), realized (sold) at biddings (auctions) in accordance with the legislation of the Republic of Kazakhstan;

25) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

26) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (

enacted sixty calendar days after the date of its first official publication).

27) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

28) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

29) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

30) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

30-1) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

30-2) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

30-3) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

30-4) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

31) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

32) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

33) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

34) develop and approve regulations on certification, rationalization, registration and planning of workplaces in the energy sector;

35) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

36) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

37) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

38) develop and approve the rules of work with personnel in energetic organizations of the Republic of Kazakhstan;

39) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

40) develop and approve the rules of conducting qualification tests of knowledge of technical operation rules and safety regulations at the heads, specialists of organizations, carrying out production, transfer of electric and heat energy for control of technical condition and safety of operation of electric installations;

41) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

42) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

43) determine the system operator;

44) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

45) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

46) approve the norms of operational fuel reserve in the autumn-winter period for energy-producing organizations;

47) develop and approve regulatory legal acts, technical regulations, and regulatory and technical documents in the electric power engineering in accordance with the goals and objectives of this Law and the legislation of the Republic of Kazakhstan;

47-1) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

48) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

49) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

50) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2016);

51) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

52) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015);

53) determine the operator of the centralized trading market;

54) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

55) define the peculiarities of functioning and organization of the wholesale electricity market for the regions, not having electric communication on the territory of the Republic of Kazakhstan, with the unified electric power system of the Republic of Kazakhstan;

56) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

57) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

58) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2016);

59) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (

enacted sixty calendar days after the date of its first official publication).

60) Is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 № 479-V ( shall be enforced upon expiry of twenty-one calendar days after its first official publication);

61) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

62) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V ( shall be enforced from 01.01.2016);

63) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V ( shall be enforced from 01.01.2017);

64) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

65) hold a tender for construction of generating installations, being newly commissioned;

66) conclude a contract with the winner of the tender, based on the results of the tender for construction of generating installations, being newly commissioned;

67) determine the winner, based on the results of the tender for construction of generating installations, being newly commissioned, with whom a single purchaser shall conclude a contract for the purchase of service on maintaining the readiness of electric capacity;

68) approve the forecasted balances of electric energy and capacity;

69) Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

70) carry out international cooperation in the field of electric power industry;

70-1) approve the marginal tariffs for electric energy;

70-2) approve the marginal tariffs for the service on maintaining the readiness of electric capacity;

70-3) approve the groups of energy-producing organizations, realizing electric energy;

70-4) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

70-5) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

70-6) exercise out state control over the compliance by the system operator with the requirements, stipulated in paragraph 2 of Article 15-2 of this Law;

70-7) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

70-8) is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

70-9) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

70-10) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).



70-11) establish individual tariffs for the service on maintaining the readiness of electric capacity, the volumes of service on maintaining the readiness of electric capacity and the terms of its purchase for the contracts on purchase of the service on maintaining the readiness of electric capacity, concluded by a single purchaser with the winners of tenders for construction of generating installations, being newly commissioned;

70-12) conclude investment agreements for modernization, expansion, reconstruction and (or) renewal with operating energy- producing organizations;

70-13) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-14) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-15) determine a single purchaser;

70-16) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

70-17) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-18) establish individual tariffs for the service on maintaining the readiness of electric capacity, the volumes of service on maintaining the readiness of electric capacity and the terms of its purchase for the contracts on the purchase of service on maintaining the readiness of electric capacity, concluded by a single purchaser with operating energy-producing organizations, that have concluded an investment agreement for modernization, expansion, reconstruction and (or) renewal with the authorized body;

70-19) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-20) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-21) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-22) is excluded by Law of the Republic of Kazakhstan № 156-VI as of 24.05. (shall be enforced ten calendar days after its first official publication);

70-23) is excluded by Law of the Republic of Kazakhstan № 89-VI as of 11.07.2017 (B shall be enforced from 01.01.2019);

70-24) is excluded by Law of the Republic of Kazakhstan № 89-VI as of 11.07.2017 (B shall be enforced from 01.01.2019).

70-25) is excluded by Law of the Republic of Kazakhstan № 89-VI as of 11.07.2017 (B shall be enforced from 01.01.2019);

70-26) is excluded by Law of the Republic of Kazakhstan № 89-VI as of 11.07.2017 (B shall be enforced from 01.01.2019);

70-27) is excluded by Law of the Republic of Kazakhstan № 89-VI as of 11.07.2017 (B



shall be enforced from 01.01.2019);

70-28) is excluded by Law of the Republic of Kazakhstan № 89-VI as of 11.07.2017 (B shall be enforced from 01.01.2019);

70-29) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-30) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-31) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-32) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-33) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-34) coordinate the location (site), type and form of fuel for power-generating installations put into operation by energy-producing organizations and consumers included in the Register;

70-35) coordinate local executive bodies of oblasts, cities of republican status, and the capital in subsidizing the costs of organizations in the field of electric power transmission for repayment and servicing of loans from international financial organizations attracted for implementation of the projects on expansion, modernization, reconstruction, renovation, maintenance of existing assets and creation of new assets;

70-36) approve the rules for subsidizing the costs of organizations in the field of electric power transmission for repayment and servicing of loans from international financial organizations attracted for the implementation of projects on expansion, modernization, reconstruction, renovation, maintenance of existing assets and creation of new assets;

70-37) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-38) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-39) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-40) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-41) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-42) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-43) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-44) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

70-45) determine the settlement center of the balancing market;

70-46) determine a single purchaser of electrical energy;

70-47) consider the reporting information of energy-producing organizations on the use of funds received under subparagraphs 3) and 4) of paragraph 3-1 of Article 15-3 of this Law, for the intended use of funds and decide on reducing the amount of funds directed to energy-producing organizations, in case of revealing the fact of misuse of funds;

70-48) place on its Internet resource information on the reliability indicators of power supply of power transmission organizations in accordance with the requirements of the legislation of the Republic of Kazakhstan on the electric power industry;

70-49) approve and maintain the procedure for forming the list of hybrid groups;

70-50) issue a readiness passport without comments or with comments in case of the need for additional explanations, materials and rationale to the documents submitted for obtaining a readiness passport, the volume of which complies with the requirements established by the legislation of the Republic of Kazakhstan in the electric power industry, and also refuse to issue a readiness passport in case of inconsistency in the scope and content of the submitted documents confirming fulfillment of the conditions and requirements established by the legislation of the Republic of Kazakhstan in the electric power industry for obtaining a readiness passport;

70-51) keep records of technological failures;

70-52) participate in the work of electric power enterprises' task force to assess the readiness of facilities and equipment for operation in the fall-winter season;

70-53) accept notifications on the commencement or termination of activities, and maintain, post and update on the Internet resource the register of expert organizations for conducting energy expertise in accordance with the category;

70-54) send to the state body exercising natural monopolies management the information on non-compliance of the activities of a natural monopoly entity providing electric power transmission service with the requirements of paragraph 6 of Article 13-1 of this Law;

70-55) monitor deterioration of the main equipment of energy producing and energy transmitting organizations;

71) exercise other powers, provided by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 5 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 16.05.2014 № 203 -V (shall be enforced upon expiry of six months after its first official publication); dated 12.2014 № 269-V (for the procedure of enforcement see Article 3); dated 12.11.2015 № 394-

V (for the procedure of enforcement see Article 2); dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 156-VI as of 24.05.2018 (shall be enforced ten calendar days after its first official publication); № 184-VI as of 05.10.2018 (shall be enforced ten calendar days after its first official publication); dated 19.04.2019 № 249-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2019 № 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 29.06.2020 № 352-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 03.01.2022 № 101-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.06.2022 № 130-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (enforcement see Art.3); dated 06.04.2024 № 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication); dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (enforcement see Art. 2).

#### **Article 5-1. Competence of the authorized body in the field of housing relations and housing and communal services**

Footnote. Title as amended by the Law of dated 06.04.2024 № 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication). the Republic of Kazakhstan dated December 26, 2019 № 284-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

The authorized body in the field of housing relations and housing and communal services:

- 1) participate in the development and realization of the state electric power industry policy , within its competence;
- 2) within its competence, develop and approve regulatory and technical documentation in the electricity supply;
- 3) organize methodological support in the electricity supply;
- 4) organize scientific research in electric power engineering in terms of thermal energy consumption;
- 5) develop and approve standard rules for calculating consumption rates of public utilities in electricity supply for consumers who do not have metering devices;

5-1) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

5-2) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

5-3) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

5-4) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

5-5) excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

6) exercise other powers, provided for by laws of the Republic of Kazakhstan and acts of the President and Government of the Republic of Kazakhstan.

Footnote. The Law is supplemented by article 5-1 in accordance with Law of the Republic of Kazakhstan dated 22.07.2011 № 479-IV (enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 19.04.2019 № 249-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 26.12.2019 № 284-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 5-2. Competence of local executive bodies of regions, cities of republican significance, the capital city**

Local executive bodies of regions, cities of republican significance, the capital city shall subsidize the costs of energy-producing organizations for the purchase of fuel for no-break conduct of the heating season in the manner, determined by the authorized body.

Local executive bodies of oblasts, cities of republican status, and the capital shall subsidize the costs of organizations in the sphere of transmission and supply of electric energy for repayment and servicing of loans of international financial organizations attracted for implementation of projects on expansion, modernization, reconstruction, renovation, maintenance of existing assets and creation of new assets in the order determined by the authorized state bodies.

### **Note!**

The third part of Article 5-2 is valid until 01.01.2026 in accordance with p. 15 of Article 25 of this Law of the Republic of Kazakhstan.

Local executive bodies shall subsidize losses (debts) of energy producing organizations, whose one hundred percent of shares (stakes in the authorized capital) are held by the state, which are in communal ownership and are simultaneously engaged in the production of water (distillate), electric and thermal power, in accordance with the procedure determined by the rules for subsidizing energy producing organizations for the purchase of fuel for the uninterrupted heating season.

Footnote. Chapter 1 is supplemented by Article 5-2 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 19.04.2019 № 249-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 08.07.2024 № 118-VIII (enacted ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 6. State supervision in electric power industry**

1. State supervision in the electric power industry in terms of the operation and technical condition of power equipment, energy-producing organizations (except for energy-producing organizations using renewable energy sources), energy transmitting organizations and the system operator (hereinafter -state supervision) shall be performed by the state body for state energy supervision and control (hereinafter -supervisory body ) in the form of remote control and inspection in accordance with this Law, investigation - in accordance with the Entrepreneur Code of the Republic of Kazakhstan and this Law for compliance of the activities of the subjects (objects) control with the requirements of the legislation of the Republic of Kazakhstan in the electric power industry.

2. State inspection shall be carried out by the supervisory body in the form of an unscheduled inspection, preventive control with a visit to the subject (object) of control in the field of electric power industry in accordance with the Entrepreneur Code of the Republic of Kazakhstan.

Preventive control without visiting the subject (object) of control in the field of electric power industry shall be carried out in accordance with the Entrepreneur Code of the Republic of Kazakhstan and Article 6-1 of this Law.

3. The subjects (objects) of control are individuals or legal entities that avail of energy equipment, energy-producing organizations (except for energy-producing organizations using renewable energy sources), energy-transmitting organizations and the system operator.

4. State supervision shall be carried out by the supervisory body for:

1) observance of the requirements of the legislation of the Republic of Kazakhstan in the electric power industry, as well as compliance with technical and technological standards during the operation of energy equipment;

2) observance of the requirements for the safe operation of power equipment, power plants, electrical networks, and electrical installations of consumers;

3) reliability and safety of production, transmission, supply, and consumption of electric power;

4) non-admission or dismissal from work on electrical installations of workers who have not passed the knowledge test of technical operation rules and safety regulations;

5) preparation and implementation of repair and restoration works of energy producing organizations (except for energy producing organizations using renewable energy sources),



energy transmitting organizations and system operator, including during the autumn-winter period.

Footnote. Chapter 6 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

**Article 6-1. Preventive control without visiting the subject (object) of control in the electric power industry**

1. Preventive control without visiting the subject (object) of control in the electric power industry shall be carried out in order to ensure safe, reliable and stable functioning of the electric power complex of the Republic of Kazakhstan.

2. Preventive control without visiting the subject (object) of control in the electric power industry shall be carried out by analyzing:

1) information and monthly reporting provided by energy producing organizations using renewable energy sources in accordance with the requirements of the legislation of the Republic of Kazakhstan in the field of electric power;

2) information received at the request of the electric power supervisory body, on issues of compliance with the legislation of the Republic of Kazakhstan in the electric power within its competence - upon receipt of information on breaching it;

3) documentation and materials obtained during participation in the work of task force of electric power enterprises to assess the readiness of facilities and equipment for operation in the autumn-winter period.

3. Preventive control without visiting the subject of control in the field of electric power shall be conducted in respect of energy producing organizations using renewable energy sources, energy supply organizations and consumers.

4. In the event of violations identified in the preventive control without visiting the subject (object) of control in the electric power industry in the actions (inaction) of the subject of control in the field of electric power industry, the supervisory body shall draw up and send an instruction to rectify the violations within a period of no later than five working days from the date of detection of the violations.

5. An instruction to rectify the violations must be delivered to the subject of control in the field of electric power engineering in person against signature or by another means confirming the facts of sending and receipt.

An instruction to rectify the violations sent by one of the following methods shall be deemed to have been duly served in the following cases:

1) by courier - from the date of the note of receipt;

2) by mail - by registered letter with notification;

3) electronically - from the date of sending by the supervisory body to the e-mail address of the subject of control in the electric power engineering specified in the letter upon request of the supervisory body.



6. The subject of control in the electric power industry that has received a remedial recommendation is obliged, within ten working days from the day following the date of its delivery, to submit to the supervisory body an action plan of eliminating the identified violations, indicating specific deadlines for their elimination, indicated in the remedial recommendation.

After the expiration of the deadlines specified in the remedial recommendation, the subject of control in the electric power industry shall report on fulfillment of the remedial recommendation to the supervisory body.

The subject of control in the electric power industry shall attach documentary evidence of the rectified violation to the reported information on the elimination of identified violations.

7. The subject of control in the electric power industry, in case of disagreement with the violations specified in the remedial instruction, shall have the right to file an objection to the body that sent the instruction to rectify the violations within five working days from the day following the date of delivery of the remedial recommendation.

8. Failure to fulfill the instruction to rectify the violations within the established time shall result in assignment of preventive control with a visit to the subject (object) of control in the electric power industry by including it in the semi-annual list of preventive control with a visit to the subject (object) of control in the electric power industry.

9. Preventive control without visiting the subject (object) of control in the electric power industry shall be conducted when the circumstances specified in paragraph 2 of this article arise.

10. Preventive control without visiting the subject (object) of control in the electric power industry shall be conducted no more than twice during the year.

**Footnote.** Chapter 2 has been supplemented by Article 6-1 by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (enacted ten calendar days after the date of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 6-2. Remote control**

1. Remote control shall be conducted by the supervisory body on an ongoing basis by analyzing the activities of subjects (objects) of control to identify violations that affect the safety, reliability and quality of production, transmission, supply and consumption of electric power.

2. Remote control shall be conducted by the supervisory body with respect to inspection subjects (objects) that have committed a violation pursuant to paragraph 1 of this Article on the basis of analysis of the activities of control subjects (objects) and data from information systems, reports submitted by the control subjects (objects), open sources, mass media, as well as other information on the activities of a control subject (object), including information obtained within interdepartmental interaction with state bodies.

3. In case of violations detected through remote control, a conclusion on the remote control results shall be drawn up and sent to the subject (object) of control within five working days from the date of detection of violations.

The form of the conclusion on the remote control results shall be approved by the authorized body.

4. Within the remote control framework the supervisory bodies shall have the right to:

- 1) request information and documents or copies thereof from control subjects (objects) and their officials in writing;
- 2) summon control subjects for explanations related to the subject of the control.

5. Control subjects (objects) are required to submit the information and documents specified in the supervisory body's request within the timeframes established by the supervisory body.

6. The conclusion on the remote control results shall be drawn up in two copies. One copy is sent to the subject (object) of control, the second copy remains with the supervisory body.

The conclusion on the remote control results shall be deemed to have been duly served in the following cases:

- 1) by courier - from the date of receipt of the note;
- 2) by mail - by registered letter with notification;
- 3) electronically - from the date of sending by the supervisory body to the e-mail address of the control subject specified in the letter upon request of the supervisory body.

7. The control subject that has received the conclusion on the remote control results is obliged, within ten working days from the day following the day of its delivery, to submit to the supervisory body that conducted the remote control an action plan of rectifying the identified violations, indicating specific deadlines for their rectification.

After expiry of the deadlines specified in the conclusion on the remote control results, the control subject shall report on fulfillment of the conclusion on the remote control results.

The control subject shall attach documentary evidence proving that the violation has been eliminated to the reported information on fulfillment of the conclusion on the remote control results.

8. In case of disagreement with the violations specified in the conclusion on the remote control results the control subject shall have the right to file an objection to the supervisory body that sent the conclusion on the remote control results within five working days from the day following the day of delivery of the conclusion on the remote control results.

In the objection, the control subject is obliged to set out the objections and (or) arguments, which are sent to the supervisory body.

The supervisory body that conducted the remote control, within ten working days from the date of receipt of the objection, taking into account the comments and (or) arguments, shall make a decision on accepting or declining the objection with a reasoned substantiation.

9. Failure to implement the conclusion on the remote control results within the established time shall be the ground for appointing an unscheduled inspection of the subject (object) of control in accordance with this Law.

**Footnote. Chapter 3 has been supplemented by Article 6-2 by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).**

### **Article 6-3. Inspections in electric power industry**

1. Inspection of the subject (object) of control (hereinafter -inspection) is the activity of the supervisory body in respect of the subject (object) of control for compliance with the requirements stipulated by paragraph 4 of Article 6 of this Law.

The inspection shall be conducted with a visit to the subject (object) of control, on the results of which, if violations by the subject (object) of control are identified, a report on the inspection results and an order to rectify the identified violations shall be drawn up.

2. Inspections can be scheduled and unscheduled.

3. Scheduled inspections are conducted on the basis of the inspection appointment act in accordance with the annual list of inspections approved by the supervisory body before December 10 of the year preceding the year of the scheduled inspection.

The annual list of inspections shall be formed with regard to the classification of subjects (objects) of control by the degree of wear of the main equipment and (or) the number of technological disturbances and shall be posted on the supervisory body's Internet resource no later than December 20 of the year preceding the year of the inspections.

By the degree of wear of the main equipment the subjects (objects) of control are classified into:

- 1) low risk – up to 50 percent wear;
- 2) medium risk – wear from 51 to 75 percent;
- 3) high risk – over 75 percent wear.

Subjects (objects) of control by the number of technological disruptions in accordance with the classification of technological disruptions approved by the authorized body are divided into:

- 1) low risk - presence of failures of the II degree;
- 2) medium risk - presence of failures of the I, II degree;
- 3) high risk - presence of accidents, failures of the I, II degree.

Inspection of control subjects (objects) classified as low risk shall be conducted no more than once every two years, with the exception of unscheduled inspections.

Inspection of control subjects (objects) classified as medium and high risk shall be conducted no more than once a year, with the exception of unscheduled inspections.

The annual list of inspections shall be formed with the use of information systems in automatic mode based on the data from administrative sources, as well as information tools.

In the absence of a functioning information system in automatic mode, the annual list of inspections is formed independently by supervisory bodies depending on the risk degree of wear of the main equipment and (or) the number of technological disturbances.

When the supervisory body draws up a list of inspections and semi-annual lists of preventive control with a visit to the entity subject to control in the field of electric power engineering, uniform periods of inspections shall be established for the same entities (objects) subject to control.

Annual lists of inspections in respect of entities (objects) subject to inspection shall be formed with the mandatory indication of the objects assigned for inspection.

Amendments and additions to the annual list of inspections shall be made in cases of liquidation, reorganization of the inspected subject (object), change of its name, as well as occurrence of a natural, man-made or social emergency, introduction of a state of emergency, occurrence or threat of occurrence of the spread of an epidemic, foci of quarantine objects and especially dangerous harmful organisms, infectious, parasitic diseases, poisoning, radiation accidents and related restrictions.

The form of the list of inspections shall be approved by the authorized body.

4. The supervisory body is obliged to notify in writing the subject (object) of control or its authorized person, the state body engaged in legal statistics and special records within its competence, about the beginning of the inspection no less than three working days before the inspection start, indicating the date of its start, unless otherwise provided by this article.

A notice of commencement of an inspection sent in one of the following ways shall be deemed to have been duly served in the following cases:

- 1) by courier - from the date of the notice of receipt;
- 2) by mail - by registered letter with notification;
- 3) electronically - from the date of sending by the supervisory body to the e-mail address of the subject (object) of control indicated in the letter upon the supervisory body's request.

5. An unscheduled inspection is an inspection ordered by a supervisory body based on specific facts and circumstances that constituted the ground for ordering an unscheduled inspection of a specific entity (object) subject to control, with the aim of preventing and (or) eliminating an immediate threat to human life and health, the environment, the legitimate interests of individuals and legal entities, and the state.

When conducting an unscheduled inspection, except for the cases provided for in subparagraphs 3), 4), 5) and 6) of paragraph 6 of this article, the supervisory body is obliged to notify the entity (object) subject to control about the start of the unscheduled inspection of the entity (object) subject to control at least 24 hours before its start, indicating the subject matter of the inspection of the subject (object) of inspection.

6. The grounds for conducting an unscheduled inspection of subjects (objects) of control shall be:

1) control over the execution of measures based on the results of the investigation of accidents or failures of the 1st degree in accordance with the classification of technological disruptions approved by the authorized body;

2) non-execution of measures specified in the conclusion on the remote control results, including failure to provide information on the elimination of identified violations and (or) failure to eliminate the violation;

3) applications from individuals and legal entities with documentary evidence of violation of the requirements of the legislation of the Republic of Kazakhstan in the electric power industry;

4) information from official sources on accidents or failures of the 1st degree in accordance with the classification of technological disruptions approved by the authorized body;

5) control over the execution of instructions to rectify the violations identified in a scheduled inspection, if the subject (object) of control has failed more than once to report on the elimination of the violations identified and (or) has not rectified the violations identified;

6) a prosecutor's request regarding specific facts of causing or threatening harm to human life, health, the environment, the rights and legitimate interests of individuals and legal entities, the state;

7) applications from state bodies regarding specific facts of causing harm to human life, health, the environment, violated rights and legitimate interests of individuals and legal entities, the state, as well as breaches of the legislation of the Republic of Kazakhstan, failure to rectify which entails causing harm to human life and health, the rights and legitimate interests of individuals and legal entities;

8) an order from a criminal prosecution body on the grounds stipulated by the Criminal Procedure Code of the Republic of Kazakhstan;

9) an order from the head of a superior state body to take measures against subjects (objects) of control for breaching the requirements of the legislation of the Republic of Kazakhstan in the electric power industry.

7. Unscheduled inspections shall not be conducted on anonymous applications.

**Footnote. Chapter 3 has been supplemented with Article 6-3 by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).**

#### **Article 6-4. Inspection procedure**

1. Officials of the supervisory body, who have arrived for an inspection, shall be obliged to present to the subject (object) of inspection:

1) an act on appointment of an inspection;

2) official ID or an ID card.

2. The act on appointment of an inspection shall specify:

1) date of the act and number;

- 2) the name of the state body;
- 3) surname, name, patronymic (if it is indicated in the identity document) and position of persons authorized to conduct the inspection;
- 4) information on specialists, consultants and experts, as well as officials of state bodies and subordinate organizations engaged to conduct an audit (if necessary);
- 5) name of the subject (object) of control, its location, identification number, list of facilities;
- 6) type of inspection;
- 7) subject matter of the inspection;
- 8) the inspection term;
- 9) grounds for conducting the inspection;
- 10) the period under inspection;
- 11) rights and obligations of the subject (object) of control;
- 12) signature of the official authorized to sign the act;
- 13) signature of the head of the subject (object) of control or his authorized person on acceptance or non-acceptance of the act.

3. The start of the inspection is considered to be the date of delivery of the act on appointment of the inspection to the subject (object) of control or its authorized person.

The act on appointment of the inspection, sent in one of the following ways, shall be deemed to have been duly served in the following cases:

- 1) by courier - from the date stamped on the notice of receipt;
- 2) by mail - by registered letter with notification;
- 3) electronically - from the date of sending by the supervisory body to the e-mail address of the subject of control specified in the letter upon the supervisory body's request.

The act on the appointment of inspection shall be registered in the log of inspections of the supervisory body that appointed the inspection.

4. In case of non-acceptance of the act on appointment of the inspection when it is delivered by hand, a corresponding record shall be made in it and a video that records the fact of refusal to accept the act.

Non-acceptance of the act on appointment of inspection shall not be the ground for its non-execution and cancelation of the inspection.

5. In cases of non-acceptance of the act on appointment of an inspection, as well as obstruction of access of the supervisory body's officials to the subject (object) of control, documents, equipment necessary for the inspection, a protocol on administrative offense shall be drawn up in accordance with the procedure established by the Code of the Republic of Kazakhstan on Administrative Infractions.

6. An inspection may be conducted only by the official(s) indicated in the act of appointing the inspection.



In this case, the list of officials conducting the inspection may be changed by decision of the supervisory body, of which the subject (object) of control shall be notified prior to the participation in the inspection of persons not indicated in the act on appointment of the inspection, indicating the reason for the replacement.

7. The timeframe for conducting an inspection shall be established with regard to the scope of work to be performed, as well as the subject matter of the inspection and shall not exceed:

1) when conducting scheduled inspections for subjects (objects) of control classified as high risk - twenty working days, for subjects (objects) of inspection classified as medium and low risk - fifteen working days;

2) when conducting unscheduled inspections - ten working days.

8. The timeframe for conducting an inspection may be extended when it is necessary to conduct special studies, tests, examinations, also due to a significant scope of work for only one time by the head of the supervisory body (or a person replacing him) for a period not exceeding thirty working days.

Extension of the inspection time shall be formalized by an additional act on extension of the inspection time with delivery of a notice to the subject (object) of control before the end of the inspection term, which shall specify the date and registration number of the previous act on appointment of the inspection and the reason for the extension.

9. An inspection may be suspended only once by the head of the supervisory body (or a person acting in his/her stead):

1) in the event of special studies, tests and examinations with a time over thirty working days (until the conclusion is received);

2) if it is necessary to obtain information and documents from third parties for a period exceeding thirty working days (until their receipt);

3) in the event of force majeure circumstances preventing the inspection.

Suspension of an inspection shall be formalized by an act on suspension of an inspection with delivery of a notice to the subject (object) of control before the end of the inspection term, which shall indicate the date and registration number of the previous act on appointment of the inspection and the reason for suspension.

Upon termination of the grounds for suspension of the inspection referred to in part one of this paragraph, the inspection shall be resumed from the suspension period.

The resumption of an inspection shall be formalized by an act on the resumption of inspection with the delivery of a notice to the subject (object) of control prior to the end of the inspection suspension period, in which the date of resumption of the inspection shall be indicated.

The act on suspension of the inspection and the act on resumption of the inspection sent by one of the following methods shall be deemed to be duly served in the following cases:

1) by courier - from the date of the notice of receipt;

2) by mail - by registered letter with notification;

3) electronically - from the date of e-mailing by the supervisory body to the address of the subject (object) of control indicated in the letter upon the supervisory body's request.

10. On the inspection results, the official (persons) of the supervisory body shall draw up an act on the inspection results and, if violations are identified, the instruction on rectifying the revealed violations.

If breaches are revealed of the legislation requirements of the of the Republic of Kazakhstan in the electric power industry, a protocol on administrative offense shall be drawn up in accordance with the Code of the Republic of Kazakhstan on Administrative Infractions if there are grounds for initiating administrative proceedings.

11. The following shall be indicated in the report on the inspection results:

1) the date and place of drawing up the report;

2) the name of the state body;

3) the date and number of the act on appointment of the inspection (additional acts on extending the inspection period, suspending the inspection, if any);

4) surname, first name, patronymic (if it is indicated in the identity document) and position of the person(s) who conducted the inspection;

5) the name of the subject (object) of control, its location or surname, first name, patronymic (if it is indicated in the identity document) of the subject of inspection, position of the representative of an individual or legal entity present during the inspection;

6) the inspection term;

7) the inspection type;

8) information on the inspection results, including any breaches identified;

9) information on familiarization or refusal to familiarize with the report on the inspection results, as well as persons present during the inspection, their signatures or a record of refusal to sign;

10) the signature of the official(s) who conducted the inspection.

If there are no breaches of the requirements of the legislation of the Republic of Kazakhstan in the electric power industry, a corresponding entry shall be made in the report on the inspection results.

12. The instruction on rectifying the revealed violations shall specify:

1) date and place of drawing up the instruction;

2) name of the state body;

3) surname, name, patronymic (if it is indicated in the identity document) and position of the official (persons) who conducted the inspection;

4) name of the subject (object) of control, its location or surname, name, patronymic (if it is indicated in the identity document) of the individual on whom the inspection is scheduled, position of the representative of the individual or legal entity present during the inspection (if any);

- 5) date, place and period of the inspection;
- 6) list of identified violations in accordance with the requirements of the legislation of the Republic of Kazakhstan in the electric power industry;
- 7) recommendations and instructions on rectifying the revealed violations and terms of their elimination;
- 8) information on familiarization or refusal to familiarize with the instruction of the subject (object) of control or its authorized person, their signatures or refusal to sign;
- 9) signature of the official (persons) who conducted the inspection.

The following shall be attached to the remedial instruction, if available: conclusions of conducted studies (tests), expert examinations and other documents or copies thereof related to the inspection results (inspection report of the damaged equipment, records of technical means of control, monitoring and recording devices, registrograms, oscillograms, extracts from operational logs, explanatory notes, schemes, drawings, photo, audio and video materials, questionnaires and other materials).

13. Forms of the act on appointment of an inspection, report on the inspection results, act on the inspection extension, act on suspension of the inspection, act on resumption of the inspection, instruction on rectifying the revealed violations shall be approved by the authorized body.

14. The report on the inspection results, the order to rectify the identified violations shall be drawn up in three copies.

The supervisory body shall submit the first copies of the report on the inspection results, the order to rectify the identified violations in electronic form to the state body engaged, within its competence, in legal statistics and special records, within three working days, the second copies on paper against the signature or in electronic form shall be handed to the subject (object) of control or its authorized person for familiarization and taking remedial measures for the identified violations and other actions, the third copies shall remain with the supervisory body .

The report on the inspection results and the act on resumption of the inspection sent by one of the following methods shall be deemed to be duly served in the following cases:

- 1) by courier - from the date of the notice of receipt;
- 2) by mail - by registered letter with notification;
- 3) electronically - from the date of e-mailing by the supervisory body to the address of the subject (object) of control indicated in the letter upon the supervisory body 's request.

15. Completion of the inspection period shall be deemed to be the day of delivery to the subject (object) of control of the report on the inspection results no later than the date of completion of the inspection specified in the act on appointment of the inspection (additional act on extension of the inspection period, if any).

16. In the event of any comments and/or objections to the inspection results, the subject (object) of control or its authorized representative shall, no later than five working days from

the date of receipt of the inspection results report, set them out in writing, which shall be sent to the supervisory body.

Comments and/or objections shall be attached to the inspection results report, and a corresponding note shall be made about this.

17. The deadlines for executing the instruction to rectify the identified violations shall be determined with regard to the circumstances affecting the actual possibility of its execution, and shall be no less than five working days with the attachment of the action plan for rectifying the identified violations.

When setting the deadlines for executing the instruction to rectify the identified violations, the following shall be taken into account:

1) possession by the control subject (object) of organizational, technical and financial capabilities to eliminate the violations;

2) technical condition of the production facilities used;

3) terms of obtaining from state bodies, local executive bodies of the relevant permit or filing a notification provided for in Appendices 1, 2 and 3 to the Law of the Republic of Kazakhstan “On Permits and Notifications”, as well as other mandatory conclusions, approvals and other documents established by the laws of the Republic of Kazakhstan.

18. If additional time and (or) financial costs are required, the subject of control shall have the right, no later than five working days from the date of delivery of the instruction to rectify the identified violations, to apply to the supervisory body that conducted the inspection for extending the deadline for rectifying the identified violations with attached action plan for rectifying the identified violations with an indication of specific timeframes for their elimination.

In the application for extending the deadline for rectifying the identified violations, the subject of control is obliged to set out the measures that will be taken to rectify the identified violations and the objective reasons for extending the deadline for their elimination.

The supervisory body that conducted the inspection, within ten working days from the date of received application for extending the deadlines for eliminating the identified violations, taking into account the stated arguments, shall make a decision to extend the deadlines for eliminating the identified violations and approve the rectifying action plan thereto, indicating specific deadlines for their elimination, or to decline the extension with a reasoned substantiation.

The subject of control shall, monthly, by the 10th day of the month following the reporting month, report to the supervisory body on execution of the action plan for rectifying the identified violations for which the deadline for elimination has arrived.

The control subject (object) shall attach documentary evidence proving that the violation has been eliminated to the provided information on the elimination of identified violations.

The form of the action plan for rectifying the identified violations shall be approved by the authorized body.

19. Upon expiry of the term for eliminating the identified violations specified in the instruction to rectify the identified violations, action plan for rectifying the identified violations, the subject (object) of control within the term specified in the instruction to rectify identified violations and in the action plan thereto shall report to the supervisory body that conducted the inspection on elimination of the identified violations.

20. If the control subject (object) fails to provide or provides incomplete report on execution of the instruction to rectify identified violations and the action plan to rectify the identified violations within the established time limit, the supervisory body shall, within two working days, send a request to the control subject (object) on the need to report on execution of the instruction to rectify the identified violations and the action plan thereto.

In case of non-provision or provision of incomplete information within the established term on execution of the instruction to rectify the identified violations, action plan thereto, the supervisory body shall appoint an unscheduled inspection, except for control of execution of the instruction to rectify the identified violations based on an unscheduled inspection result.

21. In case of early elimination of identified violations specified in the instruction to rectify the identified violations and the action plan thereto, the control subject (object) shall be obliged to report to the supervisory body that conducted the inspection on elimination of identified violations with attached documentary evidence of rectified violations.

22. The inspections results may be appealed by the control subject in the manner prescribed by the laws of the Republic of Kazakhstan.

Application of a subject (object) of control for cancelling the report on the inspection results, the instruction to rectify the identified violations shall be reviewed by a higher state body (official) within ten working days from the application date.

Invalidation by a higher state body of the inspection results shall be the ground for their cancellation in part or in full.

A report on the inspection results, an instruction to rectify the revealed violations, recognized as invalid in full, cannot be evidence of violation of the established requirements by the subjects (objects) of control.

23. Inspections may be conducted outside working hours (night time, weekends or holidays) if it is necessary to prevent violations immediately at the time of their commission and to conduct urgent actions to secure evidence in the following cases:

1) when the need for inspection requires immediate elimination of technological disruptions that pose a threat to the life and health of the enterprise's employees and the population;

2) verification of compliance with the continuous operation mode of technological equipment, given its specifics in terms of conformity with the technical operation rules and checking the safety regulations requirements.

The decision to conduct an inspection outside regular working hours shall be formalized by an order of the head of the supervisory body or the person replacing him.

The form of the order to conduct an inspection outside regular working hours shall be approved by the authorized body.

24. If the inspection and (or) remote control finds out that the subject (object) of control has breached the requirements established by the legislation of the Republic of Kazakhstan in the electric power industry, if there is sufficient data indicating the signs of an administrative offense, officials of the supervisory bodies shall take measures within their authority to bring the persons who have committed the breaches to justice established by the laws of the Republic of Kazakhstan.

**Footnote. Chapter 3 has been supplemented with Article 6-4 by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).**

#### **Article 6-5. Investigations in the electric power industry**

1. Investigation is an independent form of control, determined by the Entrepreneur Code of the Republic of Kazakhstan and this Law.

2. The objectives of the investigation are:

1) to establish the reasons for breaching the requirements of the legislation of the Republic of Kazakhstan in the electric power industry and take appropriate measures;

2) to establish the person(s) who breached the requirements of the legislation of the Republic of Kazakhstan in the electric power industry.

3. The grounds for conducting an investigation shall be:

1) applications of individuals and (or) legal entities, also state bodies on specific facts of infliction of harm to human life, health, environment, rights and legitimate interests of individuals and legal entities, the state in cases when such fact has affected a wide range of persons and it is required to identify a specific person (specific persons) who committed the breach;

2) accidents, technological disturbances which necessitate clarification of the circumstances that preceded them, establishment of the their causes, the nature of abnormal operating conditions of technical facilities, technological processes, breaches of the requirements in the electric power industry, determination of measures to eliminate the consequences and prevent similar accidents, technological disturbances, material damage caused by the accident, technological disturbance.

4. If there are grounds specified in paragraph 3 of this Article, the supervisory body shall take a decision to conduct an investigation.

5. The procedure for conducting an investigation shall be established by the authorized body.

The procedure for conducting an investigation shall include:

1) the cases in which the investigation is conducted;

2) terms and duration of the investigation;



3) terms of notification of the subject (object) of control, the state body engaged within its competence in legal statistics and special records, interested state bodies about the beginning of investigation;

4) the procedure for involving independent experts and other interested parties;

5) conditions and procedure for formation of the investigating panel;

6) conditions, terms, procedure for extension and suspension of the investigation;

7) procedure for execution of investigation records.

6. The investigation time shall not exceed thirty calendar days and may be extended only once by thirty calendar days.

7. On the investigation results, the supervisory body determines the person(s) who has (have) breached the requirements of the legislation of the Republic of Kazakhstan in the electric power industry, which constituted the ground for investigation.

On the investigation results, measures prescribed by the laws of the Republic of Kazakhstan shall be taken against the person(s) who committed the breach (es).

The investigation outcome shall be published on the supervisory body's Internet resource, except for information constituting state secrets or other secrets protected by the laws of the Republic of Kazakhstan.

The investigation findings shall be directed to the state body, engaged within its competence in legal statistics and special records, within three working days.

**Footnote. Chapter 3 has been supplemented with Article 6-5 under the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).**

#### **Article 6-6. Rights and obligations of the supervisory body's officials**

1. When conducting state control the supervisory body's officials shall have the right:

1) for unimpeded access to the territory and premises of the subject (object) of control;

2) to receive documents (information) on paper and electronic media or copies thereof, as well as access to automated databases (information systems) in accordance with the subject matter of state control;

3) to make audio, photo and video recording;

4) to use records of technical means of control, registrograms, oscillograms, observation and recording devices, extracts from operational logs, explanatory notes, schemes, drawings, photo, audio and video materials, questionnaires and other materials related to the subject matter of the state control;

5) to summon the subject of control for explanations;

6) to involve specialists, consultants and experts, as well as officials of state bodies, subordinate and other organizations;

7) to apply to the court and participate in the consideration by the court of cases on violations of the legislation of the Republic of Kazakhstan in the electric power industry, including violations identified by the state control.

2. The supervisory body's officials shall be prohibited to make demands and requests unrelated to the subject matter of the state control.

3. When conducting state supervision the supervisory body's officials shall be obliged:

1) to comply with the legislation of the Republic of Kazakhstan, rights and legitimate interests of control subjects (objects);

2) to conduct state control on the basis of and in strict accordance with the procedure established by this Law;

3) not to interfere with the established mode of work of control subjects (objects) during the state control period, unless otherwise provided by this Law;

4) to timely and fully implement the powers granted under the laws of the Republic of Kazakhstan to prevent, identify and suppress violations of the requirements of the legislation of the Republic of Kazakhstan;

5) not to prevent the control subject (object) or its authorized representative from being present during the conduct of state control, to provide explanations on issues related to the subject matter of the state control;

6) provide the control subject (object) with the necessary information related to the subject of state supervision;

7) hand over to the control subject (object) the conclusion on the remote control, report on the inspection results, an order to rectify the identified violations;

8) ensure the safety and confidentiality of documents and information obtained as a result of state control.

**Footnote. Chapter 3 has been supplemented with Article 6-6 under the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).**

#### **Article 6-7. Rights and obligations of the subject (object) of control or its authorized person during the state inspection**

1. During the state control the control subjects (objects) or their authorized persons shall have the right:

1) not to admit to the inspection the supervisory body's officials who have arrived to conduct the inspection in the following cases:

non-compliance with inspection frequency;

exceeding or expiry of the inspection terms specified in the act on appointment of the inspection (additional acts on extension of the term, suspension, if any);

appointment of an inspection for a period beyond the time period specified in the application or report on committed or impending criminal offenses, in other applications on violations of the rights and legitimate interests of individuals, legal entities and the state;

assignment of the inspection to officials who are not authorized to conduct it;

indication in one act on appointment of inspection of several control subjects (objects);

extension of the inspection terms beyond the term established by this Law;

gross violations of the requirements established by this Law;

failure of the supervisory body's officials to present the documents specified in paragraph 1 of Article 6-4 of this Law.

2) not to submit documents and information, if they are unrelated to the subject matter of the inspection, as well as to the period specified in the act on appointment of the inspection;

3) to appeal against the conclusion on the remote control results, the act on appointment of the inspection, the report on the inspection results, the order to rectify identified violations, also actions (inaction) of the supervisory body's officials in accordance with the procedure established by the Entrepreneur Code of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan;

4) not to fulfill the supervisory body's or officials' prohibitions that are non-statutory, restricting the activities of the control subjects (objects);

5) to make audio, photo and video recording of the state inspection process, of individual actions of the supervisory body's officials, conducted by them within the state control framework, without obstructing the activities of supervisory body's officials;

6) involve third parties in state control in order to represent their interests and rights, also for implementation by third parties of the actions provided for in subparagraph 5) of this paragraph.

2. When the supervisory body conducts the state control, the control subjects (objects) or their authorized persons shall be obliged:

1) to ensure unimpeded access of supervisory body's officials to the territory and premises of the control subject (object);

2) in compliance with the requirements for protection of commercial, tax or other secrets protected by law, to submit to the supervisory body's officials copies of documents (information) on paper and electronic media, also to provide access to automated databases (information systems) in accordance with the subject matter of the state control;

3) make a note of receipt on the second copy of the act on appointment of the inspection;

4) make a note of receipt on the second copy of the conclusion on the remote control results, report on the inspection results on the day of the state control end;

5) make a note of receipt on the second copy of the instruction to rectify the identified breaches;

6) not to allow changes and additions to the documents under audit during the state control period, unless otherwise provided by this Law or other laws of the Republic of Kazakhstan;

7) to ensure the safety of persons who have arrived to conduct state inspection at the object of control from harmful and dangerous production factors of impact in accordance with the standards established for this object;

8) in case of receipt of the act on appointment of the inspection, the head of the control subject (object) or his authorized person shall be obliged to be at the location of the object of inspection within the appointed terms of the inspection.

Footnote. Chapter 3 has been supplemented with Article 6-7 by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 6-8. Invalidation of inspections conducted in gross violation of the requirements of this Law**

1. Inspections shall be invalidated if they are conducted by a supervisory body in gross violation of the requirements to the organization and conduct of an inspection established by this Law.

2. Gross violations of the requirements of this Law shall include:

- 1) absence of grounds for conducting an inspection;
- 2) absence of an act on the appointment of inspection;
- 3) non-compliance with the inspection dates;
- 4) violation of inspection periodicity;
- 5) failure to submit to the control subject (object) an act on the appointment of inspection;
- 6) appointment by the supervisory body of an inspection on matters outside their competence.

Footnote. Chapter 3 has been supplemented with Article 6-8 under the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 6-9. Production control in electric power industry**

1. Production control in the electric power industry (hereinafter -production control) shall be performed by power producing, power transmitting organizations and the system operator.

2. The production control objectives shall be:

- 1) ensuring fulfillment of the requirements of the legislation of the Republic of Kazakhstan in the electric power industry;
- 2) monitoring the safe operation of power-generation facilities, power plants, and power grids;
- 3) ensuring reliability and safety of production, transmission and consumption of electric energy;
- 4) performance of work by employees who have passed the test in knowledge of the technical operation and safety rules;
- 5) timely preparation and repair and restoration works of energy producing, energy transmitting organizations and the system operator, including during the autumn-winter season;
- 6) maintenance of equipment, buildings and facilities in operational readiness;
- 7) analyzing and developing measures aimed at compliance with safety rules;

8) identification of circumstances and causes of breaches affecting the safety of work performance;

9) coordination of works aimed at prevention of technological disturbances.

3 Energy producing, energy transmitting organizations and the system operator shall develop regulations on production control.

Model regulations on production control shall be developed and approved by the authorized body.

4. The official performing production control shall be appointed and dismissed by the act of the head of energy producing, energy transmitting organizations and system operator in coordination with the territorial unit of the state body for state energy supervision and control in terms of compliance with qualification requirements, work experience and the position held not lower than the head of the structural unit.

5. The official performing production control shall be obliged to:

1) develop a work plan on production control in subdivisions of power generating, power transmitting organizations and system operator;

2) exercise production control over compliance of employees with requirements in the electric power industry;

3) organize and conduct inspections of safety of operation of power-generating equipment and works;

4) organize development of action plans to ensure safety and liquidation of technological failures;

5) communicate to the employees of energy producing, energy transmitting organizations and system operator the information on changes in the requirements of the legislation of the Republic of Kazakhstan in the electric power industry;

6) make propositions to the head of the energy producing, energy transmitting organizations and system operator on:

holding of measures to ensure safety, eliminating breaches of the requirements of the legislation of the Republic of Kazakhstan in the electric power industry;

suspension of works carried out with violations of the requirements of the legislation of the Republic of Kazakhstan in the electric power industry, which pose a threat to the life and health of employees, or which may lead to technological failures;

suspension from work of employees who have not been duly trained, retrained on the technical operation and safety rules;

7) present a report in accordance with the objectives of production control to the territorial subdivisions of the state body for state energy supervision and control on a monthly basis before the 10th day of the month following the reporting month, or upon request (in cases of accidents and failures of the first degree);

8) exercise other powers stipulated by the legislation of the Republic of Kazakhstan in the electric power industry.

6. The official in charge of production control shall have the right to:

- 1) receive documents and materials necessary for implementation of production control;
- 2) receive unimpeded access to the facilities of energy producing, energy transmitting organizations and system operator at any time of the day.

Footnote. Chapter 3 has been supplemented with Article 6-9 under the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 7. The competence of the state body, exercising management in the spheres of natural monopolies**

Footnote. The title is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2016 № 34-V (shall be enforced from 01.01.2017).

The state body, exercising management in the spheres of natural monopolies shall:

- 1) approve the order of differentiation of the tariffs for electric energy by power-supplying organizations, depending on volumes of its consumption by individuals;
- 2) Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).
- 3) Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).
- 4) keep, post and update every ten days, on a website, a register of organizations licensed to purchase of electrical energy for the purpose of delivering energy;
- 5) exercise state control over compliance by energy-producing organizations with the requirements provided for in subparagraphs 1) and 10) of paragraph 3, paragraph 4 of Article 12 and subparagraphs 1), 2) and 4) of paragraph 3-2 of Article 13 of this Law, and makes binding prescriptions on elimination of revealed violations;
- 6) carry out control of compliance by energy-supplying organizations with requirements, provided by sub-paragraph 3-3 of article 13 and paragraph 1 of article 18 of this Law, and introduce compulsory orders to remedy detected faults;
- 7) applies to the court in cases of violation by energy-producing organizations of the requirements provided for in subparagraphs 1) and 10) of paragraph 3, paragraph 4 of Article 12, subparagraphs 1), 2) and 4) of paragraph 3-2 of Article 13, subparagraphs 1), 2) and 4) paragraph 3-2 of Article 13 of this Law;
- 8) develop and confirm the normative legal acts, determined by this Law, within its competence;
- 8-1) requests and receives from energy-producing organizations information on the fulfillment by energy-producing organizations of the requirements provided for in subparagraphs 1) and 10) of paragraph 3, paragraph 4 of Article 12 and subparagraphs 1), 2)



and 4) of paragraph 3-2 of Article 13 of this Law, in compliance with the requirements established by the laws of the Republic of Kazakhstan for the disclosure of information constituting commercial and other secrets protected by law;

8-2) form the list of targeted support recipients in accordance with this Law;

9) exercise the other powers provided for by this Law, other laws of the Republic of Kazakhstan, and acts of the President and Government of the Republic of Kazakhstan.

Footnote. Article 7 is in the wording of Law of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009); as amended by the Laws of the Republic of Kazakhstan dated 10.07.2009 № 178-IV; dated 05.07.2011 № 452-IV (enforced from 13.10.2011); dated 04.07.2012 № 25-V (refer to Article 2 for the enforcement procedure); and 06.03.2013 № 81-V (enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89- VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 7-1. Licensing in the electric power industry**

Certain types of activities in the electric power industry shall be subject to licensing in accordance with the legislation of the Republic of Kazakhstan on permits and notifications.

Purchase of electric power for energy supply purposes shall be made by energy supplying organizations licensed to pursue this type of activity.

The license for activities on purchase of electric power for energy supply purposes shall be issued to organizations that meet the following qualification requirements:

1) availability of electric networks (cable or overhead power lines) of at least four voltage classes (220, 110, 35, 20, 10, 6, 0.4 kilovolts) with direct technological connection to the national electric power grid;

2) presence of at least thirty thousand directly connected consumers of electric power, including through community networks.

Footnote. Article 7-1 is supplemented by the Law of the Republic of Kazakhstan dated July 27, 2007 № 316 (shall be enforced from the day of its official publication); is in the wording of the Law of the Republic of Kazakhstan dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 7-2. Subsidizing of construction, reconstruction and modernization of heat supply systems**

Footnote. Chapter 2 is supplemented by Article 7-2 in accordance with the Law of the Republic of Kazakhstan dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten

calendar days after its first official publication); excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

### **Article 7-3. Accreditation for carrying out of power expertise and electrolaboratories**

Footnote. Chapter 2 is supplemented by Article 7-3 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication).

### **Article 8. Inadmissibility of interference in production and technological activity**

Central executive bodies, as well as local representative and executive bodies have no right to interfere in the organizations' production and technological activities related to production and transmission of electric power or technological management of these processes, except for cases stipulated by the laws of the Republic of Kazakhstan.

Footnote. Chapter 8 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

### **Article 9. Planning and construction of electrical stations, power transmission lines and substations**

1. Design and construction of duplicating (shunt) transmission lines and substations in addition to existing transmission lines and substations, through which the transmission of electric power to consumers is ensured, are carried out in accordance with the requirements established by the legislation of the Republic of Kazakhstan on the electric power industry.

The basis for the design and construction of duplicating (shunt) transmission lines and substations is the increase in the electric power consumed by the consumer.

1-1. An energy producing organization and a consumer that are part of one group of persons or one hybrid group shall have the right to jointly or independently design, construct and operate their own power transmission lines with a voltage of 220 kilovolts and above, provided that the electric energy transmitted through such lines will be used for consumption within this group of persons or this hybrid group within the oblast as an administrative-territorial unit, and also compliance with the technical requirements determined by the system operator to ensure reliability of the unified electric power system of the Republic of Kazakhstan.

The provisions of this paragraph shall apply to a group of persons if one of such persons has control over another person, as well as if such persons are under the control of one person

Control means the ability of an individual or a legal entity, directly or indirectly (through a legal entity or through several legal entities), to determine the decisions, made by another legal entity through one or more actions:

1) disposal of more than fifty percent of the voting shares (shares in the authorized capital, units) of a legal entity;

For national companies, disposal of at least forty percent of voting shares (participatory interests in the authorized capital, units) of a legal entity;

2) exercising functions of the executive body of a legal entity.

The possibility of an individual or legal entity to indirectly determine decisions made by another legal entity, in accordance with subparagraph 1) of part three of this paragraph, shall mean the disposal by each subsequent legal entity of more than fifty percent of voting shares (participatory interests in the authorized capital, units) of another legal entity; for national companies disposal by each subsequent legal entity of at least forty percent of voting shares (participatory interests in the authorized capital, units) of another legal entity is permissible.

The specified transmission lines on the property right belong to the persons, listed in this paragraph, and without the consent of the owners shall not be subjects to transfer to the national company.

2. Design and construction of power stations, power lines and substations, as well as their operation can be carried out on the basis of public-private partnership agreements, including concession agreements.

2-1. A comprehensive test of electrical installations of an energy-generating organization, including those using renewable energy sources, energy waste disposal, is carried out in accordance with a program agreed with the system operator, subject to a sale and purchase contract of the entire volume of electric power produced during the comprehensive test, in accordance with the power supply network rules.

3. Interregional and (or) interstate transmission lines, substations and switchgears with voltage of 220 kilovolts and above, built on the basis of public-private partnership agreements, including concession agreements, for the period of their operation shall be in temporary possession and use, respectively, of a private partner or concessionaire and be transferred to the republican property since their creation.

4. Centralized operational and dispatching control, as well as operation of interregional and (or) interstate power lines, substations, switchgears with a voltage of 220 kV and above, built on the basis of public-private partnership agreements, including concession agreements, shall be carried out by the system operator on the basis of contracts.

**Footnote.** Article 9 is in the wording of Law of the Republic of Kazakhstan dated 11.04.2006 № 136 (enforced from the date of its official publication); as amended by laws of the Republic of Kazakhstan dated 05.07.2008 № 66-IV (for method of enforcement see Article 2); 29.12.2008 № 116-IV (enforced from 01.01.2009); and 04.07.2013 № 128-V (enforced upon expiry of ten calendar days after first official publication); dated 16.05.2014 №

203-V (shall be enforced upon expiry of six months after its first official publication); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 09.11.2020 № 373-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 03.01.2022 № 101-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Chapter 2-1. General safety requirements in the electrical power industry**

Footnote. Chapter 2-1 is supplemented by the Law of 29 December 2006 № 209, (for method of enforcement see article 2).

### **Article 9-1. General provisions**

1. Organizational actions during operation of electrical equipment, electrical networks, consumer installations must ensure safety for human life and health and the environment.
2. Facilities subject to technical regulation and standardization are electrical equipment, electrical networks, consumer installations intended for production, transmission and use of electric energy, the electric energy.
3. The electric energy quality indicators at the terminals of consumers' electric energy receivers shall comply with the established standards.
4. Characteristics of electric energy quality are:  
maximum deviation of operating voltage from the nominal value;  
deviation of electric current frequency.
5. Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

Footnote. Chapter 9-1 as amended by the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (enacted ten calendar days after the date of its first official publication); dated 05.10.2018 № 184-VI (enacted six months after the date of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

### **Article 9-2. Safety requirements in planning equipment and electrical installations in the electric power industry**

1. In projecting and operation of electric networks, fulfilment of requirements established for electrical energy shall be ensured in accordance with this Law and technical regulations.

2. The equipment of electric power plants, electric networks, and consumer installations intended for generation, transmission, and consumption of electric power shall comply with the technical requirements established by technical regulations.

**Footnote.** Chapter 9-2 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

**Article 9-3. Safety requirements for electrical equipment and materials used in production, transmission and consumption of electric power**

**Footnote.** The heading as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

1. The electrical equipment and materials produced in the Republic of Kazakhstan and imported into its territory must comply with the requirements established by the legislation of the Republic of Kazakhstan in the field of technical regulation.

2. The electrical equipment and materials shall comply with the requirements concerning safety of life and health of human and environment.

3. Commissioning of the equipment of power plants, power grids, consumer installations subject to confirmation of compliance with the requirements established by technical regulations shall not be allowed without a document in the field of conformity assessment.

4. The equipment of power plants, power grids, consumer installations shall be in technically sound state ensuring safe conditions.

**Footnote.** Article 9-3 as amended by Law of the Republic of Kazakhstan № 184-VI as of 05.10.2018 (shall be enforced six months after its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

**Article 9-4. The procedure and requirements for the acquisition of electrical energy by digital miners**

1. Digital miners shall acquire electrical energy in the amount of at least 1 megawatt of average daily (base) power:

1) from a single purchaser at centralized electric energy auctions in the manner approved by the authorized body and within the established quotas determined by the system operator;

2) from energy producing organizations whose generating installations are not connected to the unified electric power grid of the Republic of Kazakhstan, upon confirmation of the absence of connection by the system operator. This rule does not apply to energy-producing organizations whose generating units were connected to the unified electric power grid of the Republic of Kazakhstan before January 1, 2023;

3) produced outside the Republic of Kazakhstan within the technical capability of the unified power grid of the Republic of Kazakhstan, determined by the system operator.

4) from power generating organizations using renewable energy sources that do not have a long-term power purchase and sale contract concluded with the single power purchaser.

2. Digital miners shall be required to have automated systems for commercial metering of electrical energy, special automatic load shedding, telecommunications systems that ensure their unification with systems installed at the system operator and at the power transmitting organization when connected to their networks.

Footnote. Chapter 2 is supplemented by Article 9-4 pursuant to the Law of the Republic of Kazakhstan dated 06.02.2023 № 194-VII (shall be enforced from 01.04.2023); as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (enforcement see Art .3); as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

#### **Article 9-5. Requirements for safe operation of electric charging stations during connection, operation and consumption of electric energy**

1. Connection of electric charging stations to electric networks shall be carried out in accordance with the rules for the use of electric energy.

2. The electric charging stations, including those installed in closed premises, shall be operated in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

3. The procedure for consumption of electric energy used by electric charging stations shall be determined in accordance with the legislation of the Republic of Kazakhstan in electric power industry.

4. Consumption of electric energy by electric charging stations does not apply to household consumption.

Footnote. Chapter 2-1 has been supplemented with Article 9-5 by the Law of the Republic of Kazakhstan dated 18.07.2024 № 126-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Chapter 3. The system operator and the participants of relationships of production, transmission and consumption in the market of electric energy and capacity**

Footnote. The title of Chapter 3 is in the wording of the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 10. System operator**

1. The system operator shall fulfil the following functions:

1) provide a system service in electric energy transmission through the national power grid pursuant to paragraph 7-1 of Article 13 of this Law;

1-1) provide a system service in the use of the national power grid in accordance with paragraph 7-2 of Article 13 of this Law;

1-2) ensure maintenance and keep the national power grid in operational readiness;



2) render system services in technical dispatch control, carrying out centralized operational dispatch management of operating regimes of the single electric power system of the Republic of Kazakhstan in accordance with the contract, including balancing and generation of daily schedule of electrical energy production-consumption;

2-1) provide system services in capacity reservation;

3) ensure reliability of work of the single electric power system of the Republic of Kazakhstan;

4) render system services for regulation of electrical capacity;

5) render system services for production-consumption balancing of electrical energy;

6) provide data to the settlement center of the balancing market for the calculation of hourly volumes of balancing electricity and imbalances of the balancing electricity market entities as prescribed by the authorized body;

6-1) form the list of the wholesale electricity market entities;

7) determine the volume, structure and distribution of power reserves between energy-producing organizations, and activate power reserves in the single electrical energy system of the Republic of Kazakhstan;

8) organise the function of the balancing electrical energy market and the system and ancillary services market;

9) interact with the power systems of neighboring states to manage and ensure the stability of parallel operation modes and regulation of electric capacity;

10) provide technical and methodological management in the creation of a unified information system, an automatic system of revenue metering of electrical energy, adjoined devices of protection equipment, and automatic protective devices of all wholesale electrical energy market entities;

11) secure the equal conditions for access by wholesale electrical energy market subjects to the national electricity network;

12) provide participants in the wholesale electrical energy market of the Republic of Kazakhstan concerning information that is not a commercial or other secret protected by law;

13) coordinates the take-down for repairs of the main equipment of power plants, substations, power lines, relay protection devices and emergency automation, technological control systems;

14) participate in the development of operating regimes of hydroelectric stations, taking account of their water economy balances and the operating regimes of the single electrical energy system of the Republic of Kazakhstan;

15) develop forecasting balances of electrical energy and capacity;

16) organize the function of the electrical capacity market;

18) certifies the electric power of generating plants;

19) Is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

22) Is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

22-1) quarterly provide the authorized body with information on the agreed schemes for the issuance of capacity;

22-2) confirm the deficit and profit of electric energy in the unified electric power system of the Republic of Kazakhstan in accordance with the rules for determining the deficit and profit of electric energy in the unified electric power system of the Republic of Kazakhstan;

22-3) determine the quota of electricity and the profile of electricity consumption available for digital miners' activities, in the context of energy zones in accordance with the legislation of the Republic of Kazakhstan on the electric power industry and publish information on the presence of a shortage and surplus of electricity used to calculate the quota , with appropriate rationale on its Internet resource, and also provide this information to the digital assets authority;

23) carry out other functions provided for by this Law and by Kazakh legislation with regard to support of use of renewable energy sources.

2. The system operator shall have the right for purchase-sale of electricity from a single purchaser, as well as from electricity suppliers selling electricity on the territory of the Republic of Kazakhstan directly on behalf of a foreign producer, in the following cases:

1) for technological and production needs;

2) to ensure the contractual values of electrical energy flows with the energy systems of other states;

3) to participate in the balancing electricity market.

2-1. excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII ( enacted sixty calendar days after the date of its first official publication).

3. The system operator shall provide centralized operational dispatch management of the single electric power system of the Republic of Kazakhstan.

4. Centralized operational dispatch management of the single electric power system of the Republic of Kazakhstan shall include:

1) regimes of management of production, transfer and consumption of electrical energy in the single electric power system of the Republic of Kazakhstan, realizing buy-and-sell agreement conditions, transferring of electrical energy, and regulating electrical capacity and production-consumption balancing of electrical energy;

2) management regimes for interstate transfer of electrical energy;

3) securing the prevention, localization and elimination of disruptions to the single electric power system of the Republic of Kazakhstan;

4) operational management of power reserves in the single electric power system of the Republic of Kazakhstan;

5) determining the structure, principles, locations, volumes and system settings of protection equipment, automatic and performance protective devices, ensuring the reliable and stable operation of the single electric power system of the Republic of Kazakhstan;

6) formation and confirmation of daily schedules of electrical energy production-consumption in the single electric power system of the Republic of Kazakhstan;

7) compilation of actual production-consumption balances of electrical energy on the wholesale electrical energy market.

5. Centralized operational dispatch management of regimes of production, transfer and consumption of electrical energy in the single electric power system of the Republic of Kazakhstan, and issue of the relevant instructions, shall be carried out on the basis of current qualitative characteristic of electrical energy values – capacity, frequency and voltage.

Footnote. Article 10 as amended by Law of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009); 04.07.2009 № 166-IV; 04.07.2012 № 25-V (enforced upon expiry of ten calendar days after first official publication); 04.07.2013 № 128-V (enforced upon expiry of ten calendar days after its official publication); dated 12.11.2015 № 394-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 11.07.2017 № 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 06.02.2023 № 194-VII (shall be enforced from 01.04.2023); dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 10-1. National operator**

Footnote. Chapter 3 is supplemented by Article 10-1 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 10-2. The market council**

1. The market council shall:

1) monitor the functioning of the market for electric energy and capacity;

2) consider investment programs of modernization, expansion, reconstruction and (or) renewal of energy-producing organizations in the order, established by the authorized body;

2-1) submits to the authorized body an expert opinion on the draft forecast balance of electric energy and capacity for the forthcoming seven-year period;

3) make proposals to the authorized body on improvement of the legislation of the Republic of Kazakhstan on electric power industry;

4) perform other functions, determined by the authorized body

2. The decisions of the market council shall be of a recommendatory nature.

Footnote. Chapter 3 is supplemented by Article 10-2 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 05.10.2018 № 184-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

### **Article 10-3. The single purchaser**

1. The single purchaser shall be determined by the authorized body.

2. The single purchaser shall:

1) conclude contracts for the purchase of service on maintaining the readiness of electric capacity;

2) conclude contracts for the provision of service on ensuring the readiness of electric capacity to bearing the load;

3) acquire the service of maintaining the electric capacity readiness in accordance with the contract on purchase of the service of maintaining the electric capacity readiness, including an additional purchase of the volume of the service of maintaining the electric capacity availability in accordance with paragraphs 3-4, 3-5 and 3-6 of Article 15-3 of this Law;

4) provide a service for ensuring the readiness of electric capacity to bearing the load in accordance with the contract for the provision of service on ensuring the readiness of electric capacity to bearing the load;

5) calculate the price of the service on ensuring the readiness of electric capacity to bearing the load for the forthcoming calendar year and its placement on its Internet resource;

6) generate and publish on its Internet resource the list of concluded contracts for the provision of service on ensuring the readiness of electric capacity to bearing the load with indication of the subject of the wholesale market of electric energy.

7) concludes with the winner of the auction an agreement on the purchase of a service to maintain the readiness of electric power for the period specified in Article 15-8 of this Law;

8) allocates funds generated as a result of a positive financial result as part of activities in the electric power market in the year preceding the year in which the price is calculated, to reduce the price of the service to ensure the readiness of electric power to bear the load for the coming year;

9) conclude with a legal entity referred to in subparagraph 1-2) of paragraph 3-1 of Article 15-3 of this Law, a contract on the purchase of services to maintain the electric power readiness for a period established by the resolution of the Government of the Republic of Kazakhstan.

Footnote. Chapter 3 is supplemented by Article 10-3 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 11. Instructions concerning regime of production, transfer and consumption of electrical energy in carrying out centralized operational dispatch management**

1. Orders of the system operator concerning regimes of production, transfer and consumption of electrical energy in fulfilment of centralized operational dispatch management shall be mandatory for all wholesale electrical energy market entities.

2. The system operator may turn off the electric installations of wholesale electrical energy market entities that fail to fulfil operational orders concerning regimes of production, transfer and consumption of electrical energy from electric networks under the centralized operational dispatch management.

#### **Article 12. Rights and obligations of participants in electrical energy production and transfer**

1. Participants in electrical energy production and transfer may:

1) use the system services on the basis of concluded contracts;  
2) receive technical information from the system operator, as required for carrying out production and transfer of electrical energy.

2. Participants in the production and transmission of electric energy, except for net consumers, shall be obliged to:

1) provide the system operator with information necessary for implementation of centralized operational dispatch management of the unified electric power system of the Republic of Kazakhstan, and factual information on technical and economic indicators of power stations operation (production, bus-bar output, in-house needs, unit consumption on the bus-bar output of electric energy);

2) provide the system operator with access to commercial metering devices;

3) ensure the quality and safety of electrical energy in accordance with the requirements established by technical regulations and standardization documents;

4) jointly with the system operator, carry out regulation and maintenance of standard frequency in the unified electric power system of the Republic of Kazakhstan on the basis of concluded contracts;

5) keep the main and auxiliary equipment, means of emergency and mode automation, relay protection, dispatching technological management in working order in accordance with

the requirements of technical regulations, documents on standardization and legislation of the Republic of Kazakhstan on the electric power industry;

6) install new devices for relay protection and emergency control automatics and modernize the operating devices for relay protection and emergency control automatics at their facilities in the volumes, determined by the authorized body;

7) inform, in the procedure, established by the legislation of the Republic of Kazakhstan, the authority for state energy supervision and control of any technological violations in accordance with their classification and accidents, related to operation of power equipment;

8) obtain a passport of readiness in the manner and terms, established by the legislation of the Republic of Kazakhstan;

9) use the information system of the authorized body in accordance with the procedure approved by the authorized body.

3. Energy-generating organizations, with the exception of energy-generating organizations using renewable energy sources, energy waste disposal, are obliged to:

1) to sell electricity at prices not exceeding the relevant marginal tariff for electricity, taking into account hourly rates determined in the manner established by the authorized body;

2) Is excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (shall be enforced from 01.01.2016).

3) Excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (shall be enforced from 01.01.2020);

4) annually, not later than March 31, submit to the authorized body reports on the costs of production and sale of electric energy, on the volume of production and sale of electric energy for the preceding calendar year using the information system of the authorized body;

4-1) direct funds received under subparagraphs 3) and 4) of paragraph 3-1 of Article 15-3 of this Law for maintaining the electric power readiness, in accordance with the procedure established by the authorized body;

4-2) annually, no later than March 31, provide report to the electric power industry authority with evidencing materials on the use of funds received under subparagraphs 3) and 4) of paragraph 3-1 of Article 15-3 of this Law to maintain the electric power readiness;

5) was valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V;

6) was valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V;

7) was valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V;

8) was valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V;

9) at the request of the state body, exercising management in the spheres of natural monopolies, provide information on paper and (or) electronic media within the terms



established by it, which may not be less than five working days from the date of receipt of the request in accordance with subparagraph 8-1) of Article 7 of this Law;

10) to sell the service of maintaining the readiness of electric power at a price not exceeding the marginal tariff for the service of maintaining the readiness of electric power (with the exception of the volume of the service of maintaining the readiness of electric power, in provision of which the operating energy-generating organizations and winners of tenders for the construction of newly commissioned generating plants, as well as the winners of the auction, use an individual tariff for the service of maintaining the readiness of electric power);

11) carry out day-to-day regulation of electric power generation in accordance with the orders of the system operator at the centralized operational and dispatching control of the unified electric power system of the Republic of Kazakhstan.

12) ensure availability of an automated commercial metering system and telemetry systems enabling transfer of hourly metering data from the database of the automated commercial electricity metering system on harmonized protocols to the central database of automated commercial electricity metering system of the system operator.

3-1. To ensure the reliability of energy supply to consumers, energy-producing organizations shall be obliged to replace emergency-discharging capacities by purchasing electricity in the volumes, necessary to meet daily delivery schedules. Purchase of electricity in the volumes of emergency- discharged capacities by energy-producing organizations shall be carried out as from other energy-producing organizations and from the system operator in the framework of the concluded recent contracts for emergency mutual assistance with energy systems of neighboring countries.

4. Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII ( shall be enforced from 01.07.2023).

5. Valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V.

6. The power-supplying, power-transmitting organizations and consumers, being the subjects of the wholesale market of electric energy shall be obliged to sign contracts for rendering the service in ensuring the readiness of electric capacity to bearing the load and to participate in the market of electric capacity with the single purchaser on the basis of these contracts.

7. Power transmission organizations shall be obliged not to exceed the regulatory values of power supply reliability indicators approved by the authorized body, and also to post information on power supply reliability indicators on their Internet resource in accordance with the requirements of the legislation of the Republic of Kazakhstan on the electric power industry.

8. To be entered on the list of the wholesale electricity market entities, formed by the system operator, the relevant legal entity must:

1) conclude an agreement on the provision of services for the use of the national electric grid with the system operator in accordance with paragraph 7-2 of Article 13 of this Law;

2) conclude an agreement on the provision of services for transmission of electric energy through the national power grid with the system operator in accordance with paragraph 7-1 of Article 13 of this Law;

3) conclude a contract for the services in the transmission of electrical energy with energy transmission organizations (if necessary);

4) conclude a contract for the services in organizing balancing of the production-consumption of electrical energy with the system operator;

5) conclude a contract for the services in technical dispatching of the production-consumption of electrical energy with the system operator (in presence of generating installations, also imports).

9. The wholesale electricity market entities are obliged to pay for the services of energy transmission organizations for the transmission of electrical energy, services for the use of the national electrical network and services for the transmission of electrical energy through the national electrical network based on the volumes of electrical energy actually consumed by them during the billing period (calendar month) according to the indications of relevant devices for commercial metering of electric energy at the rates specified in the respective contracts.

Footnote. Article 12 as amended by laws of the Republic of Kazakhstan dated 29.12.2006 № 209 ( for method of enforcement see Article 2); 29.12.2008 № 116-IV (enforced from 01.01.2009); 04.07.2012 № 25-V (the order of enforcement see Art. 2); 04.07.2013 № 128-V (enforced upon expiry of ten calendar days after first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 12.11.2015 № 394-V (for the procedure of enforcement, see Article 2); dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty-one calendar days after its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); 184-VI as of 05.10.2018 № (shall be enforced six months after its first official publication); dated 09.11.2020 № 373-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 03.01.2022 № 101-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 19.04.2023 № 223-VII ( enforcement see Art. 3); dated 06.04.2024 № 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication); dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enforcement see Art. 2).

**Article 12-1. The procedure for determining the marginal tariffs for electric energy, the marginal tariff for balancing electricity, the marginal tariff for negative imbalances, the marginal tariffs for the service of maintaining the electrical capacity readiness**

**Footnote. The heading of Article 12-1 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023).**

1. Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).

2. An energy producing organization shall sell electricity not higher than the marginal tariff for electricity multiplied by the relevant hourly rates established in the manner determined by the authorized body.

The marginal tariff for electrical energy shall be approved by groups of energy producing organizations that sell electrical energy every seven years, by years, and adjusted as necessary

To determine the marginal tariff for electrical energy for the first seven years of its validity, the maximum costs for the production of electrical energy that have developed in the corresponding group of energy-producing organizations selling electrical energy during the year preceding the year of introducing the marginal tariff for electrical energy shall be used.

The marginal tariff for balancing electricity shall be determined as the highest marginal tariff for electrical energy in the unified electric power grid of the Republic of Kazakhstan, taking into account hourly rates determined in the manner established by the authorized body, increased by the addition for balancing determined according to the methodology approved by the authorized body.

The marginal tariff for negative imbalances, which is the maximum permitted for the balancing electric energy market entities price for the purchase of negative imbalances from the settlement center of the balancing market, shall be determined as the lowest marginal tariff for electrical energy in the unified electric power system of the Republic of Kazakhstan.

The maximum tariff for electric energy shall be adjusted no more than once a year based on an application from an energy producing organization to the authorized body, submitted with the use of the authorized body's information system, in connection with a change in the cost of coal, gas, sulfur-containing raw materials, petroleum products used as fuel for the production of electric energy, water used for technological needs in the process of producing electric energy, and (or) tariffs (prices) subject to state regulation in the transportation of coal, gas, sulfur-containing raw materials, petroleum products.

If the energy producing organization has incurred losses associated with the above costs, the authorized body shall take into account the costs incurred when adjusting the marginal tariffs for electricity for a period of not more than six months.

The marginal tariff for electrical energy for newly commissioned energy producing organizations shall be determined on the basis of the forecast costs for the production of

electrical energy in the coming year and shall be approved for the period of validity of the marginal tariffs for electrical energy approved for existing energy producing organizations.

Documents confirming the need to approve or adjust the maximum tariff level for electric energy shall be provided by energy producing organizations through the authorized body's information system.

Issuing from the report referred to in subparagraph 4) of paragraph 3 of Article 12 of this Law, the authorized body shall review the level of the marginal tariff for electricity for a newly commissioned energy producing organization.

2-1. The energy-producing organization independently sets the tariff for the service for maintaining the readiness of electric capacity, which may not be higher than the marginal tariff for the service for maintaining the readiness of electric capacity.

The marginal tariff for the service for maintaining the readiness of electric capacity is approved by the authorized body for a seven-year period, with a breakdown by years and adjusted if necessary in order to ensure the investment attractiveness of the industry.

The basis for determining the marginal tariff for the service for maintaining the readiness of electric capacity for the first seven years of its validity is the total amount of investments (except for investments due to depreciation) made by energy-producing organizations in 2015 under agreements with the authorized body.

**Sub-paragraphs 1-5 of paragraph 3 shall be valid until 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V.**

3. For selling of electrical energy at prices not exceeding the marginal tariff, the energy-producing organization shall conclude an agreement with the authorized body in established manner.

The agreement shall include the investment obligations of the energy-producing organization on realization of measures aimed at establishing new active assets and extending, updating, supporting, reconstructing and re-equipping the current active assets.

The agreement shall determine the list of actions connected with production of electrical energy, with indication of actual volumes and amounts of investments for every action.

On conclusion of agreement, the conclusion of the independent energy assessment for confirming the technical condition of equipment shall be considered.

Introduction of amendments and/or additions to the agreement with reduction of total amount of investments is not allowed, with the exception of cases of reduction of selling price of electrical energy within the frame of marginal tariff and volume of electrical energy production.

**The sub-paragraph shall be valid till 01.01.2017 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V.**

The authorized organisation shall monitor the fulfilment of agreements by the energy-producing organizations, expenses for production and sales of electrical energy, and volumes of production and sales of electrical energy.

The sub-paragraph shall be valid till 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V.

The energy-producing organization shall individually determine its investment commitments in accordance with the planned depreciation deductions and with the net profit ratio from electrical energy sales at prices not exceeding the marginal tariff.

Paragraph 3-1 shall be valid till 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V.

3-1. The energy-producing organization shall present the project agreement to the authorized body before October 1 of the year preceding that for which the agreement is concluded.

According to the results of the consideration, the authorized organisation shall send a copy of the signed agreement or motivated decision to refuse conclusion of agreement, within forty calendar days calculated from the date of receipt the project agreement by the authorized body.

Unwarranted refusal or avoidance of conclusion of agreement by the parties shall not be allowed.

If the authorised organisation fails to provide its answer within the periods established by this Law, the agreement shall not be considered concluded.

If agreement is not reached under the terms of project agreement within thirty calendar days from the date of receipt by the energy-producing organization of the authorised organisation's refusal to conclude of agreement, the disagreements arising on conclusion of agreement shall be settled in accordance with the Kazakh civil legislation.

In the period of settlement of the dispute, the energy-producing organization shall sell electrical energy at a price not exceeding expenses for generation of electrical energy, excluding depreciation costs and profit.

4. Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).

5. Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).

6. Is excluded by Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced from 01.01.2019).

Footnote. Chapter 3 is supplemented by Article 12-1 in accordance with Law of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009); as amended by Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); № 394-V as of 12.11.2015 (shall be enforced from 01.01.2019); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.12.2020 № 380-VI (for the



procedure of enforcement see Article 2); dated 06.02.2023 № 194-VII (shall be enforced from 01.04.2023); dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

### **Article 13. Requirements to participants in production and transfer of electrical energy**

1. Regional electric network companies ensure compliance with the daily schedules of production and consumption of electric energy by all subjects of the wholesale and retail electric power market connected to their network, and compliance with the balance of electric energy flows agreed with the system operator between the networks of regional electric grid companies and the national electric grid.

1-1. The regional electric grid companies to whose electric networks the items using the renewable energy sources are directly joined, are obliged to buy in full measure the electrical energy produced by the relevant qualified energy-producing organizations using renewable energy sources.

2. In the event of power outage through no fault of the consumer, the power supply shall be provided by an energy-supplying organization - a guaranteeing electrical energy supplier under standard form contracts.

3. Energy supplying organizations shall purchase electrical energy to supply their consumers with energy from a single purchaser of electrical energy and (or) from net consumers.

Power supplying organizations shall, as a matter of priority, buy electricity from hydroelectric power plants with a total installed capacity of not more than 10 megawatts, located in their service area, commissioned before July 1, 2023, and which as of July 1, 2023 did not have long-term contracts for the sale and purchase of electricity concluded with a single purchaser in accordance with the legislation of the Republic of Kazakhstan in the field of support for the use of renewable energy sources, at the marginal tariff for electricity established in accordance with the legislation of the Republic of Kazakhstan in the field of support for the use of renewable energy sources.

At the same time, the purchase of electricity from these hydroelectric power plants shall be allowed at the level of installed capacity as of July 1, 2023.

3-1. Energy producing organizations shall be obliged to sell the entire volume of electric energy supplied to the grid to the single purchaser of electric energy and (or) consumers included in the same group of persons with them, or to a hybrid group administrator included in the same hybrid group with them, in accordance with this Law.

Energy producing organizations that sell electric power to consumers that are part of the same group of persons with them, and to the administrator of a hybrid group that is part of the same hybrid group with them, shall be obliged to sell electric energy outside the group of persons and the hybrid group only to the single purchaser of electric energy. In this case, a



consumer is recognized as a legal entity that purchases electric energy for its own needs without further sale.

At the same time, the volume of electric energy that is not declared for sale by the energy producing organization in accordance with parts one and two of this paragraph shall not be subject to sale by submitting an application for participation in upward balancing.

3-2. The energy-producing organization shall be prohibited to:

1) realization (sale) of electric energy to the retail electric energy market entities, and also the wholesale electric energy market entities, except for a single purchaser of electric energy and (or) consumers who are members of the same group of persons with it, or an administrator of a hybrid group who is a member of the same hybrid group with it;

1-1) sale of electric energy in the absence of an automated system for commercial metering of electric power, which ensures the transfer of hourly metering data according to agreed protocols to the central database of the automated system for commercial metering of electric power of the system operator;

1-2) realization (sale) of electric energy to digital miners, except for cases specified in subparagraphs 2) and 4) of Article 9-4 of this Law;

2) acquisition (purchase) of electrical energy from another energy producing organization;

3-1) realize (sell) electrical energy to energy-supplying, energy-transmitting organizations and consumers who are wholesale electricity market entities without contracts for rendering the service for ensuring the readiness of electric capacity to bear the load with the single purchaser;

3-2) unreasonable refusal or evasion from concluding an agreement with individual buyers of electric power in the wholesale market that have an agreement with a single purchaser for the provision of services to ensure the readiness of electric power to bear the load, if there is free electric power for release to the network of own generating plants, information about which is posted by the energy generating organization on its Internet resource in accordance with paragraph 13 of this article, based on the results of centralized electricity trading, as well as an unreasonable reduction in the volume of electricity production, including hourly, or termination of production of electricity for which there is a demand and consumer orders.

At the same time, the refusal or evasion from concluding a contract, as well as the reduction or termination of the production of electrical energy are considered justified in one of the following cases, if: the energy-generating organization does not have the technical possibility of production, distribution of electric power confirmed by the system operator at the time of the consumer's request;

the energy generating organization provides power regulation services to the system operator for the amount of the contractual volume (regulation range);

the energy generating organization maintains the necessary amount of the reserve of electric power to provide electric power to consumers included in the Register of the relevant group of persons, in the amount of not more than ten percent of the available power;

the buyer of electricity on the wholesale market does not confirm solvency at the time of application;

purchases from the settlement and financial center for the support of renewable energy sources of electric power generated by objects for the use of renewable energy sources, objects for energy waste disposal.

4) Acquisition (purchase) of electrical energy for the purpose of energy delivery, with the exception of cases of:

emergency disposal of capacities in a volume, determined according to the daily electrical energy production schedule;

At the same time, the refusal or evasion from concluding a contract, as well as the reduction or termination of the production of electrical energy are considered justified in one of the following cases, if: the energy-generating organization does not have the technical possibility of production, distribution of electric power confirmed by the system operator at the time of the consumer's request;

3-3. The energy-producing organization shall be prohibited to:

1) sale of electric energy to digital miners, another energy supply organization, also its acquisition (purchase) from another energy supply organization, with the exception of energy supply organizations selling electric energy volumes purchased from outside the Republic of Kazakhstan;

2) sell (trade in) of electrical energy to consumers that are subjects of the wholesale electricity market and are on the list of consumers of the power market formed by the system operator.

The list of consumers of the power market shall be posted on the Internet resource of the system operator and is updated by the system operator upon a change in the composition of consumers of the power market.

The prohibition provided for in subparagraph 2) of part one of this paragraph shall not apply to the following cases of sale of electric energy to consumers that are subjects of the wholesale electric energy market:

Consumers, included into the Register of the relevant group of persons;

in a total volume of not more than 1 megawatt of average daily (base) power for supply to separate structural subdivisions of the consumer;

for a period not exceeding forty-five calendar days from the moment the consumer is included in the list of consumers of the power market;

on the volumes of electrical energy purchased from outside the Republic of Kazakhstan.

3-4. The legislation of the Republic of Kazakhstan on public procurement does not apply to legal relations in the wholesale electric energy and capacity market related to the purchase

of electric energy and capacity, balancing electric energy and negative imbalances, services for the use of the national electric grid, services for the transmission of electric energy, including through the national electric grid, technical dispatching services, services for organizing the balancing production-consumption of electric energy, services of the centralized trading market operator, services for ensuring the electric capacity readiness.

**3-5. Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII ( shall be enforced from 01.07.2023).**

**3-6. The purchase of services for regulation of electric power, including from outside the Republic of Kazakhstan, shall be carried out in accordance with the concluded agreements at an agreed price by the system operator from energy generating organizations, as well as from non-resident organizations whose main activities include the provision of this service.**

**At the same time, the system operator shall purchase electric capacity regulation services from power plants of energy producing organizations of the unified electric power system of the Republic of Kazakhstan, which are connected to the system of automatic frequency and capacity regulation of the system operator.**

**The price for electric capacity regulation service shall be set in accordance with concluded bilateral contracts. At that, the purchase price of electric capacity regulation services by the system operator, specified in the relevant contracts concluded with the subjects of the wholesale electricity market, may not be lower than the highest of the following prices: the maximum contractual price of purchase of this service from outside the Republic of Kazakhstan and the maximum contractual price of sale of this service outside the Republic of Kazakhstan for the relevant period.**

**3-7. A power supplying organization shall be allowed to sell electric energy only within the administrative-territorial unit (region) where its electric networks are located.**

**3-8. Hybrid group administrator shall:**

**1) acquire (purchase) electric energy from energy producing organizations included in the relevant hybrid group;**

**2) realize (sell) electric energy to the hybrid group consumers;**

**3) participate in the balancing market of electric energy and the electric capacity market in the manner established by the legislation of the Republic of Kazakhstan in the electric power;**

**4) act as a balance provider of the hybrid group;**

**5) bear financial obligations in the wholesale electricity and capacity market for energy producing organizations and consumers of the hybrid group included in the hybrid group to the single electric energy purchaser, the system operator, the settlement center of the balancing market;**

**6) ensure unified management of electricity production and consumption modes of energy producing organizations and consumers belonging to one hybrid group.**

3-9. The hybrid group administrator has the right to sell electric energy to the single purchaser of electric energy in the manner established by this Law, if there is an approved maximum tariff from an energy producing organization that is part of the hybrid group.

3-10. A hybrid group consumer has the right to purchase electric energy from the single purchaser in the manner established by this Law.

3-11. The hybrid group administrator shall be prohibited from:

1) realization (selling) of electric energy to the retail electric energy market entities;

2) realization (selling) of electric energy in the absence of an automated system for commercial metering of electric energy that ensures transfer of hourly metering data according to harmonized protocols to the central database of the automated system for commercial metering of electric energy of the system operator.

4. Energy-producing organizations maintain the capacity reserves, volume, structure and placement in the manner prescribed by the rules for organization and operation of the system and auxiliary services market, rules for organization and operation of the electric power market.

5. Those involved in relations of production, transfer and consumption of electrical energy shall bear mutual obligations for financial settlement on a balanced electrical energy market between contractual and actual electrical energy production-consumption values, on the basis of balanced electrical energy volume calculations presented by the system operator and based on the results of physical settlement of electrical energy unbalances.

6. Power-transmitting organizations, subjects of the wholesale market of electric energy, regardless of the form of ownership, shall be obliged to participate in the balancing electricity market on the basis of contracts, concluded with the system operator for rendering services on organization of balancing of electric energy production and consumption and the purchase and sale of balancing electric energy.

6-1. Power-transmitting organizations, subjects of the wholesale market of electric energy shall be obliged to participate in the balancing market of electric energy, functioning in the simulation mode on the basis of the contracts, concluded with the system operator for rendering system services on organization of balancing of electric energy production-consumption.

6-2. Consumers that are subjects of the wholesale electricity market are required to have automated systems for the commercial accounting of electric energy, telecommunications systems that ensure their unification with the systems installed at the system operator and, if necessary, at the regional electric grid company.

6-3. To implement technological connection to electric networks, power transmission organizations shall be obliged to conclude contracts for technological connection of electric installations with an installed capacity of up to 200 kW of entrepreneur entities to electric

networks of power transmission organizations. The contract shall be considered concluded after payment of the cost (list of costs) for technological connection to the electric networks of the energy transmitting organization.

7. Energy producing organizations - hydroelectric power plants are obliged to sell the electric energy generated during the period of environmental water releases to the single electric energy purchaser in the manner determined by the authorized body.

7-1. The service for electric energy transmission through the national electric grid shall be paid on the basis of the concluded agreement with the system operator by:

1) the single electric energy purchaser when exporting electric energy in accordance with this Law;

2) wholesale market entities importing electric energy, with the exception of the single electric energy purchaser, in accordance with this Law;

3) conditional consumers, hybrid group consumers when they purchase electric energy for facilities included in their composition, both from generation facilities included in their composition and from the single electric energy purchaser (including when distributing the share of electric energy from renewable energy sources in accordance with subparagraph 7) of paragraph 5 of Article 19-1 of this Law) and the balancing market settlement center;

4) wholesale electric energy market entities when they purchase electric energy under bilateral agreements from energy producing organizations using renewable energy sources;

5) authorized organizations of other states when implementing interstate transmission of electric energy through the national electric grid.

7-2. The service for using the national power grid shall be paid for on the basis of an agreement concluded with the system operator by energy transmission organizations, energy supply organizations, consumers and digital miners, which are the wholesale electric energy market entities, when they purchase electric energy from the single electric energy purchaser and perform purchase-sale transactions of balancing electric energy and negative imbalances with the settlement center of the balancing electric energy market, including through balance providers in accordance with this Law.

The service for using the national electric grid is not provided to the wholesale electric energy market entities specified in paragraph 7-1 of Article 13 of this Law, with the exception of other wholesale electric energy market entities specified in subparagraph 4) of paragraph 7-1 of Article 13 of this Law, when they purchase electric energy from the single electric energy purchaser and perform purchase-sale transactions of balancing electric energy and negative imbalances with the settlement center of the balancing electric energy market.

8. The head managers, technical managers (chief engineer), heads of the safety and labor protection service (department) of energy producing and energy transmitting organizations, the system operator shall be appointed after passing a qualification test in technical operation rules and safety regulations in the manner established by the authorized body.

Personnel operating, repairing, adjusting and installing power equipment of electric power plants of the unified electric power system of the Republic of Kazakhstan, electric networks, electrical installations of consumers, as well as experts are required to pass a knowledge test and have appropriate access to carry out activities related to the operation, repair, adjustment and installation, as well as inspection of power equipment and electrical installations of consumers.

9. The electrical energy shall be sold outside the Republic of Kazakhstan at the price not lower than the cost of production of exported electrical energy only in the event of a surplus of electrical energy in the unified electric power grid of the Republic of Kazakhstan or its parts, confirmed by the system operator in accordance with the rules for determining the deficit and surplus of electric energy in the unified power grid of the Republic of Kazakhstan, approved by the authorized body, with the exception of export deliveries and trade for the purpose of providing irrigation water to irrigated lands in certain regions of the country.

10. Acquisition of electric energy, produced outside the Republic of Kazakhstan shall be carried out exclusively in case of deficit of electric energy in the unified electric power system of the Republic of Kazakhstan or its parts, confirmed by the system operator in accordance with the rules for determining the deficit and profit of electric energy in the unified electric power system of the Republic of Kazakhstan, approved by the authorized body.

11. The requirements of paragraphs 9 and 10 of this article shall not apply to the following cases:

1) purchase and sale of electrical energy by the system operator to supply the contractual values of electrical energy flows to provide emergency mutual assistance with the energy systems of neighboring states and participate in the balancing electricity market;

2) ensuring the receipt (supply) of electric energy within the common electric power market of the Eurasian Economic Union and with the energy systems of neighboring states in pursuance of intergovernmental (interstate, interdepartmental) agreements (protocols).

12. Energy transmission organizations monthly post on their Internet resources the information on the capacity of their own power transmission lines and substations.

13. Energy-generating organizations post on their Internet resources the information for each day on the electric power of their own generating plants, contracted, planned for sale at centralized auctions and free for release to the grid.

14. Specifications for connection to electrical networks for digital miners shall be issued by energy transmission organizations exclusively from transformer substations with the voltage of 35 kilovolts and higher with permitted power of at least one megawatt in accordance with the legislation of the Republic of Kazakhstan on the electric power industry.

The requirements of this paragraph do not apply to:

1) digital miners using electricity generated by generating units that are not connected to the unified electric power grid of the Republic of Kazakhstan;



2) digital miners who connected to the electric grids of an energy transmission organization before April 1, 2023, upon submitting electronic copies of the technical specifications for connection to electric grids with the relevant type of activity (data centers, production and industrial buildings) and confirmation of compliance with the issued technical specifications from the energy transmission or energy producing organization that issued them.

15. It shall be forbidden for the power transmission organization to prevent and restrict the consumer in the choice of the power supply organization.

Footnote. Article 13 as amended by laws of the Republic of Kazakhstan dated 27.05.2007 № 316 (enforced from the date of its official publication); 29.12.2008 № 116-IV (enforced from 01.01.2009); 04.07.2009 № 166-IV; 10.07.2009 № 178-IV; 04.07.2012 № 25-V ((order of implementation see Art. 2)); 04.07.2013 № 128-V (enforced upon expiry of ten calendar days after first official publication); dated 12.11.2015 № 394-V (for the procedure of enforcement see Article 2); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 202-VI as of 26.12.2018 (shall be enforced from 01.01.2019); № 241-VI as of 02.04.2019 (shall be enforced ten calendar days after its first official publication); dated 09.11.2020 № 373-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 03.01.2022 № 101-VII ( shall be enforced upon expiry of sixty calendar days after the date of its first official publication); dated 30.06.2022 № 130-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 06.02.2023 № 194-VII (shall be enforced from 01.04.2023); dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023); dated 06.04.2024 № 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication); dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (order of implementation see Art. 2).

#### **Article 13-1. Requirements for the activity on electric energy transfer**

1. An owner of electrical networks, rendering a service on transfer of electric energy shall have the right to carry out realization (sale), transfer, on a gratuitous basis or in trust management its electrical networks to an energy-transmitting organization, directly to the electrical networks of which they are connected, in accordance with the procedure, established by the legislation of the Republic of Kazakhstan.

An owner of electrical networks shall not have the right to transfer such electrical networks of energy-transmitting organization, to the electrical networks of which they are not connected.

2. Electrical networks, being under the right of economic management or operational management of state legal entities, with the exception of electrical networks, used for their

own needs, shall be transferred in trust management or gratuitous use of energy- transmitting organizations, directly to the electrical networks of which they are connected.

3. The owner of electrical networks, rendering a service on electricity transfer, shall be obliged to:

1) maintain them in working condition and ensure their safety and integrity until they are fully transferred to the energy- transmitting organization in accordance with paragraph 1 of this Article;

2) prevent actions leading to cessation of power supply to consumers, connected to their electrical networks, except for the cases, stipulated by the legislation of the Republic of Kazakhstan;

3) prevent actions leading to cessation of the transfer of electric energy to consumers through their networks, as well as to the breakdown, dismantling, damage, destruction, deliberate damage (deterioration) of their electric networks.

4. In case, when the owner of electrical networks expressed a desire to transfer the electrical networks, belonging to him to the energy-transmitting organization, to whose networks they are directly connected, in trust management or on gratuitous basis, the regional power grid company does not have the right to interfere with such transfer.

5. The provisions, specified in paragraphs 1 and 4 of this Article do not apply to the system operator.

6. Energy-transmitting organizations must comply with the requirements for the activity on the transfer of electric energy and include the availability of:

1) dispatching technological management;

2) the services, completed with the trained and certified personnel, performing operation and technical maintenance of electrical networks, equipment, mechanisms, labor protection and safety measures, provided with the means of individual and collective protection, uniform , tools and appliances;

3) contracts with the system operator for rendering of system services in accordance with the legislation of the Republic of Kazakhstan on the electric power industry;

4) automated systems of commercial registration, telecommunications systems, ensuring their unification with the systems, installed at the system operator and the regional power grid company.

The procedure for determining the compliance of energy- transmitting organizations with the requirements for the activity of electric energy transfer shall be determined by the authorized body.

It shall not be allowed to include in the tariffs or their ultimate levels for the electric energy transfer service the costs, associated with meeting the requirements for the activity on electric energy transfer, provided for in this paragraph.

7. Newly created energy-transmitting organizations must comply with the requirements for the activity on transfer of electric energy, specified in paragraph 6 of this Article.

8. The energy-transmitting organizations, not later than one year after the occurrence of cases, established by Article 119-2 of the Law of the Republic of Kazakhstan "On State Property", provide re-approval of the tariff for the service on electric energy transfer in accordance with the legislation of the Republic of Kazakhstan on natural monopolies.

Footnote. Chapter 3 is supplemented by Article 13-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Chapter 4. Organizing energy delivery on the basis of functioning of the electrical energy market**

##### **Article 14. Electric power market**

Footnote. The heading of Article 14 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

1. Energy supply in the Republic of Kazakhstan is carried out under the conditions of functioning of electric power markets.

2. Electric energy is a commodity on the market.

3. The electric energy market consists of two levels: wholesale and retail electric energy markets.

4. Is excluded by Law of the Republic of Kazakhstan dated 05.07.2011 № 452-IV (enforced from 13.10.2011).

5. The system operator, regional electric grid companies and other organizations, owning electrical networks shall provide free access for all market participants to the electric energy market in the manner, determined by the state body, exercising management in the spheres of natural monopolies.

6. An energy transmitting organization has no right to refuse to connect energy producing organizations, net consumers and consumers to electric networks, also to transmit electric energy, provided that they meet the requirements established by regulatory legal acts of the Republic of Kazakhstan.

7. Relations arising during the production, transmission and consumption in the electric energy market shall be regulated in the electric power industry by relevant agreements.

Footnote. Article 14 as amended by laws of the Republic of Kazakhstan dated 11.04.2006 № 136 (enforced from date of first official publication); 27.07.2007 № 316 (enforced from date of first official publication); 29.12.2008 № 116-IV (enforced from 01.01.2009); 05.07.2011 № 452-IV (enforced from 13.10.2011); dated 12.28.2016 № 34-VI (shall be enforced from 01.01.2017); dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of ten calendar days after its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

##### **Article 15. Wholesale electric energy market and capacity**

Footnote. The heading of Article 15 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023).

1. The wholesale market of electric energy and capacity shall consist of:

1) the wholesale electricity market associated with the purchase and sale of planned electricity volumes included in the daily schedule for the electricity production and consumption, approved by the system operator;

2) real-time balancing electricity market, functioning for the purpose of physical and subsequent financial settlement of hourly imbalances that arise on an operating day between the actual and planned volumes of electricity included in the daily schedule for the electricity production and consumption, approved by the system operator;

3) the system and ancillary services market, functioning on the basis of both the acquisition of ancillary services from the wholesale electricity market entities, and provision by the system operator of system services to the wholesale electricity market entities to ensure reliability of the operation of the unified electric power system of the Republic of Kazakhstan and the quality of electric energy established by national standards;

4) electric capacity market.

2. An operator of the centralized trading market shall:

1) organize and conduct spot biddings;

2) organize and conduct centralized electric capacity trading for one year;

3) secure conditions of equal access to the centralized electrical energy market for wholesale electrical energy market entities;

3-1) provide open access to the results of trading in electricity and capacity, including information about bidders, bids filed from energy producing organizations and a single purchaser (date and time of filing, price, volume) and trading results (date and time of the transaction, price, volume, cost, parties to the transaction);

3-2) publish daily information on centralized trading, including information on participants in the trading, submitted applications (date and time of applying, price, volume), and on the trading results (date, price, volume, cost, parties to the transaction) on its Internet resource after coordination with the system operator;

4) determine compliance of the wholesale electrical energy market entities with requirements determined by the rules of centralized electrical energy trade;

5) register and record concluded transactions in buying and selling of electrical energy on centralized electrical energy bids;

6) provide information to the wholesale electrical energy market entities, within its competence, at indicative prices for electrical energy calculated on centralized bids and other market information;

7) organize and conduct financial settlement payments for transactions concluded on spot bids.

3. Functioning of the balancing market of electric energy in the imitation mode shall be carried out in the order and terms, established by the authorized body.

Footnote. Article 15 as amended by laws of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009); 05.07.2011 № 452-IV (enforced from 13.10.2011); 10.07.2012 № 31-V (enforced upon expiry of ten calendar days after first official publication) ; dated 09.29.2014 № 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 12.11.2015 № 394-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 19.04.2023 № 223-VII ( enforcement see Art. 3); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

**Article 15-1. Procedure and requirements for the development of the forecast balance of electrical energy and capacity for a forthcoming seven-year period**

1. Annually, on or before October 15, the system operator shall develop a forecast balance of electrical energy and capacity for a forthcoming seven-year period in the manner determined by the authorized body.

In the forecast balance of electrical energy and capacity for the forthcoming seven-year period, in terms of the balance of electric capacity developed as of the day of annual maximum electrical load in the single electric power system of the Republic of Kazakhstan, it is necessary to take into account:

1) the amount of available electric capacity of power-generating installations, re-commissioned on a tender basis, for the construction of which the authorized body has entered into a contract with the winner of the tender;

2) the amount of available electric capacity of power-generating installations of operating energy-producing organizations, commissioned under investment agreements on modernization, expansion, reconstruction and (or) renewal, concluded with the authorized body;

3) the amount of available electric capacity of existing power-generating installations of operating energy-producing organizations, except for the available electric capacity specified in subparagraph 2) of this paragraph;

4) the amount of available electric capacity planned for commissioning by operating energy-producing organizations in addition to the amount of available electric capacity specified in subparagraph 3) of this paragraph, without entering into an investment agreement on modernization, expansion, reconstruction and (or) renewal with the authorized body (given the presence of design estimate documentation approved in accordance with the legislation of the Republic of Kazakhstan on architectural, town-planning and construction activity);

5) the amount of available electric capacity of new power plants, planned for commissioning without holding by the authorized body of a tender for the construction of re-commissioned generating plants (given the presence of design estimate documentation

approved in accordance with the legislation of the Republic of Kazakhstan on architectural, town-planning and construction activity);

6) the volume of available regulating electric power of newly commissioned generating plants with a maneuverable generation mode, including auction winners;

7) the required volume and deficit of regulating electric power for the unified electric power system of the Republic of Kazakhstan or for any of its zones, determined by the system operator in accordance with the procedure determined by the authorized body.

2. Within one month of receipt of the developed forecast balance of electrical energy and capacity for a forthcoming seven-year period, the authorized body sends it to the market council for an expert opinion and is obliged to attach an explanatory note thereto.

3. The market council shall send to the authorized body an expert opinion on the developed draft forecast balance of electrical energy and capacity for the forthcoming seven-year period within fifteen working days of its receipt.

Expert opinions shall be submitted in the state language and, if necessary, in the Russian language.

4. If the authorized body agrees with the expert opinion, it shall make appropriate changes and (or) additions to the forecast balance of electrical energy and capacity for the forthcoming seven-year period.

In case of disagreement with the expert opinion, the authorized body shall send its response to the market council with a rationale for disagreement.

5. In cases where the market council requires a joint meeting with the authorized body, it is mandatory to hold such a meeting.

6. The authorized body approves the forecast balance of electrical energy and capacity for the forthcoming seven-year period within three months of its receipt.

7. The approved forecast balance of electrical energy and capacity for the forthcoming seven-year period shall be posted on the website of the authorized body and the system operator within ten working days of its approval.

8. If in the approved forecast balance of electrical energy and capacity for the forthcoming seven-year period, the projected uncovered power shortage in the single electric power system of the Republic of Kazakhstan or in one of its zones exceeds 100 megawatts during the first five years of the forecast, the authorized body, within thirty calendar days, sends notifications to consumers, included in the Register, of the occurrence of the projected uncovered power deficit.

A zone of the single electric power system of the Republic of Kazakhstan is part of the single electric power system of the Republic of Kazakhstan without technical limitations impeding the transmission of electrical energy produced by power generating sources, determined in accordance with the procedure for the development of forecast balances of electrical energy and capacity.



Uncovered power deficit is calculated with account of the transmission capacity of power lines, which connect zones suffering from power deficit with other zones of the single electric power system of the Republic of Kazakhstan.

9. In the event that in the approved forecast balance of electric power and capacity for the next seven-year period, the forecast uncovered deficit of regulating electric power in the unified electric power system of the Republic of Kazakhstan or in any of its zones during the last three years of the forecast exceeds 100 megawatts, the authorized body determines the volumes, terms of commissioning of regulating generating plants with a maneuverable generation mode and sends notifications to the consumers included in the Register about the occurrence of a forecast uncovered shortage of regulating electric power.

**Footnote.** Chapter 4 is supplemented with Article 15-1 in accordance with Law of the Republic of Kazakhstan № 25-V as of 04.07.2012 (shall be enforced ten calendar days after its first official publication); as amended by Law of the Republic of Kazakhstan № 184-VI as of 05.10.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

#### **Article 15-2. Certification of electric capacity of generating installations**

1-1. The energy-producing organization shall carry out an implementation of the service on maintaining the readiness of electric capacity after conducting certification of electric capacity of generating installations.

2. The system operator shall carry out certification of electric capacity of generating installations of the energy-producing organization in the order, established by the authorized body.

3. The system operator shall carry out certification of electric capacity of generating installations, according to the request of the energy-producing organization in the terms coordinated with it, but not later than twenty calendar days after the receipt of application for carrying out certification.

During the certification of electric capacity of generating installations, the system operator shall determine:

1) the value of electric capacity of generating installations, which the energy-producing organization possess and in accordance with which the energy-producing organization has the technical ability to generate electric energy;

2) the compliance of the required parameters of generating installations with the values, specified in the application of the energy-producing organization for conducting certification of electric capacity of generating installations.

4. According to the results of certification of electric capacity of generating installations, the system operator, not later than five calendar days after the certification, shall draw up and

send an act of certification of electric capacity of generating installations, which indicates the value of the certified electric capacity of generating installations of the energy-producing organization ready to generate electric energy to the energy-producing organization.

5. Unscheduled certification of electric capacity of generating installations shall be carried out in the following cases:

1) at identification of discrepancy of the actual value of electric capacity and parameters of generating installations to the certified ones by the system operator;

2) on the initiative of the energy-producing organization.

Footnote. Chapter 4 is supplemented by Article 15-2 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (shall be enforced from 01.01.2015); as amended by the laws of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication)

### **Article 15-3. The market of electric capacity**

1. The market of electric capacity shall operate in order to attract investments for maintaining the existing and commissioning of new electric capacities in the unified electric power system of the Republic of Kazakhstan to meet the demand for electric capacity.

The procedure for organization and functioning of the market of electric capacity shall be established by the authorized body.

2. Energy-supplying, energy-transmitting organizations and consumers, who wholesale market entities, draw up forecast consumption applications indicating the maximum values of electric capacity consumption for each month of the forthcoming and subsequent calendar years, which are not covered by the electric capacity of power generating sources available to them on the basis of the right of ownership, lease or other property rights, and send them to the system operator on or before August 1 of a year preceding a current year.

At the same time, consumers who are wholesale market entities and members of the group of persons included in the Register, draw up forecast consumption applications indicating the maximum values of electric capacity consumption for each month of the forthcoming and subsequent calendar years, which are not covered by the electric capacity of power generating sources available to them on the basis of the right of ownership, lease or other property rights, and also by the electric capacity of energy-producing organizations included in the Register of a relevant group of persons together with them, and send them to the system operator on or before August 1 of a year preceding a settlement year.

The system operator, on or before October 1 of a year preceding a settlement year, develops the forecast demand for electric capacity for the forthcoming and next calendar years based on the forecast applications of wholesale market entities with account of the

required amount of electric capacity reserve and average annual electric capacity consumption to compensate for the process flow, for own and economic needs of the national electrical network.

3-1. To meet the forecast demand for electric capacity, the single purchaser shall conclude contracts for the purchase of service on maintaining the readiness of electric capacity (in order of priority):

1) with the winners of tenders for the construction of the newly commissioned generating plants. At the same time, an individual tariff for the service of maintaining the readiness of electric power of newly commissioned energy-generating organizations is determined based on the results of the tender. The volume and terms of the purchase of the service for maintaining the readiness of electric power for each contract for the purchase of the service for maintaining the readiness of electric power, concluded with these organizations, are established by the authorized body;

1-1) with the winners of the auction. At the same time, the individual tariff for the service for maintaining the readiness of electric power during the construction of newly commissioned generating plants with a maneuverable generation mode, the volume of purchase of the service for maintaining the readiness of electric power for each contract for the purchase of the service for maintaining the readiness of electric power, concluded with these organizations, are determined following the results of the auction;

1-2) with legal entities planning construction of newly commissioned generating plants with capacity of more than 35 MW, using the hydrodynamic energy of water, whose water management facilities are included in the list of water management facilities of particular strategic importance, including which can be leased and transferred to trust management in the manner determined by the Government of the Republic of Kazakhstan. At the same time, the individual tariff for the service of maintaining the readiness of electric power of a newly commissioned energy-producing organization using the hydrodynamic energy of water, the volume and period of purchase of the service of maintaining the readiness of electric power by this organization shall be established by the Government of the Republic of Kazakhstan on the basis of feasibility studies that have received a positive conclusion from the state expertise, for a payback period of at least seven years.

The contract for the sale of service to maintain the electric power readiness shall be terminated ahead of schedule with the early onset of the actual payback period.

This energy producing organization shall bill all generated electrical energy only to a single purchaser of electrical energy at the maximum tariff established by the authorized body, taking into account the rates.

At the same time, the marginal tariff does not take into account depreciation and profit during the validity term of the contract with a single purchaser for the sale of service to maintain the electric capacity readiness in accordance with this subparagraph;

2) with operating energy-producing organizations, that have concluded an investment agreement for modernization, expansion, reconstruction and (or) renewal with an authorized body. At the same time, the individual tariff for the service on maintaining the readiness of electric capacity, the volume and terms of the purchase of service on maintaining the readiness of electric capacity for each contract for the purchase of service on maintaining the readiness of electric capacity, concluded with these organizations, shall be established by the authorized body;

2-1) with energy generating organizations included in the Register, in the amount created to cover the deficit in the unified electric power system of the Republic of Kazakhstan in accordance with subparagraphs 1) and 2) of paragraph 6 of Article 15-5 of this Law and not demanded by the relevant group of persons. The volume and terms are determined in accordance with the rules for the participation of consumers included in the Register in the creation of electric power to cover the forecast deficit;

2-2) with existing energy - producing organizations implementing measures for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel;

3) annually, with operating energy-producing organizations, which have heat and power plants in their structure, except for energy-producing organizations included in the Register, for the forthcoming calendar year for the marginal tariff for the service for maintaining the readiness of electric capacity. The volume of service for maintaining the readiness of electric capacity under each contract for the purchase of service for maintaining the readiness of electric capacity, concluded with these organizations shall be determined in the manner prescribed by the authorized body and be equal to the difference between the planned maximum value of the minimum electric capacity of power-generating installations for a corresponding year (at the fixed level of their thermal load) of the heat and power plants, which are part of the energy-producing organization, and the maximum value of self-consumed electric capacity of this energy-producing organization for a corresponding year, provided that:

this volume does not take into account the minimum electric capacity of generating installations (at a given level of their thermal load), being commissioned within the framework of the investment agreement for modernization, expansion, reconstruction and (or) renewal;

this volume is assumed to be zero if the planned maximum value of the minimum electric capacity of generating installations for the corresponding year (at a given level of their thermal load) of the heat and power plants, which are a part of energy-producing organization, does not exceed the maximum value of electric capacity of its own consumption by this energy-producing organization for the corresponding year;

4) annually until December 25 with existing power generating organizations for the coming calendar year based on the results of centralized trading in electric capacity at prices

and in volumes that have developed based on the results of these auctions. Herewith, the total volume of the service for maintaining the readiness of electric power of all contracts for the purchase of services for maintaining the readiness of electric power, concluded with these energy-producing organizations in accordance with this subparagraph, is equal to the difference in the volume of the forecast demand for electric power for the coming calendar year, determined in accordance with paragraph 2 of this article, and the scope of services for maintaining the readiness of electric power, determined in accordance with subparagraphs 1), 1-1), 2), 2-1), 2-2) and 3) of this paragraph.

The single purchaser shall conclude contracts for the purchase of service on maintaining the readiness of electric capacity with operating energy-producing organizations by the results of centralized biddings in electric capacity in the total volume less than the total volume of the service on maintaining the readiness of electric capacity, determined in accordance with this subparagraph, in cases , when the total volume of service on maintaining the readiness of electric capacity of energy-producing organizations, admitted to biddings is less than the total volume of the service on maintaining the readiness of electric capacity, determined in accordance with this subparagraph.

3-2. The single purchaser shall monthly pay for the service on maintaining the readiness of electric capacity under the contracts, concluded in accordance with paragraph 3-1 of this Article, but not later than forty-five working days after the end of month of delivery of this service.

3-3. A legal entity that has constructed generating installations using the hydrodynamic water energy is obliged to enter into an annual contract for the services for regulating electric power as prescribed by subparagraph 70-17) of Article 5 of this Law.

The contractual electric capacity of newly commissioned generating plants using the hydrodynamic energy of water, from the date of their commissioning, is subject to annual certification by the system operator.

If, as a result of the regular certification of electrical capacity, the value of the certified electrical capacity of newly commissioned generating plants using the hydrodynamic energy of water turns out to be less than the volume of the service for maintaining the electric power readiness established in the contract for the purchase of the service for maintaining the electric power readiness, the volume of the service for maintaining the electric power readiness, taken in the calculation of actually provided services for maintaining the electric power readiness, shall be reduced to the certified value until the next certification.

3-4. In case the single purchaser generates additional income due to an increase in the sales volumes of the service for ensuring the readiness of electric capacity to bear the load from the volumes of the service for ensuring readiness of electric capacity to bear the load included by the system operator in the forecast demand for electric capacity for the relevant

billing year, the single purchaser shall make an additional purchase of the service for maintaining the electric capacity readiness in the procedure established by the authorized body.

3-5. Additional purchase of the service for maintaining the electric capacity readiness shall be made monthly from energy producing organizations that have concluded an agreement with the single purchaser in accordance with subparagraph 4) of part one of paragraph 3-1 of this article and have actually exceeded the volume of this service specified in the agreement, at a price not exceeding the price specified in this agreement.

At the same time, additional purchase of the service for maintaining the electric capacity readiness shall not be made from energy producing organizations that have sold the service for maintaining the electric capacity readiness at centralized auctions for the entire declared volume.

3-6. Calculation of the actual excess volume in accordance with paragraph 3-5 of this article shall be made by the system operator in the manner established by the authorized body and provided to the single purchaser.

4. Energy-producing organizations shall be allowed to the centralized biddings with electric capacity after conducting the certification of electric capacity of generating installations by the system operator.

Energy-producing organizations shall carry out the implementation of the service on maintaining the readiness of electric capacity to a single purchaser at centralized biddings with electric capacity in the volume, not exceeding the certified electric capacity, minus:

1) the electric capacity of the newly commissioned generating plants on a tender basis, as well as the electric capacity of newly commissioned generating plants with a maneuverable generation mode based on the results of auctions;

2) electric capacity of generating installations, being commissioned in the framework of an investment agreement for modernization, expansion, reconstruction and (or) renewal;

2-1) electric capacity of generating installations put into operation as part of the implementation of measures for modernization, reconstruction and (or) expansion with the construction of generating installations using gas as an alternative type of fuel;

3) the maximum of electric capacity export in the calculated year;

4) the maximum of electric capacity supplies to the subjects of retail market in the calculated year;

5) the largest of the following two values of electric capacity:

the maximum value of electric capacity of own consumption in the calculated year;

the maximum value of the minimum electric capacity of generating installations (at a given level of their thermal load) of heat and power plants, which are part of energy-producing organizations in the calculated year.

In case if, as a result of unscheduled certification of electric capacity, the value of the certified electric capacity of the energy- producing organization is less than the volume of



service on maintaining the readiness of electric capacity, specified in the contract for the purchase of service on maintaining the readiness of electric capacity, concluded with a single purchaser by the results of the centralized biddings with electric capacity, the specified volume of service on maintaining the readiness of electric capacity of energy-producing organization shall be decreased to the certified value.

4-1. The energy-producing organizations included in the Register provide the service for maintaining the readiness of electric power to the single purchaser through centralized biddings in an amount not exceeding the certified electric capacity, minus:

- 1) the maximum electric power for export in a settlement year;
- 2) the maximum electric power supplies to the retail market entities in a settlement year;
- 3) the maximum value of self-consumed electric power in a settlement year;

4) the maximum value of electric power supplies to consumers, who are the wholesale market entities and members of the same group of persons included in the Register, in a settlement year.

If, as a result of extraordinary certification of electric power, the value of certified electric power of energy-producing organizations included in the Register is less than the volume of services for maintaining the readiness of electric capacity specified in the contract for the purchase of services for maintaining the readiness of electric capacity concluded with the single purchaser pursuant to the results of centralized biddings for electric capacity, the specified volume of services for maintaining the readiness of electric capacity shall be reduced to the certified value.

5. The operator of the centralized trading market annually in the second decade of November, shall organize and conduct centralized biddings with electric capacity for the coming calendar year in the manner established by the authorized body.

The operator of the centralized trading market shall carry out gratuitous registration of the results of centralized biddings with electric capacity.

The operator of the centralized trading market shall provide services for organization and holding of centralized trading in electric power to a single purchaser and market subjects on a contractual basis.

7. The single purchaser shall provide a service for ensuring the readiness of electric capacity to bearing the load to energy- supplying, energy-transmitting organizations and consumers, who are subjects of the wholesale market, on the basis of the concluded contract for provision of service on ensuring the readiness of electric capacity to bearing the load.

8. Energy-supplying, energy-transmitting organizations and consumers, who are subjects of the wholesale market shall be obliged to pay for the service of a single purchaser on ensuring the readiness of electric capacity to bearing the load monthly not later than thirty calendar days after the end of the month of delivery of this service at a fixed price within a calendar year, calculated by a single purchaser.

The price for the service to ensure the readiness of electric power to carry the load is calculated by a single purchaser annually for the coming calendar year, taking into account subparagraph 8) of paragraph 2 of Article 10-3 of this Law.

The calculation of the price for the service on ensuring the readiness of electric capacity to bearing the load for the coming calendar year shall be carried out by a single purchaser on the basis of:

- 1) average- weighted price for the service on maintaining the readiness of electric capacity , formed by the results of the centralized biddings with electric capacity;
- 2) the weighted average price for the service to maintain the readiness of electric capacity of all contracts for the purchase of the service to maintain the readiness of electric power, concluded by a single purchaser with the winners of tenders for the construction of newly commissioned generating plants, as well as with the winners of auctions, with existing energy generating organizations, who have concluded an investment agreement for the modernization , expansion, reconstruction and (or) renewal with the authorized body, as well as with existing energy-generating organizations, which include thermal power plants;
- 3) forecast applications for consumption of energy-supplying, energy-transmitting organizations and consumers, being the subjects of the wholesale market;
- 4) forecast demand for electric capacity for the upcoming and subsequent calendar years;
- 5) a positive financial result, confirmed by an audit report, on the activities of a single purchaser in the electric power market for the year preceding the year in which the price is calculated.

The financial result is formed on the basis of the gross result from the activities of the single purchaser in purchasing the service for maintaining the electric capacity readiness and providing the service for ensuring the electric capacity readiness, calculated in accordance with the rules for calculating and placement on the Internet resource by the single purchaser the price for the service for ensuring the readiness of electric capacity to bear the load, minus, among other things:

actually incurred operating costs of a single purchaser, but not higher than the costs taken into account when approving the price for the corresponding year;

uncovered costs for the development of a preliminary feasibility study commissioned by the authorized body;

estimated corporate income tax.

The single purchaser annually, until December 1st, shall place on its Internet resource the price for the service on ensuring the readiness of electric capacity to bearing the load for the upcoming calendar year, together with confirming calculations.

The procedure for calculation and placement on the Internet resource of a single purchaser of the price for the service on ensuring the readiness of electric capacity to bearing the load shall be established by the authorized body.

The volume of service on ensuring the readiness of electric capacity to bearing the load, established on the calculated year in the contract for provision the service on ensuring the readiness of electric capacity to bearing the load and paid by energy-supplying and energy-transmitting organizations and consumers, being the subjects of the wholesale market shall be the maximum electric capacity consumption for the corresponding year, specified in the corresponding forecast application on consumption and included in the forecast demand.

Changes in the volume of service to ensure the electric power readiness to carry the load, established for the billing year in the contract for the service to ensure the electric power readiness to bear the load, shall be made in the manner established by the authorized body.

9. The contract for the purchase of service on maintaining the readiness of electric capacity and the contract for the provision of service on ensuring the readiness of electric capacity to bearing the load shall be concluded on the basis of standard contracts, developed and approved by the authorized body.

10. Legal relations related to the purchase of a service to maintain the readiness of electric power by a single purchaser shall not be subject to the legislation of the Republic of Kazakhstan on public procurement.

**Footnote.** Chapter 4 is supplemented by Article 15-3 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V (for the procedure of enforcement see Article 2); as amended by the laws of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 12.11.2015 № 394-V (shall be enforced from 01.01.2018); № 184-VI as of 05.10.2018 (shall be enforced ten calendar days after its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.06.2022 № 130-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall come into effect ten calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 15-4. Investment agreements for modernization, expansion, reconstruction and (or) renewal**

1. Investment agreements for modernization, expansion, reconstruction and (or) renewal shall be concluded in respect of the main generating equipment, as well as auxiliary equipment of the operating (existing) power plants of the existing energy producing organizations.

1-1. The list and requirements for auxiliary equipment of operating (existing) power plants of existing energy producing organizations, in respect of which an investment agreement is concluded, shall be established in accordance with the procedure established by the authorized body.

2. For implementation of modernization, expansion, reconstruction and (or) renewal, operating energy-producing organizations shall develop appropriate investment programs, during the development of which, an independent technical and financial audit shall be carried out.

3. The results of technical and financial audit shall be: identification of the optimal scheme for modernization, expansion, reconstruction and (or) renewal, determination of influence of the investment program on the life of the main generating equipment, the appropriateness of the investment program and the required amount of financing of the investment program.

4. The results of technical, financial audit and the investment program of modernization, expansion, reconstruction and (or) renewal shall be subjects to consideration by the market council.

5. Based on the recommendation of the market council, the authorized body shall make a decision on conclusion (refusal to conclude) an investment agreement for modernization, expansion, reconstruction and (or) renewal.

5-1. Energy producing organizations included in the Register by the authorized body shall not have the right to conclude investment agreements with the authorized body for modernization, expansion, reconstruction and (or) renewal, with the exception of investment agreements concluded to ensure the supply of electricity to consumers purchasing electricity from the single electricity purchaser.

6. The investment agreements for modernization, expansion, reconstruction and (or) renewal for each year shall establish target indicators for the following indicators: specific consumption of nominal fuel for the output of electric and (or) heat energy; available electric capacity; life cycle of the main generating equipment; degree of wear of the main generating equipment; environmental indicators.

7. After conclusion by the authorized body of an investment agreement for modernization, expansion, reconstruction and (or) renewal with an existing energy generating organization, a single purchaser concludes an agreement on the purchase of a service for maintaining the readiness of electric power with this energy generating organization at an individual tariff for a service for maintaining the readiness of electric power in volume and for the periods determined by the authorized body.

The electric capacity of generating installations, being commissioned as part of an investment agreement for modernization, expansion, reconstruction and (or) renewal, from the date of their commissioning shall be subject to annual certification by the system operator.

In case, if as a result of conducting the next certification of electric capacity, the value of certified electric capacity of generating installations, being commissioned within the framework of an investment agreement for modernization, expansion, reconstruction and (or) renewal is less than the volume of service on maintaining the readiness of electric capacity, established in the contract on the purchase of service on maintaining the readiness of electric

capacity, the volume of service on maintaining the readiness of electric capacity, established in the contract on the purchase of service on maintaining the readiness of electric capacity, shall be reduced to the certified value before the next certification.

8. Operating energy-producing organizations, concluded investment agreements for modernization, expansion, reconstruction and (or) renewal with the authorized body shall be obliged to submit a report on the achievement of indicators (indices) established in these agreements, confirmed by independent energy expertise to the authorized body annually no later than March 31<sup>st</sup> of the year following the reporting year.

In case of failure to reach target indicators, established in the investment agreement for modernization, expansion, reconstruction and (or) renewal, the authorized body shall have the right to terminate this agreement or change the individual tariff for the service on maintaining the readiness of electric capacity, the volume and terms of the purchase of service on maintaining the readiness of electric capacity with notification the system operator.

9. Energy-producing organizations that entered into agreements with the authorized body and implemented large-scale investment programs between 2009 and 2015 during the validity of the program for marginal tariffs for electricity, the cost source of which, in addition to the investment component of the marginal tariff, was significant additional external financing (credits, loans), as well as credits (loans), other money received for the purpose of refinancing and repaying the principal debt of earlier attracted obligations for projects included in development programs, approved by local executive bodies, conclude individual investment agreements on modernization, expansion, reconstruction and (or) renewal with the authorized body under simplified procedure.

9-1. Energy-producing organizations whose power plants were commissioned between 2009 and 2015, for the construction of which debt financing (credits, loans) had been attracted before 2015, as well as credits (loans), other money received for the purposes of refinancing and repaying the principal debt of earlier attracted obligations with the designated purpose of financing the construction of a power plant, and who entered into investment agreements with the authorized body and the state body in charge of natural monopolies, conclude individual investment agreements on the commissioned power plants with the authorized body under simplified procedure.

10. The admission to consideration, consideration and selection of investment programs for modernization, expansion, reconstruction and (or) renewal, conclusion of investment agreements for modernization, expansion, reconstruction and (or) renewal, the corresponding conclusion of the contract for the purchase of service on maintaining the readiness of electric capacity and establishment of individual tariffs for the service on maintaining the readiness of electric capacity, the volume and terms of the purchase of service on maintaining the readiness of electric capacity for this contract shall be carried out in the manner, established by the authorized body.

Footnote. Chapter 4 is supplemented by Article 15-4 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced from 01.01.2018); as amended by Law of the Republic of Kazakhstan № 184-VI as of 05.10.2018 (shall be enforced ten calendar days after its first official publication); № 243-VI as of 03.04.2019 (shall be enforced ten calendar days after its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

**Article 15-5. Formation of the Register and participation of consumers and energy-producing organizations included in the Register in the creation of electric capacity**

1. Consumers, who are in the same group of persons as energy-producing organizations, have the right to be provided with electric power produced by generating sources belonging to legal entities in this group of persons on the basis of the right of ownership, lease or another property right.

The right, provided for in part one of this paragraph, does not apply to energy-supplying and energy-transmitting organizations that are in the same group of persons as energy-producing organizations.

2. A group of persons shall be included in the Register by the authorized body on the basis of an application of a legal entity that controls consumers and energy-producing organizations in accordance with parts two, three and four of paragraph 1-1 of Article 9 of this Law.

3. The application of the legal entity specified in paragraph 2 of this article shall contain:

1) a list of energy-producing organizations, including those using secondary energy resources, at the expense of which the consumers, belonging to the same group of persons, will be provided with the electric capacity, given the presence of control determined in accordance with parts two, three and four of paragraph 1-1 of Article 9 of this Law;

2) a list of consumers who will be provided with power at the expense of energy-producing organizations, including those using secondary energy resources, included in the same group of persons with them, subject to control, determined in accordance with parts two, three and four of paragraph 1-1 of Article 9 of this Law.

The register includes the lists of energy-producing organizations and consumers specified in subparagraphs 1) and 2) of part one of this paragraph.

4. Amendments and additions to the Register of the relevant group of persons shall be made by the authorized body on the basis of an application of a legal entity that controls consumers and energy-producing organizations in accordance with parts two, three and four of paragraph 1-1 of Article 9 of this Law.



5. Within a relevant group of persons included in the Register, for energy-producing organizations and consumers enter into bilateral agreements on the provision of electric power.

6. In the case specified in paragraph 8 or 9 of Article 15-1 of this Law, consumers included in the Register are obliged, in the manner determined by the authorized body, to participate in the creation of electric power and (or) regulating electric power to cover the deficit in proportion to their share peak load to the total peak load in the unified electric power system of the Republic of Kazakhstan, calculated at the time of the forecast shortage, by performing one or more of the following actions:

1) construction of new electric power and (or) regulating electric power, including the reconstruction of retired electric power and (or) regulating electric power, not taken into account in the approved forecast balance of electric energy and power for the next seven-year period;

2) expansion of own existing electric power and (or) regulating electric power;

3) Excluded by the Law of the Republic of Kazakhstan dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

4) the purchase of services for ensuring the readiness of electric capacity to bear the load from the single purchaser;

7. The actions specified in subparagraphs 1) and 2) of paragraph 6 of this article may be carried out by any wholesale market entity included in the Register of the relevant group of persons. At the same time, the remaining consumers of the relevant group of persons included in the Register are exempted from participation in the creation of electric power and regulating electric power in accordance with the rules for participation of consumers included in the Register in creation of electric power to cover the forecast shortage.

The action specified in subparagraph 4) of paragraph 6 of this article is carried out by consumers included in the Register of the relevant group of persons, in accordance with the rules for participation of consumers included in the Register in the creation of electric power, including regulating electric power, to cover the forecast shortage.

8. Obligations of consumers included in the Register to create electric power, including regulating electric power, provided for in paragraph 6 of this article, are reduced by the amount of electric power created by wholesale market entities included in the Register of the relevant group of persons, including in the list of power plants, if the following conditions are met in the aggregate:

1) electric capacity was commissioned after January 1, 2019;

2) electric capacity is created in the single electric power system of the Republic of Kazakhstan or in any of its zones with the projected uncovered deficit of electric capacity;

3) electric power was commissioned without using the mechanism for holding a tender by the authorized body for the construction of newly commissioned generating plants, as well as holding auctions by the authorized body;

4) electric capacity was put into operation without concluding an investment agreement with the authorized body for modernization, expansion, reconstruction and (or) renovation;

5) the amount of electric capacity has not been taken into account when fulfilling the obligations provided for in paragraph 6 of this article.

9. When fulfilling the obligations provided for in paragraph 6 of this article, by performing the actions specified in subparagraphs 1) and 2) of paragraph 6 of this article, the location (site), kind and type of fuel for generating plants put into operation by wholesale market entities included in the Register are agreed with the authorized body in accordance with the approved rules for the participation of consumers included in the Register in the creation of electric power to cover the forecast shortage, taking into account the forecast shortage of electric power for the next seven years in the unified electric power system of the Republic of Kazakhstan or in any of its zones.

10. Consumers included in the Register of the relevant group of persons, within forty-five calendar days from the date of receipt of a notification from the authorized body about the occurrence of a forecast uncovered shortage of electric power and (or) regulating electric power in the unified electric power system of the Republic of Kazakhstan or in any of its zones take a decision on the actions provided for in paragraph 6 of this article, in accordance with which they will participate in the creation of electric power to cover the deficit, and send it to the authorized body.

11. When deciding to participate in the creation of electric power by performing the actions specified in subparagraphs 1) and 2) of paragraph 6 of this article, the wholesale market entities included in the Register of the relevant group of persons, within one hundred and eighty-five calendar days from the date of the decision making conclude an agreement with the authorized body for the creation of electric power, which determines the period for commissioning the generating plants.

12. Within thirty calendar days of conclusion of the contract for the creation of electric capacity, the single purchaser shall conclude a contract for the purchase of services for maintaining the readiness of electric capacity with the wholesale market entity included in the Register of the relevant group of persons for the tariff for the service for maintaining the readiness of electric capacity in the amount of 1 tenge per 1 megawatt per month, excluding value-added tax, in the amount and for the period established by the authorized body.

The volume of electric power and (or) regulating electric power purchased by a single purchaser is determined as the ratio of the forecast deficit to the share of the peak load of consumers included in the Register of the relevant group of persons, to the total peak load in the unified electric power system of the Republic of Kazakhstan or in any of its zones, calculated at the time of the forecast shortage, minus the electric power demanded by the relevant group of persons for their own consumption.

The term of the contract for the purchase of a service for maintaining the readiness of electric power with a wholesale market entity included in the Register of the relevant group of

persons is established for the same period as with the winners of tenders for the construction of generating plants that are newly commissioned, as well as with the winners of auctions.

13. When deciding to participate in the creation of electric power or regulating electric power by performing the action specified in subparagraph 4) of paragraph 6 of this article, consumers included in the Register of the relevant group of persons buy services from a single purchaser to ensure the readiness of electric power for carrying loads in accordance with the rules for the participation of consumers included in the Register in the creation of electrical capacity to cover the forecast deficit.

14. The contracts specified in paragraphs 11 and 12 of this article provide for liability for a failure to perform and (or) improper performance of the obligations assumed and are concluded on the basis of model contracts.

15. The provisions of this Article and Articles 15-3, 15-4, 15-6 and 15-8 of this Law, established for the group of persons, shall not apply to energy-producing organizations and consumers belonging to the same group of persons, subject to the presence of control, determined in accordance with parts two, three and four of paragraph 1-1 of Article 9 of this Law, but not included into the Register.

**Footnote.** Chapter 4 is supplemented with Article 15-5 in accordance with Law of the Republic of Kazakhstan № 184-VI as of 05.10.2018 (shall be enforced ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 30.12.2019 № 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated December 27, 2021 № 87-VII (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 03.01.2022 № 101-VII (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

#### **Article 15-6. The procedure for holding a tender for the construction of re-commissioned power-generating installations**

1. In the case specified in paragraph 8 of Article 15-1 of this Law, the authorized body shall conduct a tender for the construction of generating units, newly commissioned, producing electric energy using solid fuel, for the volume of electric capacity to cover the projected deficit minus the amount of electric capacity that will be created by wholesale market entities included in the Register, in accordance with the agreement with the authorized body provided for in paragraph 11 of Article 15-5 of this Law.

2. The location (site), type of fuel for generating units newly commissioned on a tender basis, shall be determined based on the results of a feasibility study or preliminary feasibility study conducted at the authorized body's request.

3. The authorized body, no later than three working days from the date of approval of the tender documentation, but no less than fifteen calendar days before the final date for

submitting documents and materials by potential investors for participation in the tender, shall publish in the media an announcement of a tender for the construction of generating units to be newly commissioned.

4. The tender documentation for the construction of re-commissioned power-generating installations shall contain:

1) description and required technical, qualitative and operational characteristics of generating units being put into operation again, meeting the requirements of the Environmental Code of the Republic of Kazakhstan;

2) draft contract for the construction of re-commissioned power-generating installations.

5. It is allowed to participate in the tender for the construction of re-commissioned power-generating installations to those potential investors, who submitted:

1) copies of constituent documents;

2) documents confirming the availability of financial and material resources determined in accordance with the tender documentation.

6. The tender board shall summarize the results of the tender for the construction of generating units to be put into operation again within a period of no more than fifteen working days from the date of opening of envelopes with tender bids.

The authorized body, within five working days from the date of summing up the results of the tender for the construction of generating units being put into operation again, sends a draft contract for the construction of generating units being put into operation again to the potential investor recognized as the winner of the tender for the construction of generating units being put into operation again.

The winner of the tender for the construction of generating units being put into operation again, within five working days from the date of receipt of the draft contract for the construction of generating units being put into operation again, shall sign the said contract.

7. The tender for the construction of re-commissioned power-generating installations is recognized as failed in case of:

1) less than two potential investors;

2) inconsistencies of documents submitted by all potential investors with paragraph 5 of this article.

In the event that a tender for the construction of generating units being put into operation again is declared invalid, the authorized body shall conduct a re-tender within fifteen working days.

7-1. If a re-tender for the construction of generating units being put into operation is recognized as failed and if only one participant presents a tender bid, the authorized body shall send a proposal to the Government of the Republic of Kazakhstan to determine this participant as the winner of the tender for concluding the contract for the construction of generating units to be put into operation again.

7-2. The Government of the Republic of Kazakhstan, upon receipt of the proposal in accordance with paragraph 7-1 of this article, shall, if appropriate, instruct the authorized body to conclude a contract for the construction of generating units being put into operation again.

8. Within twenty calendar days from the date of tallying up the results of the tender for the construction of generating units being put into operation again, the authorized body shall conclude with the tender winner an agreement for the construction of generating units to be put into operation again, which shall establish the deadline for putting the generating units into operation and liability for failure to fulfill and (or) improper fulfillment of the obligations assumed by the tender winner.

9. Within thirty calendar days of conclusion of a contract for the construction of re-commissioned power-generating installations, the single purchaser shall conclude a contract for the purchase of the service for maintaining the readiness of electric capacity with the winner of the tender for the individual tariff for the service for maintaining the readiness of electric capacity in the volume and for the terms established by the authorized body.

The electric capacity of power-generating installations, re-commissioned on a tender basis, is subject to annual certification by the system operator from the day of their commissioning.

If, as a result of the next regular certification of electric power, the value of the certified electric power of power-generating installations re-commissioned on a tender basis is less than the volume of the service for maintaining the readiness of electric capacity specified in the contract for the purchase of services for maintaining the readiness of electric capacity, the volume of the service for maintaining the readiness of electric capacity, fixed in the contract for the purchase of the service for maintaining the readiness of electric capacity, shall be reduced to the certified value until next certification.

10. The contracts provided for in paragraphs 8 and 9 of this article shall be concluded on the basis of standard contracts, under which the authorized body has the right to make a one-time adjustment to the volumes of the service for maintaining the electric capacity readiness, the terms of purchase of the service for maintaining the electric capacity readiness and the individual tariff for the service for maintaining readiness, on the basis of design and estimate documentation and a positive conclusion of the state examination before the date of commencement of construction of generating units newly commissioned.

11. Energy-producing organizations and consumers, included in the Register by the authorized body, have no right to participate in the tender for the construction of re-commissioned power-generating installations held by the authorized body.

**Footnote. Chapter 4 is supplemented with Article 15-6 in accordance with Law of the Republic of Kazakhstan № 184-VI as of 05.10.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated**

08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 15-7. Formation of a list of power plants**

1. A legal entity is included in the list of power plants subject to compliance with the criteria and the availability of the documents specified in this article, as well as in the case of determining the legal entity as the winner of the auction.

2. A legal entity to be included in the list of power plants must meet the following criteria in aggregate:

1) new electric capacities are created and put into operation after January 1, 2021 in the zone of the unified electric power system of the Republic of Kazakhstan, in which there is and (or) an uncovered shortage of electric power is predicted;

2) commercial gas is used or will be used as a fuel for the production of electrical energy at the newly created electrical facilities;

3) the newly created electrical power is connected to the automatic regulation of electrical power and has a regulation range of at least twenty percent of the installed electrical power.

3. A legal entity for inclusion in the list of power plants submits an application to the authorized body in accordance with the rules for including consumers in the list of power plants with the technical conditions attached, received or agreed with the system operator for connection to the unified electric power system of the Republic of Kazakhstan, containing the conditions for connecting new electric capacities to automatic control.

4. After the commissioning of new electrical capacities within ten years between the energy-producing organization included in the list of power plants and the system operator, an agreement is annually concluded for the provision of services for the regulation of electrical power at a price equal to the weighted average contractual price of the acquisition of these services by the system operator for the calendar year, preceding the year of the conclusion of the contract, in the regulation range of at least twenty percent of the installed electrical capacity for an increase or decrease.

Footnote. Chapter 4 is supplemented by Article 15-7 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2019 № 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

#### **Article 15-8. Procedure for organizing and conducting auctions**

1. In the case specified in paragraph 9 of Article 15-1 of this Law, the authorized body takes into account in the plan of placement of generating plants with a maneuverable generation mode, the volumes of commissioned capacities, including to cover the forecast shortage of regulating electric power, and the volumes of regulating electric power, which created or will be created by wholesale market entities included in the Register, in accordance

with the contract for the creation of electric power with the authorized body, provided for in paragraph 11 of Article 15-5 of this Law.

2. In order to implement the plan for the placement of generating plants with a maneuverable generation mode, the authorized body conducts a selection of projects.

3. The selection of projects for the construction of newly commissioned generating plants with a maneuverable generation mode is carried out by organizing and conducting auctions among (successively in order of priority):

1) sites included in the plan for the placement of generating plants with a maneuverable generation mode and having preliminary feasibility studies prepared by a single purchaser at the request of the authorized body on the basis of the terms of reference developed by the system operator;

2) sites of operating energy generating organizations;

3) sites that do not have preliminary feasibility studies.

At the same time, auctions are not held in relation to generating plants that will be created by wholesale market entities included in the Register in accordance with the contract for the creation of regulating electric capacity with the authorized body provided for in paragraph 11 of Article 15-5 of this Law.

4. Newly commissioned generating plants with a maneuverable generation mode:

1) are created and put into operation after January 1, 2022 in the zone of the unified electric power system of the Republic of Kazakhstan, in which there is and (or) is forecasted an uncovered deficit of regulating electric capacity;

2) have a connection to the automatic control of generating plants;

3) have a regulation range determined in accordance with subparagraph 70-41) of Article 5 of this Law.

During the construction of a generating plant with a maneuverable generation mode, similar to a counter-regulating hydroelectric power plant, its operation mode is built in direct proportion to the operating mode of an existing hydroelectric power plant located upstream along the riverbed.

After the applicant receives admission to registration, the organizer of the auction registers the applicants in the electronic system.

To register in the electronic system of the organizer of the auction, the applicant applies to the official Internet resource of the organizer of the auction for online registration and submits the following documents in electronic form:

1) a copy of the Charter;

2) a copy of the certificate of state registration (re-registration) of the legal entity;

3) a copy of the decision of the relevant body of the legal entity on appointment of the first head;

4) a power of attorney for a representative (if the representation of interests is not carried out by the first head);



5) information about the details of the legal entity (bank details, address, contact numbers, email address).

5. Organization and conduct of auctions in accordance with subparagraph 1 of part one of paragraph 3 of this article are carried out in the following order:

1) auction documentation is developed on the basis of a preliminary feasibility study prepared by a single purchaser in accordance with subparagraph 70-41) of Article 5 of this Law. The preliminary feasibility study should contain the location, the point of connection to the national electric grids, the projected cost of the project, the forecast individual tariff for the service of maintaining the readiness of electric power during the construction of newly commissioned generating plants with a maneuverable generation mode, the period for purchasing the service for maintenance of the readiness of electric power, equal to fifteen years, the volume of services for maintaining the readiness of electric power, the zone of deficit of regulated electric power in the unified electric power system of the Republic of Kazakhstan, the required technical, technological and operational characteristics of newly commissioned generating plants with a maneuverable generation mode;

2) the authorized body sends information to local executive bodies of regions, cities of republican significance and the capital on the need to reserve land plots for the construction of generating plants with a maneuverable generation mode;

3) local executive bodies of regions, cities of republican significance and the capital carry out the reservation of land plots identified in the preliminary feasibility study for the newly commissioned generating plants planned for construction with a maneuverable generation mode, until the auction winners are granted rights to a land plot in accordance with Article 49-2 of the Land Code of the Republic of Kazakhstan and send relevant information to the authorized body;

4) the authorized body, no later than six months before the expected date of the auction, develops and publishes on its Internet resource the schedule for the auction;

5) the applicant for participation in the auction submits to the authorized body, no later than thirty calendar days before the auction, the copies of constituent documents, documents confirming the availability of financial resources, determined by the authorized body, in accordance with subparagraph 70-41) of Article 5 of this Law;

6) the authorized body forms a commission, which, no later than fifteen calendar days before the auction, checks the documents submitted by the applicant for the presence and compliance with the requirements established by this paragraph.

If the documents submitted by the applicant comply with the requirements of this paragraph, the applicant receives admission to registration in the electronic system of the organizer of the auction;

7) the authorized body, after checking the documents by the commission, sends information and a list of applicants who have received permission for registration to the organizer of the auction.

In the case of the construction of newly commissioned generating plants with a maneuverable generation mode that will use commercial gas to generate electricity, before the auction:

the central executive body in charge of state regulation of the production, transportation (transportation), storage and wholesale of gas, as well as retail sales and consumption of commercial and liquefied petroleum gas, in agreement with the authorized body in charge of the relevant areas of natural monopolies, determines the volume and limit wholesale prices of marketable gas in accordance with Article 20 of the Law of the Republic of Kazakhstan "On Gas and Gas Supply";

technical specifications are issued for connection to the main gas pipeline and (or) gas distribution system in accordance with the Law of the Republic of Kazakhstan "On Gas and Gas Supply".

6. Organization and conduct of auctions in accordance with subparagraph 2) of part one of paragraph 3 of this article are carried out in the following order:

1) the auction documentation is developed in accordance with subparagraph 70-41) of Article 5 of this Law. The documentation must contain a forecast individual tariff for the service of maintaining the readiness of electric power during the construction of newly commissioned generating plants with a maneuverable generation mode, calculated on the basis of preliminary feasibility studies of similar projects and (or) the results of auctions of similar projects in accordance with subparagraph 1) part one of paragraph 3 of this article, minus the costs of infrastructure construction, the purchase period for the service to maintain the readiness of electric power, equal to fifteen years, the volume of the service to maintain the readiness of electric power, the zone of deficit of regulated electric power in the unified electric power system of the Republic of Kazakhstan;

2) the applicant for participation in the auction, no later than thirty calendar days, submits to the authorized body the copies of constituent documents, documents confirming the availability of financial resources, determined by the authorized body, in accordance with subparagraph 70-41) of Article 5 of this Law;

3) operating energy-generating organizations must be located in the zone of the unified electric power system of the Republic of Kazakhstan, for which the authorized body announced the holding of auctions;

4) operating energy generating organizations during the construction of newly commissioned generating plants with a maneuverable generation mode are obliged to implement projects that use the hydrodynamic energy of water and (or) gas to generate electric power;

5) the authorized body forms a commission, which, no later than fifteen calendar days before the auction, checks the documents submitted by the applicant for the presence and compliance with the requirements established by this paragraph.

If the documents submitted by the applicant comply with the requirements of this paragraph, the applicant receives admission to registration in the electronic system of the organizer of the auction;

6) the authorized body, after checking the documents by the commission, sends information and a list of applicants who have received permission for registration to the organizer of the auction;

7) the authorized body, no later than six months before the expected date of the auction, develops and publishes on its Internet resource the schedule for the auction.

7. Organization and conduct of auctions in accordance with subparagraph 3) part one of paragraph 3 of this article are carried out in the following order:

1) the auction documentation is developed in accordance with subparagraph 70-41) of Article 5 of this Law. The documentation must contain a forecast individual tariff for the service of maintaining the readiness of electric power during the construction of newly commissioned generating plants with a maneuverable generation mode, calculated on the basis of preliminary feasibility studies of similar projects and (or) the results of auctions of similar projects in accordance with subparagraph 1) of part one of paragraph 3 of this article, the term for the purchase of services to maintain the readiness of electric power, equal to fifteen years, the volume of services to maintain the readiness of electric power, the zone of deficit of regulated electric power in the unified electric power system of the Republic of Kazakhstan;

2) the applicant for participation in the auction submits to the authorized body, no later than thirty calendar days, the copies of constituent documents, documents confirming the availability of financial resources, determined by the authorized body, in accordance with subparagraph 70-41) of Article 5 of this Law;

3) the authorized body forms a commission, which, no later than fifteen calendar days before the auction, checks the documents submitted by the applicant for the presence and compliance with the requirements established by this paragraph.

If the documents submitted by the applicant comply with the requirements of this paragraph, the applicant receives admission to registration in the electronic system of the organizer of the auction;

4) the authorized body, after checking the documents by the commission, sends information and a list of applicants who have received permission for registration to the organizer of the auction;

5) the authorized body, no later than six months before the expected date of the auction, develops and publishes on its Internet resource the schedule for the auction.

8. A single purchaser, within fifteen calendar days from the date of summing up the results of the auction, sends a draft agreement to the winner of the auction on the purchase of a service to maintain the readiness of electric power.

The winner of the auction within thirty calendar days from the date of receipt of the draft contract for the purchase of the service to maintain the readiness of electric power signs the specified contract for a period equal to fifteen years from the date of its first certification, at an individual tariff for the service to maintain the readiness of electric power during the construction of newly commissioned generating plants with a maneuverable generation mode, determined by the result of the auction.

At the same time, the individual tariff for the service of maintaining the readiness of electric power during the construction of newly commissioned generating plants with a maneuverable generation mode, the volume and period of purchase of the service of maintaining the readiness of electric power of the auction winner are not subject to upward adjustment.

The winner of the auction is obliged to conclude an annual contract for provision of services for the regulation of electric power in the manner determined in accordance with subparagraph 70-37) of Article 5 of this Law.

Responsibility for failure to fulfill obligations under contracts for the purchase of services to maintain the readiness of electric power and for the provision of services for regulating electric power arises through the use of mechanisms of the electric power market, determined in accordance with subparagraph 42) of Article 5 of this Law.

The contractual electric capacity of newly commissioned generating plants with a maneuverable generation mode from the date of their commissioning is subject to annual certification by the system operator.

In the event that, as a result of the next certification of electric capacity, the value of the certified electric capacity of newly commissioned generating plants with a maneuverable generation mode turns out to be less than the volume of the service for maintaining the readiness of electric power, established in the contract for the purchase of the service for maintaining the readiness of electric power, the volume of the service for maintaining the readiness of electric power, taken in the calculation of actually rendered services for maintaining the readiness of electric power, is reduced to the certified value until the next certification.

9. Auctions are recognized as failed in the following cases:

- 1) the presence of less than two auction participants;
- 2) non-compliance of documents submitted by all auction participants with the requirements of paragraphs 5, 6 and 7 of this article and subparagraph 70-41) of article 5 of this Law.

If the auction is recognized as failed, the authorized body has the right to conduct repeated auctions among the sites specified in subparagraphs 1), 2) and 3) of part one of paragraph 3 of this article.

10. The winners of the auction reimburse the costs of the single purchaser incurred for the development of preliminary feasibility study, on the basis of which the auctions were held.

11. The authorized body includes the winner of the auction in the list of power plants.

12. Generating plants commissioned within the framework of auctions are required to comply with the regulation range determined in accordance with subparagraph 70-41) of Article 5 of this Law.

**Footnote. Chapter 4 is supplemented by Article 15-8 in accordance with the Law of the Republic of Kazakhstan dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

**Article 15-9. Investment agreements for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel**

1. Investment agreements for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel shall be concluded only with existing (existing) energy producing organizations, which include power plants, including those engaged in combined production of thermal and electric energy, located in cities of republican significance, in relation to the main generating equipment heat and electric energy.

2. An energy-producing organization that intends to conclude an investment agreement with the authorized body for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, submits an investment program for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel.

3. Together with the investment program for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, the following shall also be included in the market council:

1) information on the relevant measure for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel;

2) a feasibility study for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel;

3) a positive conclusion of comprehensive non-departmental expertise on a feasibility study for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel;

4) positive conclusion of the state ecological expertise.

4. Investment programs for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, submitted later than the deadline determined by the authorized body and not complying with paragraph 3 of this article, shall not be accepted for consideration by the market council.

5. Investment programs for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel are not subject to change during the period of consideration by the market council.

During the period when the authorized body shall make a decision to conclude (refuse to conclude) an investment agreement with the energy producing organization for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, the energy producing organization has the right to amend the relevant investment program on the basis of documents confirming changes in the technical and economic indicators of the event, in the manner determined by the authorized body.

At the same time, energy producing organizations shall be obliged to re-obtain a positive conclusion of the market council and state expertise on the feasibility study of measures for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel.

6. Investment programs for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, submitted to the market council in accordance with paragraphs 2 and 3 of this article, shall be considered by the market council in the manner determined by the authorized body.

7. The Market Council, separately for each investment program for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, prepares an opinion on the expediency or in expediency of its implementation.

8. Based on the conclusion of the market council, the authorized body shall decide to conclude (refuse to conclude) an investment agreement for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel.

The reason for refusing to conclude an investment agreement for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel is the lack of gas transmission infrastructure in the city of republican significance, in which the energy-producing organization plans to implement measures for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative fuel type.

9. The investment agreement for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel shall contain the following information:

- 1) name of energy-producing organizations;
- 2) the scope of the service for maintaining the readiness of electric power. Herewith, an energy-producing organization is prohibited from concluding agreements with a single purchaser on the purchase of a service for maintaining the readiness of electric power in accordance with subparagraphs 3) and 4) of the first part of paragraph 3-1 of Article 15-3 of this Law for the volume of electric power of generating installations put into operation as part of the implementation measures for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel;

3) tariff for the service for maintaining the readiness of electric power as a variable value over the years, taking into account the return on investment in relation to the main equipment generating heat and electric energy within the framework of the investment program for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, including the fees paid on the relevant investment loans, taking into account the period of purchase of the service for maintaining the availability of electric power (in months) and the volume of the service for maintaining the availability of electric power.

If generating plants using gas as an alternative type of fuel are introduced one by one and (or) in stages and (or) by start-up complexes, the tariffs for the service of maintaining the readiness of electric capacity shall be determined depending on the volume of electric capacity of the commissioned generating installations;

4) the period for purchasing the service to maintain the readiness of electric power shall be at least ten years, starting from the date specified in subparagraph 5) of this paragraph;

5) the date of commencement of the purchase of the service for maintaining the availability of electric capacity, corresponding to the planned date of commissioning of the generating plant using gas as an alternative type of fuel;

6) information about the relevant measure for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel.

10. After the conclusion by the authorized body of an investment agreement for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, a single purchaser shall conclude agreements with these organizations on the purchase of services to maintain the readiness of electric power at tariffs, in the amount and for the periods specified in the investment agreement.

11. The purchase of a service for maintaining the readiness of electric power under the contracts specified in paragraph 10 of this article shall be carried out from the first day of the month following the month in which the relevant energy-producing organizations submitted to the single purchaser acts of certification of electric power of generating installations by the system operator, but not earlier the date specified in subparagraph 5) of paragraph 9 of this article.

If generating plants using gas as an alternative type of fuel are introduced one by one and (or) in stages and (or) by start-up complexes, payment for the service of maintaining the readiness of electric power shall be carried out at the tariffs for the service of maintaining the readiness of electric power, depending on the volume of electric power capacity of commissioned generating units.

12. Electric capacity of an energy-producing organization with which an investment agreement has been concluded for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, from the date of the actual purchase of its service to maintain the readiness of electric capacity specified in



clause 11 of this Article shall be subject to mandatory annual certification of the electric capacity of generating installations by the system operator.

If as a result of the next certification of the electric capacity of generating plants, the value of the certified electric capacity of generating plants put into operation as part of the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel turns out to be less than of the volume of the electric power readiness service specified in the contract for the purchase of the electric power readiness service, the volume of the electric power readiness service specified in the contract for the purchase of the electric power readiness service shall be reduced to the certified value until the next electric power certification generating installations.

13. The amount of annual depreciation of the measure for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel within the framework of this article shall not be subject to inclusion in the tariff for the service of maintaining the readiness of electric power.

14. This article shall not apply to energy-producing organizations included in the Register by the authorized body.

**Footnote.** Chapter 4 is supplemented by Article 15-9 in accordance with the Law of the Republic of Kazakhstan dated 30.06.2022 № 130-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 19.06.2024 № 96-VIII (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

#### **Article 15-10. Balancing electricity market**

1. The balancing electricity market operates to ensure the financial settlement of imbalances in the unified electric power system of the Republic of Kazakhstan, to encourage the balancing electric energy market entities to participate in the settlement of imbalances in the unified electric power system of the Republic of Kazakhstan, also to ensure targeted distribution of payment for imbalances in the unified electric power system of the Republic Kazakhstan.

2. Purchase and sale of balancing electricity and negative imbalances in the balancing electric energy market shall be carried out within the standard-form contract for the sale and purchase of balancing electricity and negative imbalances, approved by the authorized body.

The balancing electricity market entities are obliged to conclude contracts with the settlement center of the balancing market for the sale and purchase of balancing electricity and negative imbalances, as well as a connection agreement.

The balancing electricity market entities shall bear mutual financial obligations in the balancing electricity market for the purchase and sale of balancing electricity and negative imbalances based on the calculations of hourly volumes of balancing electricity and

imbalances of the entities of the balancing electricity market carried out by the settlement center of the balancing market based on the results of the physical settlement of electricity imbalances and offsets made by it within the connection agreement.

The volumes of purchase and sale of balancing electricity and negative imbalances of the balancing electricity market entities with the settlement center of the balancing market shall be calculated separately for each balancing zone.

Balancing zones shall be determined in the manner established by the authorized body.

The balancing electricity market entities shall have the right to transfer responsibility for the purchase and sale of balancing electricity and negative imbalances to the balance provider within one balancing zone under a liability transfer agreement concluded in accordance with the civil legislation of the Republic of Kazakhstan, concurrently making appropriate changes to the contract for the sale and purchase of balancing electricity and negative imbalances concluded with the settlement center of the balancing market.

Requirements for the balance provider's activities are determined in the manner established by the authorized body.

The volumes of purchase and sale of balancing electricity and negative imbalances of the balance provider with the balancing market settlement center shall be calculated in the balancing area in aggregate for the balance provider and the balancing electricity market entities that transferred responsibility for financial settlement of their own imbalances to the balance provider.

3. The balancing electricity market entities shall sell (realize) the balancing electricity on the balancing electricity market solely to the settlement center of the balancing market.

The balancing electric energy market entities shall purchase negative imbalances in the balancing electric energy market solely from the settlement center of the balancing market.

To sell balancing electricity (purchase negative imbalances), the balancing electric energy market entities that have an operational and information complex of dispatch control, unified with the operational and information complex of the system operator, shall file applications to the system operator for participation in balancing for an increase (decrease) in accordance with the procedure established by the authorized body.

Prices indicated in applications for participation in balancing for an increase must not exceed the marginal tariff for balancing electricity.

Prices indicated in the applications for participation in the downward balancing must not exceed the marginal tariff for negative imbalances and cannot be negative or equal to zero.

Balancing volumes for an increase (decrease) indicated in the applications for participation in balancing for an increase (decrease) shall be determined by the balancing electric energy market entities independently, but not lower than the minimum volumes of balancing for a decrease (increase) corresponding to these entities, calculated in the manner determined by the authorized body, taking into account the requirements of the electric power market.

The marginal tariff for balancing electricity and the marginal tariff for negative imbalances are not subject to approval and shall be determined by the settlement center of the balancing market as prescribed by this Law.

4. Selection and activation of applications for participation in balancing for an increase (decrease) shall be carried out in the manner established by the authorized body.

At the same time, it is prohibited to accept and activate applications from energy-producing organizations on the balancing electricity market in an amount exceeding the difference between the billed and sold electricity to a single electricity purchaser.

5. The clearing center of the balancing market shall purchase balancing electricity separately for each balancing zone.

The volume of balancing electricity that is purchased by the settlement center of the balancing market for the corresponding balancing zone for the corresponding hour of the operating day shall be determined in the manner established by the authorized body.

The clearing center of the balancing market shall purchase balancing electricity:

1) on the electric energy balancing market at prices specified in the relevant activated applications for participation in the upward balancing (in the relevant balancing zone), taking into account the actual execution of these applications;

2) from the system operator within the framework of its interaction with the energy systems of other states at prices and conditions specified in the relevant agreements (in this case, concurrent to the purchase of balancing electricity, the sale of negative imbalances is also permissible).

The balancing electricity market entities that made positive imbalances during the hours in which the balancing market settlement center made the purchase of balancing electricity shall be obliged to purchase balancing electricity from the balancing market settlement center in the amounts of the positive hourly imbalances in them at the prices for the sale of balancing electricity calculated by the balancing market settlement center, in the manner established by the authorized body.

The balancing electricity market entities that made negative imbalances during the hours in which the clearing center of the balancing market made purchases of balancing electric power are obliged to sell these negative imbalances to the settlement center of the balancing market at prices calculated by the clearing center of the balancing market in the manner established by the authorized body.

For the hour of the day defined as the “Emergency” mode, all operations in the balancing zone for the purchase and sale of balancing electricity and negative imbalances between the clearing center of the balancing market and the balancing electricity market entities shall be carried out in accordance with the procedure established by the authorized body.

6. The clearing center of the balancing market shall sell negative imbalances of each balancing zone separately.

The volume of negative imbalances of the corresponding balancing zone, which is sold by the clearing center of the balancing market for the corresponding hour of the operational day, shall be determined according to the procedure established by the authorized body.

The clearing center of the balancing market shall sell negative imbalances:

1) on the electric energy balancing market at prices specified in the relevant activated applications for participation in downward balancing (in the relevant balancing zone), taking into account the actual execution of these applications;

2) to the system operator within the framework of its interaction with the energy systems of other states at prices and conditions specified in the relevant agreements (in this case, concurrent to the sale of negative imbalances, the purchase of balancing electricity is also permitted).

The balancing electricity market entities that made negative imbalances during the hours in which the clearing center of the balancing market carried out the sale of negative imbalances shall be obliged to sell to the settlement center of the balancing market the hourly negative imbalances in them at the prices for the purchase of negative imbalances calculated by the center of the balancing market, in the manner established by the authorized body.

The balancing electricity market entities that made positive imbalances during the hours in which the settlement center of the balancing market sold negative imbalances are obliged to purchase from the settlement center of the balancing market the balancing electric energy in the volumes of the hourly positive imbalances in them at prices calculated by the settlement center of the balancing market, in the manner established by the authorized body.

For the hour of the day defined as the “Emergency” mode, all operations in the balancing zone for purchase and sale of balancing electricity and negative imbalances between the settlement center of the balancing market and the balancing electricity market entities shall be performed in accordance with the procedure established by the authorized body.

**7. Excluded by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted from 01.07.2024).**

8. Imbalances of the balancing electricity market entities and the balance provider shall be calculated (determined) separately for each balancing zone.

9. Payment for the balancing electricity and negative imbalances purchased by the balancing market settlement center from the balancing electric energy market entities under the concluded contracts for the purchase and sale of balancing electricity and negative imbalances shall be carried out by the balancing market settlement center on a monthly basis, but no later than forty-five working days after the end of the month of purchase.

Payment for balancing electricity and negative imbalances purchased by the balancing electric energy market entities from the settlement center of the balancing market within the concluded contracts for the sale and purchase of balancing electricity and negative imbalances shall be carried out by these entities on a monthly basis, but no later than thirty calendar days after the end of the month of purchase.

10. Mutual settlements in the balancing electricity market shall be made on the basis of calculations of hourly volumes of balancing electricity and hourly imbalances of the balancing electricity market entities, carried out by the settlement center of the balancing market based on the data of the system operator in the manner established by the authorized body.

At that, the balancing electricity market entities, which have concluded production sharing agreements with the Government of the Republic of Kazakhstan, according to the results of the billing period carry out purchase and sale of balancing electricity and negative imbalances on the balancing electricity market in accordance with the procedure stipulated by the authorized body.

11. The balancing electric energy market entities, supplying electric energy to an organization (consumer) of another state under an agreement for the commercial export of electric energy (hereinafter referred to as the export agreement), in addition to being responsible for its imbalances in the territory of the Republic of Kazakhstan, is also responsible for deviations in the balance of electricity flows at the border of the balancing zone with the energy system of the Central Asia state, associated with deviations in the supply of electricity by this entity from the volume of exports of electricity from the Republic of Kazakhstan, specified in the export agreement, in accordance with the procedure determined by the authorized body.

The balancing electric energy market entity, which receives electric energy from an organization (producer) of another state under an agreement for the commercial import of electric energy (hereinafter referred to as the import agreement), in addition to being responsible for its imbalances in the territory of the Republic of Kazakhstan, is also responsible for deviations in the balance of electric energy flows at the border of the balancing zone with the energy system of the Central Asia state, associated with deviations in the receipt of electricity by this entity from the volumes of electricity imports to the Republic of Kazakhstan specified in the import agreement, in accordance with the procedure determined by the authorized body.

12. During the operation of the balancing electric power market in real time mode, energy producing organizations that have concluded a contract (contracts) with a single purchaser on the purchase of services to maintain the electric power readiness, and energy producing organizations included in the Register and that concluded bilateral agreements on the provision of electric power with consumers within the relevant group of persons, are obliged to file daily applications to the system operator for participation in balancing for an increase (decrease) for each hour of the upcoming planning day in accordance with the procedure established by the authorized body, and execute these applications if they are activated by the system operator.

13. The balancing market settlement center, determined by the authorized body shall:

1) enter into contracts for the sale and purchase of balancing electricity and negative imbalances with the balancing electricity market entities;

2) carry out the purchase and sale of balancing electricity and negative imbalances in the balancing electricity market;

3) calculate hourly weighted average prices for the sale of balancing electricity and the purchase of negative imbalances within each balancing zone of the unified electric power system of the Republic of Kazakhstan in accordance with the procedure approved by the authorized body;

4) continuously ensure availability of information on auction prices on the balancing market based on the transaction hour results;

5) calculate the hourly volumes of balancing electricity and imbalances of the balancing electricity market entities as prescribed by the legislation of the Republic of Kazakhstan;

6) determine the marginal tariff for balancing electricity and the marginal tariff for negative imbalances;

7) form the list of balance providers in the manner determined by the authorized body;

8) conclude contracts for the transmission of electrical energy with energy transmission organizations and pay for the electrical energy transmission services in cases and in the manner determined by the authorized body;

9) conclude a connection agreement with all the balancing market entities in a standard form approved by the authorized body;

10) make mutual offsets on obligations on purchase (sale) of balancing electricity and negative imbalances in the balancing market between the balancing market entities under the connection agreement;

10-1) distribute financial obligations and transfer its rights and obligations to the balancing market entities on the basis of concluded contracts for the purchase and sale of balancing electricity and negative imbalances and connection;

11) perform other functions provided for by this Law.

14. If, due to an accident on the networks of an energy transmission organization, confirmed by the authorized body, the balancing electricity market entities directly connected to them have negative imbalances, then the positive difference between the costs of purchasing electricity of these entities and the income of these entities from the sale of these negative imbalances that have arisen during this accident shall be compensated by this power transmission organization.

15. Energy-producing organizations using renewable energy sources and energy-producing organizations using energy waste disposal, having a long-term contract for the sale of electricity concluded with a single buyer of electricity, included in the list of wholesale electricity market entities formed by the system operator (hereinafter - renewable sources), are obliged to conclude an agreement on the transfer of responsibility with a single electricity buyer.

The single purchaser of electric energy does not have its own imbalances in the balancing electricity market and participates in this market only as a balance provider, assuming responsibility for the purchase-sale of balancing electricity and negative imbalances of renewable sources. At the same time, renewable sources that have a long-term contract for the purchase and sale of electric energy concluded with the single purchaser of electric energy after July 1, 2023, included in the list of the wholesale electric energy market entities formed by the system operator, shall be responsible for their imbalances in the manner determined by the authorized body.

16. Within the responsibility transfer agreement, concluded with a single purchaser of electricity, the renewable sources:

1) shall cover all their positive imbalances by purchase of balancing electricity from a single electricity buyer in the appropriate volumes at the price for the sale of electricity indicated in the current contract for the sale of electricity with a single electricity buyer or with a wholesale electricity market entity, multiplied by the increasing coefficient calculated in the manner determined by the authorized body;

2) sell all their negative imbalances to a single electricity buyer at the price for the sale of electricity specified in the current contract for the sale of electricity with a single electricity buyer or with a wholesale electricity market entity, multiplied by a reduction factor calculated in the manner determined by the authorized body.

The value of the multiplying coefficient specified in this paragraph is equal to one for the hour of the operating day, in which the value of the positive imbalance does not exceed the value of the permissible deviation from the planned value of the supply of electrical energy to the grid, included in the daily schedule for the production and consumption of electrical energy, approved by the system operator.

The value of the reduction factor specified in this paragraph is equal to one for the hour of the operating day, in which the negative imbalance value does not exceed the value of the permissible deviation from the planned value of the electrical energy supply to the grid, included in the daily schedule for the electrical energy production and consumption, approved by the system operator.

The values of permissible deviations specified in this paragraph shall be determined in the manner established by the authorized body.

The value of the decreasing and increasing coefficients specified in this paragraph, for renewable sources that have concluded an agreement for the purchase and sale of electric energy with the clearing center for the support of renewable energy sources before July 1, 2023 in accordance with the legislation of the Republic of Kazakhstan in the field of support for the use of renewable energy sources, shall be determined in accordance with the rules for operation of the balancing electricity market.

**Footnote. Chapter 4 is supplemented with Article 15-10 under the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023); as amended by**



the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enactment procedure, see Art 2);

#### **Article 15-11. Hybrid group**

1. The hybrid group shall include the following legal entities, more than twenty-five percent of the voting shares (stakes in the authorized capital, units) of each of which are directly or indirectly owned by the same person:

energy producing organizations that collectively use renewable energy sources and generating units with a maneuverable generation mode, whose facilities were put into operation no earlier than July 1, 2024 and are connected to national or regional power grids at one connection point;

consumers of the hybrid group;

administrator of the hybrid group.

2. A hybrid group shall be included in the list of hybrid groups based on an application from a person who directly or indirectly holds more than twenty-five percent of the voting shares (interests in the authorized capital, units) of the persons indicated in paragraph 1 of this article.

The list of hybrid groups shall include energy producing organizations, consumers, and administrators of hybrid groups specified in paragraph 1 of this article.

**Footnote.** Chapter 4 has been supplemented with Article 15-11 by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 16. Retail electrical energy market**

1. The procedure for access to the retail electricity market shall be determined by the authorized body.

2. Regional electric grid companies transmit electrical energy through the electric networks in the range of its balance participation.

**3. (Paragraph excluded by Law of the Republic of Kazakhstan dated 11.04.2006 № 136 (enforced from the date of its official publication)).**

4. When carrying out economic activities, guaranteeing suppliers of electric energy may not be given advantages concerning other energy supply organizations, except for the cases provided for by the legislation of the Republic of Kazakhstan.

5. The procedure for determining the guarantying electrical energy supplier and its zone of responsibility shall be determined by the rules for organizing and operating the electrical energy market.

**Footnote.** Article 16 as amended by the Laws of the Republic of Kazakhstan dated 11.04.2006 № 136 (enforced from the date of its official publication); 27.07.2007 № 316 (enforced from date of official publication); 29.12.2008 № 116-IV (enforced from 01.01.2009); 05.07.2011 № 452-IV (enforced from 13.10.2011); dated 09.29.2014 № 239-V (shall be

enforced upon the expiry of ten calendar days after its first official publication); dated 30.12.2022 № 177-VII (shall come into effect ten calendar days after the day of its first official publication).

## **Article 17. Contracts in the electricity and capacity market**

Footnote. The heading of Article 17 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023).

1. Purchase-sale of electric power, purchase-sale of balancing electric power and negative imbalances, mutual offsets on the balancing market, provision of services for electric power transmission, including through the national power grid, the use of the national power grid, technical dispatching, regulation of electric power balancing of electric power production-consumption, ensuring the readiness of electric power to bear the load, maintaining the electric power readiness, participation in centralized trading in electric power, organization and holding of auctions for the construction of newly commissioned generating units with a maneuverable generation mode shall be carried out on the basis of contracts concluded in accordance with the Civil Code of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. The buy and sell contracts for electrical energy shall include:

1) daily schedule of electrical consumption;

2) procedure for reservation of electrical capacity by energy-producing organizations.

3. Contracts for the purchase-sale of electric power, purchase-sale of balancing electric energy and negative imbalances, connection contracts, contracts for the provision of services for the electric energy transmission, including via the national power grid, use of the national power grid, technical dispatching, regulation of electric capacity, ensuring the readiness of electric capacity to bear the load, maintaining the readiness of electric capacity, balancing the production and consumption of electric energy on the wholesale electricity market, contracts for participation in the centralized trading market, contracts for the provision of services in organization and holding of auctions for the construction of newly commissioned generating units with a maneuverable generation mode must contain the terms and procedure for terminating the provision of the relevant services in the event of late payment under the contracts.

4. In the event of non-performance or improper performance of obligations under contracts of sale or transfer of electrical energy, the party responsible for non-performance makes reparation for the actual damage caused.

Footnote. Article 17 as amended by Law of the Republic of Kazakhstan dated April 11, 2006 № 136 (enforced from the date of its official publication); dated 12.11.2015 № 394-V ( shall be enforced upon the expiry of ten calendar days after its first official publication); dated 07.12.2020 380-VI (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced from 01.07.2023);

dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 18. Contracts on retail electricity market**

**Footnote.** The heading of Article 18 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

1. Purchase-sale of electric power on the retail market shall be carried out on the basis of public energy supply contracts concluded between consumers and energy supplying organizations.

Energy supplying organizations shall not have the right to deny the sale of electric energy to consumers at tariffs differentiated depending on the volumes (for individuals) of consumed electric energy.

Energy supply organizations shall not have the right to stop supplying electric power to a consumer if there arrears in payment for the thermal energy used.

1-1. Energy-supplying organizations shall conclude standard power supply contracts for the following groups of consumers:

- 1) a standard electricity supply contract for household consumers;
- 2) a standard power supply contract for consumers, using electric energy for non-domestic needs;
- 3) standard electricity supply contract for legal entities, financed from the state budget.

2. Contracts concluded by energy supplying and energy transmitting organizations on the retail market must contain equal conditions for all participants in the retail electricity market.

3. Prices and conditions of supply of electrical energy from energy-supplying organizations shall be determined in accordance with the buy-and-sell agreement by mutual agreement of the parties in recognition of the regional transmission organization's tariff.

Payment for electrical energy consumed by consumers shall be made through billing documents issued by the energy-supplying organizations on the basis of actual indices from metering instruments, and if these are absent or broken down, by calculation, with the exception of cases in which the automated commercial energy accounting system is used.

4. Transfer of electric energy through regional power grids shall be carried out on the basis of a contract for provision of service on transfer of electric energy, concluded by the energy-supplying organization or consumer with a regional power grid company, in a standard form, established by the authorized body.

5. The energy supply contract between guaranteeing suppliers and consumers of electrical energy shall be public.

**Footnote.** Article 18 as amended by the Laws of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009); 13.01.2012 № 542-IV (enforced from 01.07.2012); 04.07.2012 № 25-V (enforced upon expiry of ten calendar days after first

official publication); dated 09.29.2014 № 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 21.04.2016 № 504-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 11.07.2017 № 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication); № 241-VI as of 02.04.2019 (shall be enforced ten calendar days after its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 19. Rights and obligations of electric power consumers**

Footnote. The heading of Article 19 as amended by the Law of the Republic of Kazakhstan dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

1. Consumers of electric power shall have the right:

- 1) to receive electric power in accordance with concluded contracts;
- 2) to demand from energy producing, energy transmitting and energy supplying organizations compensation for actual damage caused by short-delivery or delivery of poor-quality electric energy, in accordance with the terms of concluded contracts;
- 3) Go to court for resolution of disputed issues connected with conclusion and fulfilment of the contracts;
- 4) Pay for consumed electrical energy under load rate tariff accounting systems, determined by Kazakh legislation.

2. Consumers of electric power are obliged to:

- 1) maintain the proper technical condition of electrical and power installations and commercial metering devices, owned by consumers, comply with the requirements for their technical condition in accordance with regulatory legal acts of the Republic of Kazakhstan in the field of electric power industry;
- 2) comply with the energy consumption modes defined by the contract for the sale and purchase of electric power;
- 3) comply with regulatory requirements, aimed at maintaining the standard frequency of electric energy in the unified electric power system of the Republic of Kazakhstan;
- 4) pay timely for the supplied, transmitted and consumed electric power in accordance with the concluded contracts;
- 5) allow the employees of energy-supplying and energy-transmitting organizations to commercial metering devices, and also the employees of the body for state power supervision and control, authorized representatives of local executive bodies for control of technical condition and safety of operation of electro - and power installations.

3. Is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 19 as amended by the Laws of the Republic of Kazakhstan dated

31.01.2006 № 125; 11.04.2006 № 136 (enforced from date of official publication); 29.12.2008 № 116-IV (enforced from 01.01.2009); 06.01.2011 № 378-IV (enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

#### **Article 19-1. Functioning of the wholesale electricity market with a unified purchaser of electricity**

1. A unified purchaser of electric energy shall be determined by the authorized body.
2. A unified purchaser of electric energy shall begin to function simultaneously with the entry into force of this Article, taking into account the effect of Article 25 of this Law.
3. A unified power buyer shall perform the following functions:
  - 1) purchase electric power from energy producing organizations and (or) from the hybrid group administrator for an hour and (or) a day, and (or) a month, and (or) a quarter, and (or) a year (years) in advance in the manner established by the authorized body:
    - for sale to energy supplying, energy transmitting organizations, consumers included in the list of subjects of the wholesale electricity market, as well as conditional consumers;
    - for sale to digital miners;
    - for sale to the hybrid group consumers;
  - 2) sell electric power to energy transmitting and energy supplying organizations, consumers of electric power that are wholesale electricity market entities, conditional consumers, consumers of the hybrid group, also at centralized auctions of electric energy above the maximum tariffs for electric energy to persons engaged in digital mining, in the manner established by the authorized body;
    - 2-1) sell on a short-term (year) or long-term (more than a year) basis to the green energy consumer the electric power generated by the facilities using renewable energy sources, at green tariffs in the manner determined by the authorized body;
  - 3) buy negative imbalances from renewable energy sources within the framework of contracts for the transfer of responsibility;
  - 4) sell balancing electricity to renewable sources under a contract for the transfer of responsibility;
  - 5) conclude with renewable sources having a long-term contract for the sale and purchase of electric energy concluded with a unified buyer of electric energy, a contract for the transfer of responsibility and acts as their balance provider in the balancing market of electric energy in accordance with this Law;
  - 6) enter into relevant contracts for the sale and purchase of electric energy;
  - 7) enter into a contract for participation in centralized trade in electric energy;
  - 8) carry out (if necessary) the purchase of electric energy from suppliers (producers) of electric energy of other countries (import) and (or) an authorized organization determined by

an intergovernmental agreement, in the manner determined by the authorized body, and at the prices of these suppliers (producers);

9) carry out (if necessary) the sale of electric energy to consumers of other countries (export) and (or) an authorized organization determined by an intergovernmental agreement, in the manner determined by the authorized body;

10) provide targeted support for consumers of the wholesale market by differentiating tariffs in the manner determined by the authorized body in order to be able to carry out a phased change in tariffs;

11) enter into a contract for the purchase and sale of balancing electric energy and negative imbalances with the settlement center of the balancing market;

12) determine forecast prices for the sale of electric energy in accordance with the procedure determined by the authorized body;

13) conclude (if necessary) contracts for the transmission of electric energy with energy transmission organizations and pay for services for the transmission of electric energy in cases and in the manner determined by the authorized body;

14) conclude an agreement with the system operator for the provision of technical dispatch services for the supply of imported electric energy to the network (if necessary).

4. The purchase of electric energy to cover the daily schedule of electric energy consumption shall be carried out by a single electric energy buyer taking into account the technical expertise of the system operator in the following order (priority):

1) from renewable sources that have a long-term contract for the sale and purchase of electric power concluded after July 1, 2023 with the single purchaser of electric power, in accordance with the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources in the full volume of their scheduled supply of electric power to the grid at the prices of these contracts.

From renewable sources that have a long-term contract for the purchase and sale of electric power concluded with the settlement and financial center before July 1, 2023, in accordance with the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources in full volume of their actual supply of electric energy to the grid at the prices of these contracts based on the results of the billing calendar month;

2) from thermal power plants in accordance with the rules for the organization and operation of the wholesale electricity market approved by the authorized body;

3) from energy producing organizations that have concluded long-term contracts on the electricity capacity market for the purchase of services of maintaining the electricity capacity readiness in accordance with Articles 15-4 and 15-8 of this Law, in the amount of the planned electricity supply to the network of generating units, the capacity of which is the subject of these contracts, at the relevant maximum tariffs for electricity, multiplied by the relevant hourly rates established in the manner determined by the authorized body, during the validity of these contracts;

4) the rest required to cover the daily schedule of electricity consumption, the planned volumes of electricity supplied to the network shall be purchased by a unified buyer at centralized electricity tenders.

If the planned volumes of electric energy specified in this paragraph are not enough to cover the daily schedule of electric energy consumption, a single buyer shall carry out planned import of electric energy.

The purchase of electric energy specified in this paragraph shall be carried out in the procedure specified by the authorized body.

5. When a unified electric power buyer operates:

1) all energy producing organizations are required to sell electric energy only to the single purchaser of electric energy and consumers included with them in the same group of persons, or to a hybrid group administrator included with them in the same hybrid group, and to conclude with them the corresponding contracts for the purchase and sale of electric energy.

At the same time, energy-producing organizations providing automatic power control services to the system operator shall be exempted from the sale of electricity to a unified buyer of electricity for the amount of the contractual volume (control range);

2) all renewable sources having a long-term contract for the sale and purchase of electric energy concluded with a single buyer of electric energy, according to the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources, shall be obliged to sell electric energy only to a single buyer of electric energy;

3) wholesale electricity market entities are required to purchase electricity only from the single purchaser of electricity and (or) from energy producing organizations that are part of the same group of persons in the Register, and (or) from a hybrid group administrator that is part of a hybrid group with them, and (or) from renewable sources, and to conclude with them the relevant contracts for the purchase and sale of electricity;

In this case, green energy consumers have the right to purchase on a short-term (one year) or long-term (more than one year) basis from the single purchaser of electric energy, electric energy generated by facilities using renewable energy sources, at green tariffs in the procedure determined by the authorized body;

4) subjects of the wholesale electric energy market carrying out digital mining activities shall be obliged to purchase electric energy from outside the Republic of Kazakhstan or from a unified buyer of electric energy in the procedure determined by the authorized body;

5) it shall be prohibited to sell electricity from a unified buyer to the subjects of the retail electricity market;

6) energy supplying organizations, energy transmitting organizations, consumers and digital miners that are the wholesale electricity market entities are required to conclude an agreement with the system operator for the provision of the service of using the national power grid, except for the cases provided for in paragraph 7-1 of Article 13 of this Law. The single electric energy purchaser shall be prohibited from selling (distributing) electric power



to energy supplying organizations, energy transmitting organizations, consumers and digital miners that are the wholesale electricity market entities that do not have agreements for the provision of the service of using the national electric grid or the service of transmitting electric energy through the national electric grid, in the case provided for in subparagraph 3) of paragraph 7-1 of Article 13 of this Law;

7) conditional consumers and administrators of hybrid groups are required to purchase electric energy from the single electric energy purchaser at prices and in volumes that are calculated by the single electric energy purchaser, in the manner determined by the authorized body, taking into account the share of their planned consumption of electric energy in the total volume of planned consumption of the republic, the electric energy volumes produced by renewable sources that are part of them, the volumes of electric energy purchased by them from renewable sources that are the wholesale electric energy market entities, and the costs of the single electric energy purchaser for the purchase of electric energy from renewable sources, and also to conclude relevant contracts for the purchase and sale of electric energy with the single purchaser of electric energy;

8) between renewable sources that have a long-term contract for the purchase and sale of electric energy concluded with the single electric energy purchaser, in accordance with the legislation of the Republic of Kazakhstan on support for the use of renewable energy sources, mutual adjustments are allowed by increase (up) or decrease (down) of the daily power generation-consumption schedule approved by the system operator, no later than two hours before the corresponding hour of actual power generation-consumption, provided that the balance of power generation-consumption in the said daily power generation-consumption schedule is maintained in accordance with the procedure determined by the authorized body;

9) the purchase and sale of electric energy by a unified buyer of electric energy specified in this paragraph, as well as the corresponding mutual settlements shall be carried out in the procedure determined by the authorized body;

10) prices for the purchase and sale of electric energy by a unified buyer of electric energy shall be determined in the procedure determined by the authorized body;

11) costs and revenues of a unified electric energy buyer in the balancing electric energy market shall be taken into account when determining the sale price of electric energy to the subjects of the wholesale electric energy market;

12) the volume of purchased (sold) electric energy on the wholesale electric energy market under all contracts for the purchase and sale of electric energy concluded by the subjects of the wholesale electric energy market shall be the planned volume of the purchase and sale of electric energy included in the daily schedule for the production and consumption of electric energy approved by the system operator;

13) subjects of the wholesale electricity market shall be obliged to pay a unified buyer of electric energy purchased by them in the procedure and within the time frame determined by the authorized body;

14) a unified purchaser of electric energy shall be obliged to pay to energy-producing organizations and renewable sources the electric energy purchased from them in the manner and within the time frame determined by the authorized body;

15) payment for electric energy purchased by the subjects of the wholesale electric energy market (except for guaranteeing suppliers of electric energy) from a unified buyer of electric energy shall be carried out by transferring funds before the start of the operating day in accordance with the daily schedule for the production and consumption of electric energy in the unified electric power system of the Republic of Kazakhstan in the manner established by the authorized body;

16) guaranteeing suppliers of electric energy pay for electric energy purchased from a unified buyer of electric energy, in fact, in accordance with the procedure determined by the authorized body;

17) the amount of funds to be transferred shall be calculated in accordance with the daily schedule of production and consumption of electric energy in the procedure established by the authorized body.

6. In case of non-payment by the entity of the wholesale market of electric energy for electric energy purchased from a unified buyer of electric energy, before the start of the operating day in accordance with the daily schedule of production-consumption of electric energy, the application of the entity of the wholesale market of electric energy in the daily schedule of production-consumption of electric energy for the next day is not allowed (excluded).

7. Payment of the amount of funds for purchased electric energy from power producing organizations shall be made after approval of the daily schedule for the production and consumption of electric energy by the system operator in the procedure established by the authorized body.

8. The costs associated with opening, maintaining and maintaining an account shall be borne by the entity of the wholesale electricity market.

9. The legislation of the Republic of Kazakhstan on public procurement does not apply to legal relations related to the purchase by the single purchaser of electric energy from energy-producing organizations, including those using renewable energy sources, energy waste recycling and secondary energy resources, balancing electricity and negative imbalances, services for the transmission of electric energy, including through the national electric grid, technical dispatching, organization of balancing of production -consumption of electric energy, services of the centralized trading market operator.

This Article shall not apply to subjects of the wholesale electricity market if they participate in the common electricity market of the Eurasian Economic Union.

**Footnote. Chapter 4 as added by Article 19-1 in accordance with the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall enter into force dated 01.07.2023); as amended by the Law of the Republic of Kazakhstan dated 05.07.2023 № 17-VIII (shall enter**

into force dated 02.07.2023); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication).

## **Chapter 5. Management of electric power industry facilities during disruptions to the single electric power system of the Republic of Kazakhstan Article 20. Measures taken to prevent and elimination of disruptions**

1. Excluded by Law of the Republic of Kazakhstan dated 05.07.2011 № 452-IV (be enforced from 13.10.2011).

2. To prevent or eliminate systemic accidents, the system operator uses the reserves of any energy-generating organizations (both for loading and unloading the generated power) regardless of the form of ownership and autonomous power supplies for consumers.

3. If it is necessary to change the generated capacity of hydroelectric power plants in order to prevent or eliminate emergency violations, the system operator has the right to promptly make changes to the approved schedules of water flow through hydroelectric facilities in order to use the adjusting capacity of hydroelectric power plants.

4. When an imbalance occurs that is not settled by the balancing electrical energy market in order to maintain a normative electrical frequency in the single electric power system of the Republic of Kazakhstan, the system operator has the right to carry out buy and sell of electrical energy.

Footnote. Article 20 as amended by Law of the Republic of Kazakhstan dated 05.07.2011 № 452-IV (enforced from 13.10.2011); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## **Article 21. Energy delivery on emergency reservation**

1. Upon occurrence of a systemic accident, the power supply to consumers, having the relevant acts of emergency and technological reservation of power supply with energy-transmitting and energy-supplying organizations shall be carried out according to the schemes, developed by energy-transmitting organizations, ensuring the supply of electric capacity in the amount of emergency reservation to organizations of economic infrastructure due to technological reasons that need continuous energy supply, stopping of their activity shall entail a threat to life, people health and the environment.

2. The order and conditions of power supply to consumers, having emergency reservations shall be approved by the authorized body.

3. Public institutions, supported by budget funds shall be provided with emergency reservation within the funds provided for State institutions' electrical energy costs on consumption of electrical energy, subject to provision of the relevant bank guarantee compiled as prescribed by the legislation of the Republic of Kazakhstan for State institutions and other organizations.

Footnote. Article 21 as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 89-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## **Article 22. Securing of protection and integration of electricity generation facilities**

1. The most important electricity generation facilities shall be protected by special paramilitary security services or subdivisions of the Ministry of Internal Affairs of the Republic of Kazakhstan. The lists of these facilities shall be determined by the Government of the Republic of Kazakhstan.

2. It shall be prohibited to carry out construction, installation, excavation, loading and unloading works, prospecting works related to the construction of wells and pits, arrangement of sites, parking lots for motor vehicles, placement of markets, buildings, structures, storage of materials, construction of fences and barriers, discharge and dumping of caustic corrosive substances and flammable and lubricating materials in the security zones of power lines without the consent of the organization in charge of the power grids.

3. The property of energy-producing and regional transmission organizations participating in the same procedure of production and transfer of electric and/or heat energy shall be indivisible.

4. Purchase and sale, leasing or trust management of electric power objects and (or) its separate parts shall be carried out with prior notification of the authorized body and the state body, exercising management in the spheres of natural monopolies.

5. Unauthorized connection to power grids in violation of the procedure stipulated by the legislation of the Republic of Kazakhstan on electric power industry shall be prohibited.

Footnote. Article 22 as amended by the Laws of the Republic of Kazakhstan dated April 11, 2006 № 136 (enforced from the date of its official publication); 29.12.2008 № 116-IV (enforced from 01.01.2009; dated 05.16.2014 № 203-V (shall be enforced upon the expiry of six months after its first official publication); dated 09.29.2014 № 239-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 12.28.2016 № 34-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 08.07.2024 № 121-VIII (enacted sixty calendar days after the date of its first official publication); dated 18.07.2024 № 126-VIII (enacted sixty calendar days after the date of its first official publication).

## **Article 23. Liability for a breach of legislation of the Republic of Kazakhstan concerning electrical power industry**

Persons, guilty of a breach of legislation of the Republic of Kazakhstan concerning electric power industry shall be liable as prescribed by the laws of the Republic of Kazakhstan.

#### **Chapter 6. Final and transitional provisions Article 24. The order of enforcement of this Law**

1. This Law enters into force from the date of its official publication, with the exception of:

- 1) Paragraph 2 of article 13 and paragraph 4 of article 14, enforced from October 1, 2004;
- 2) Paragraph 6 of article 13, enforced from January 1, 2008.

2. The regulations determined by the sub-paragraph 4) of paragraph 1 and sub-paragraph 2) of paragraph 2) of article 10 shall be valid until December 31 2007.

3. The Law of the Republic of Kazakhstan dated July 16, 1999 “Concerning the electric power industry” (Bulletin of the Parliament of the Republic of Kazakhstan, 1999, № 20, article 729) shall be declared no longer in force.

**Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 11 April , 2006 № 136 (shall be enforced from the date of its official publication).**

#### **Article 25. Final and transitional provisions**

1. The regional transmission organizations shall divide electrical and/or heat energy transfer from energy delivery activities until October 1, 2004.

2. The regional electricity grid companies divide electrical energy activities from energy delivery activities according to establishment of organizations until October 1, 2004.

3. The energy-producing organizations shall conclude agreements from May 1, 2009 as prescribed by this Law.

4. The prohibition provided by paragraph 3-3 of article 13 of this Law shall not extend to cases of electrical energy sales by the energy-supplying organizations, supplying no more than 1 megawatt of average daily (basic) energy capacity until July 1, 2009.

4-1. The prohibition provided for by subparagraph 2) of part one of paragraph 3-3 of Article 13 of this Law shall not apply to guaranteeing suppliers of electricity until January 1, 2030.

**Paragraph 5 shall be valid until 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 № 25-V.**

5. Energy-producing organizations, that have not taken measures to conclude an agreement as provided for by paragraph 3-1 of article 12-1 of this Law and have not concluded an agreement with the authorized body shall sell electrical energy at a price that does not exceed electrical energy generation costs, excluding depreciation costs and income.

6. Energy-transmitting organizations, rendering services for the transfer of electric energy must comply with:

1) the requirement for the activity on transmission of electric energy, specified in subparagraph 1) of paragraph 6 of Article 13-1 of this Law, no later than January 1st, 2018;

2) the requirements for the activity on transfer of electric energy, specified in subparagraphs 2) and 3) of paragraph 6 of Article 13-1 of this Law, no later than January 1st, 2020;

3) the requirement for the activity on transfer of electric energy, specified in subparagraph 4) of paragraph 6 of Article 13-1 of this Law, no later than January 1st, 2022.

7. Local executive bodies shall ensure the transfer of electric networks, being under the right of economic management or operational administration of state legal entities, in accordance with paragraph 2 of Article 13-1 of this Law no later than January 1st, 2019

8. Consumers who are subjects of the wholesale electricity market must comply with the requirement established by paragraph 6-2 of Article 13 of this Law no later than January 1, 2023.

9. Paragraph 10 of Article 15-3 of this Law shall apply to contracts for the purchase of services to maintain the readiness of electric power, concluded by a single purchaser from January 1, 2022.

10. The authorized body, together with the system operator, shall ensure the balancing electricity market operation in real time from July 1, 2023.

11. The authorized body shall ensure transition to the single buyer model in the electricity market from July 1, 2023.

12. This Law in the part of the electrical energy purchase and sale to a single buyer of electrical energy shall apply to relations arising from previously concluded contracts, which are subject to termination before July 1, 2023.

13. Power transmission organizations that meet the qualification requirements specified in Article 7-1 of this Law shall be obliged, within the period until January 1, 2025, to obtain a license for the type of activity of purchasing electric energy for the purpose of energy supply to consumers.

14. Licenses and (or) attachments to a license (permits and (or) attachments to a permit) for the activities in the purchase of electric energy for energy supply purposes, issued to energy supplying organizations that do not comply with the requirements of Article 7-1 of this Law, shall be subject to deprivation (revocation) or suspension of the license by the licensor.

15. Establish that the third part of Article 5-2 shall be valid until January 1, 2026.

**Footnote. Article 25 as amended by the Laws of the Republic of Kazakhstan dated 29.12.2008 № 116-IV (enforced from 01.01.2009); 04.07.2012 № 25-V (enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 89-VI (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2022 № 177-VII (shall come into effect ten calendar**

days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 08.07.2024 № 118-VIII (enacted ten calendar days after the date of its first official publication); dated 08.07.2024 № 121-VIII (enactment procedure see Art 2).

*The President of the Republic of Kazakhstan*

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