



On Electric Power Industry

Unofficial translation

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

Unofficial translation

This Law regulates social relations arising in the process of production, transfer and consumption of electrical and heat energy.

Footnote. Preamble amended by Law of the Republic of Kazakhstan dated 11 April 2006 № 136 (enforced from the date of its 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) a passport of readiness - an annually issued document, confirming the readiness of energy-producing and energy- transmitting organizations to work in the autumn-winter period ;

2-2) a single purchaser - a legal entity, determined by the authorized body, carrying out centralized purchase of service on maintaining the readiness of electric capacity and centralized rendering of service for ensuring the readiness of electric capacity to bearing the load in the manner, prescribed by this Law;

2-3) generating installation - a device, generating electric energy;

2-4) generating plant with a maneuverable generation mode - a generating plant with adjustable electric power;

2-5) auctions for construction of newly commissioned generating plants with a maneuverable generation mode (hereinafter - auctions) - a process organized and conducted by the organizer of auctions in an electronic system based on an auction, aimed at selecting projects for construction of newly commissioned generating plants with a maneuverable generation mode and determination of their individual tariffs for the service of maintaining the readiness of electric power;

2-6) an auction participant for construction of newly commissioned generating plants with a maneuverable generation mode (hereinafter referred to as an auction participant) - a legal entity that has been registered in the electronic system of the auction organizer and received the status of a participant;

2-7) the auction organizer for construction of newly commissioned generating plants with a maneuverable generation mode (hereinafter referred to as the organizer of auctions) - a legal entity, more than fifty percent of the shares (stakes in the authorized capital) of which are owned by the state and its affiliates, determined by the authorized body, carrying out, in the manner prescribed by this Law, the organization and conduct of auctions;

2-8) an 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 - a tariff determined based on the results of auctions;

2-9) dispatching technological control - a process carried out by a dispatcher and designed to solve the problems of monitoring and managing the modes of operation of electrical networks through automated dispatching and technological control systems, as well as receiving and processing messages from individuals and legal entities about the prerequisites for occurrence or occurrence of technological violations requiring response measures and elimination of failures and damages;

2-10) an individual tariff for the service of maintaining the readiness of electric power of newly commissioned energy-generating organizations - a tariff determined following the results of a tender held by the authorized body for the construction of the newly commissioned generating plants;

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

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).

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 to the subjects of the wholesale electric power market for transmission of electric power, technical dispatching, power reservation, organization of balancing of the production and consumption of electric power;

7) system operator – the national company, carrying out centralized operational dispatch management, provision of parallel operations with energy systems of other states, maintenance of balance in the energy systems, rendering of system services and acquisition of ancillary services from wholesale electrical energy market entities, as well as transfer of electrical energy through the national electric network, providing technical servicing of that network and keeping it in operational availability;

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) heating network conservation zone – land plots designed for preservation of heating systems, arrangement of normal operating conditions and prevention of damage to them and accidents amongst the population within the conservation zone of these systems;

8-1) heat supply system - a complex, consisting of heat- producing, heat- transmitting and heat-consuming installations;

9) heat energy transfer - a service for transporting of heat energy and (or) coolant through heating networks, rendered by energy- transmitting organizations in accordance with the concluded contracts;

10) retail market of heat energy - a system of relationships of participants of production, transfer of heat energy for implementation of heat supply to consumers on the basis of contracts;

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 instrument – technical device intended for metering of electrical capacity, electrical or heat energy, allowed for use as prescribed by Kazakh legislation;

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;

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 violation - failure or damage of equipment, electric and (or) heating networks, including as a result of fire or explosions, deviations from the set modes, unauthorized power cut or limitation of equipment operation or its breakdown, which led to disruption of the production process, transmission, consumption of electric and (or) heat 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) the authorized body in the field of housing relations and housing and communal services - the central executive body that carries out management and inter-sectoral coordination in the field of heat supply (except for combined heat and power plants and boiler houses that produce heat energy in the area of centralized heat supply) within settlements;

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 – individual or legal entity consuming electrical and (or) heat energy on the basis of a contract;

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 for the transmission of electrical energy through the national power grid - a service provided by the system operator to the wholesale electricity market entities exporting and importing electrical energy, and organizations of other states for the volume of interstate transit of electrical energy, organizations included in the group of persons engaged in transmission of electric energy through the national electric power grid for the facilities that are part of these organizations, conditional consumers, as well as consumers who have concluded bilateral agreements with energy-producing organizations using renewable energy sources;

27-2) service for the national power grid use - a service for ensuring the maintenance and upkeep of the national power grid in operational readiness, related to the transmission of

electrical energy in accordance with the legislation of the Republic of Kazakhstan on natural monopolies, provided by the system operator to the electricity market wholesale entity, with the exception of a single purchaser of electricity, conditional consumers and legal entities that are part of groups of persons, when they purchase electricity from a single purchaser of electricity and carry out purchase-sale operations of balancing electricity and negative imbalances with the settlement center of the balancing electricity market in accordance with 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) commercial metering of electric and heat energy – the metering of electric and heat energy, required for payments between parties under buy-and-sell and electrical and heat energy transfer networks;

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;

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) electrical power industry – the sphere of industry, transfer, supply and consumption of electric and heat 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) a net consumer of electrical energy (hereinafter -a net consumer) - an individual or a legal entity that provides fully or partially its own consumption of electrical energy from an object for the use of renewable energy sources, belonging to him on the ownership right or other proprietary right, connected to distribution network and equipped with systems for separate accounting of volumes of electricity consumption from the network and volumes of supply to it, with a total installed capacity of up to one hundred kilowatts, including combined installations of renewable energy sources;

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 waste energy recycling, consumers of electric energy and digital miners included in the list of the wholesale electricity market entities, formed by the system operator,

as well as the system operator, the operator of the centralized trade market and the single purchaser of electricity;

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 electrical energy – energy-supplying organization providing power to consumers in cases of termination of power delivery to consumers by all other energy-supplying organizations through no fault of the consumer;

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) an energy-transmitting organization - an organization, rendering the service on the transfer of electric or heat energy on the basis of contracts;

49) energy-supplying organization – organization selling purchased electrical and/or heat energy to consumers;

50) energy producing organization - an organization that produces electrical and (or) thermal power for its own needs and (or) sale, with the exception of individual consumers of electrical and (or) thermal energy and net consumers of electrical energy, which are such in accordance with the legislation of the Republic Kazakhstan on supporting 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 December 26, 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).

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 demands and protection of rights of electrical and heat energy market participants by creating conditions of competition on the market, guaranteeing consumers a right of choice of electric and heat energy suppliers;

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) effective and safe function and development of the electrical energy complex through unity of management and development of business competition;

2) right of choice of electric and/or heat energy supplier by consumers;

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

4) establishment and development of a regulated electric and heat energy market;

5) rational and economic use of electrical and heat energy;

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.

11) provision of crediting and subsidizing for construction, reconstruction and modernization of heat supply systems.

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;

6) crediting of construction, reconstruction and modernization of heat supply systems at the expense of budgetary funds, carried out in the manner established by the legislation of the Republic of Kazakhstan;

7) subsidizing of construction, reconstruction and modernization of heat supply systems on a gratuitous and non-refundable basis, carried out at the expense of budgetary funds.

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).

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 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);

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).

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) develop and approve a standard electricity supply contract;
- 6) develop and approve a standard contract for construction of generating installations, being newly commissioned;
- 7) develop and approve a standard contract for the purchase of service on maintaining the readiness of electric capacity;
 - 7-1) develop and approve a standard contract for the provision of service on ensuring the readiness of electric capacity to bearing the load;
 - 7-2) develop and approve a model contract for the creation of electric capacity with the wholesale market entities included in the Register of Groups of Persons (hereinafter referred to as the Register);
 - 7-3) develop and approve a model contract for the purchase of services for maintaining the readiness of electric capacity with the wholesale market entities included in the Register;
- 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) develop and approve the rules for organization and functioning of the wholesale market of electric energy;
- 10) develop and approve the rules for technical operation of power stations and networks;
- 11) develop and approve the rules for holding a tender for construction of generating installations, being newly commissioned;
- 12) develop and approve the rules for functioning of the balancing market of electric energy;
- 13) develop and approve the rules for organization and functioning of the retail market of electric energy, as well as provision of services in this market;
- 14) develop and approve the rules for prevention of emergency violations in the unified electric power system of Kazakhstan and their elimination;
- 15) develop and approve the rules for conducting energy expertise;
- 16) develop and approve technical regulations in the field of electric power industry;
- 17) develop and approve safety regulations for operation of electrical installations;
- 18) develop and approve safety regulations for operation of the heating equipment of power stations and heating networks;

- 19) develop and approve the rules for electrical installations;
- 20) develop and approve instructions for drawing up an act of emergency and technological reservation of energy supply;
- 21) develop and approve the rules for the use of electric energy;
- 22) develop and approve the rules for the use of heat energy;
- 23) develop and approve the rules for the provision of services by the system operator, organization and functioning of the system and ancillary services market;
- 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) develop and approve the rules for the provision of services on ensuring the reliability and sustainability of power supply;
- 26) develop and approve electric network rules;
- 27) develop and approve the rules for technical operation of electrical installations of consumers;
- 28) develop and approve safety regulations for operation of electrical installations of consumers;
- 29) develop and approve fire safety rules for energetic enterprises;
- 30) develop and approve the rules of explosion safety of fuel supply for preparation and combustion of pulverized fuel;
- 30-1) develop and approve the rules for establishing security zones for electric network facilities and special conditions for the use of land plots, located within the boundaries of such zones;
- 30-2) develop and approve the rules for determining the sizes of land plots for the placement of supports of overhead power lines;
- 30-3) develop and approve the rules for establishing protection zones of objects of heating networks and special conditions for the use of land plots, located within the boundaries of such zones;
- 30-4) develop and approve the rules for determining the compliance of energy-transmitting organizations with the requirements for the activity on transfer of electric energy;
- 31) develop and approve safety rules when working with tools and devices;
- 32) develop and approve the rules for investigation and registration of technological violations in operation of the unified electric power system, power stations, district boiler houses, electrical and heat networks;
- 33) develop and approve the rules for acceptance into operation of power facilities of power stations, electrical and heat networks after technical modernization;
- 34) develop and approve regulations on certification, rationalization, registration and planning of workplaces in the energy sector;

- 35) develop and approve the rules for registration the supply of heat energy and coolant;
- 36) develop and approve the rules for organization of technical maintenance and repair of equipment, buildings and structures of power stations, heat and electrical networks;
- 37) develop and approve the rules for coordination of restrictions of electric capacity of heat power stations and actions for reduction of such restrictions;
- 38) develop and approve the rules of work with personnel in energetic organizations of the Republic of Kazakhstan;
- 39) develop and approve the rules for organization of the centralized biddings of electric energy;
- 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) develop and approve the rules for periodic inspection of technical condition of power equipment, buildings and structures of power stations, electrical and heat networks, as well as power equipment of consumers with the involvement of expert organizations and manufacturers;
- 42) develops and approves the rules for the organization and functioning of the electric power market;
- 43) determine the system operator;
- 44) establish the sample of the service certificate of the state technical inspector, the number stamp and the seal;
- 45) develop and approve the rules for determining the norms of operational fuel reserve in the autumn-winter period for energy-producing organizations;
- 46) approve the norms of operational fuel reserve in the autumn-winter period for energy-producing organizations;
- 47) develop and approve within its competence the normative legal acts of the Republic of Kazakhstan in the field of production, transfer and consumption of electric and heat energy, as well as provision of services on maintaining the readiness of electric capacity and ensuring the readiness of electric capacity to bearing the load;
- 47-1) develop and approve normative values of reliability indicators of power supply, and also the order of their determination;
- 48) develop and approve the normative legal acts, regulating standards of the expense of electric and heat energy for technological needs of energy-producing, energy-transmitting organizations;
- 49) develop and approve normative technical documents in the areas of design, construction, operational and technical-economic characteristics of the equipment;
- 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) exercise state control over compliance by energy producing organizations with the requirements, stipulated by sub-paragraph 3) of paragraph 3-2 of Article 13 of this Law;
- 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 (operators) of the central trading market on competition basis in accordance with the rules for organization of centralized trade in electric energy;
- 54) develop and approve the forms of acts of state technical inspectors;
- 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) develop and approve the order for issuance of the service certificate, the number stamp and the seal to the state technical inspector;
- 57) develop and approve the rules for operation of the automated system of commercial registration of electric energy for the entities of the wholesale market of electric energy;
- 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) develop and approve the requirements for expert organizations for carrying out an energy expertise;
- 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) develop and approve the terms of reference for the development of the investment program;
- 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) develop and approve a promising layout of electrical capacities;
- 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) develop and approve the rules for obtaining a passport of readiness for the work in the autumn-winter period by energy-producing, energy-transmitting organizations;
- 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) establish the procedure for approving the marginal tariff for electrical energy and the marginal tariff for the service of maintaining the electrical capacity readiness;

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) place on its Internet resource information on violations of the procedure of realization (sale) of electric energy and service on maintaining the readiness of electric capacity by energy-producing organizations and the measures, taken for elimination of the revealed violations;

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) approve the methodology for determining the rate of return taken into account when approving marginal tariffs for electric energy, including, among other things, the cost of interest on loans attracted as part of the measures under long-term contracts for the purchase of services to maintain the electric power readiness concluded on the electric power market in pursuance of Articles 15-4 and 15-6 of this Law, as well as balancing premiums;

70-10) determine the market council, as well as develop and approve the rules for functioning the market council;

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) develop and approve the order for the development of forecasted balances of electric energy and capacity;

70-14) develop and approve normative technical documents in the field of electric power industry;

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) develop and approve the rules of certification of electric capacity of generating installations;

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) develop and approve the rules for determining the volume of service on maintaining the readiness of electric capacity 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, which include heat power plants in their structure;

70-20) develop and approve the rules for calculation and placement on the Internet resource of the price for the service on ensuring the readiness of electric capacity to bearing the load by a single purchaser;

70-21) develop and approve the rules of admission for consideration, consideration and selection of investment programs of modernization, expansion, reconstruction and (or) renewal, the conclusion of investment agreements for modernization, expansion, reconstruction and (or) renewal, the corresponding conclusion of contracts on the purchase of service on maintaining the readiness of electric capacity and establishment of individual tariffs for these contracts for the service on maintaining the readiness of electric capacity, volumes and terms of purchase of service on maintaining the readiness of electric capacity;

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) develop and approve the rules for determining the deficit and surplus of electric energy in the unified electric power system of the Republic of Kazakhstan;

70-30) develop and approve the rules for subsidizing energy-producing organizations for the purchase of fuel for the no-break conduct of the heating season;

70-31) form and maintain the Register in accordance with the approved rules;

- 70-32) develop and approve the rules for the formation and maintenance of the Register;
- 70-33) develop and approve the rules for participation of consumers included in the Register in the creation of electric capacity to cover projected deficit;
- 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) coordinates local executive bodies of regions, cities of republican significance, the capital when subsidizing the costs of organizations in the field of heat production for repayment and servicing loans from international financial organizations involved in the implementation of projects to modernize energy supply systems;
- 70-36) approves the rules for subsidizing the costs of organizations in the field of heat production for repayment and servicing of loans from international financial organizations involved in the implementation of projects to modernize energy supply systems;
- 70-37) develops and approves the rules for including consumers in the list of power plants ;
- 70-38) approves the list of power plants;
- 70-39) develops and approves the rules for technological connection to electric networks of power transmission organizations;
- 70-40) develops and approves a standard contract for the technological connection of electrical installations with an installed capacity of up to 200 kW of business entities to the electric networks of power transmission organizations;
- 70-41) develops and approves the rules for organizing and conducting auctions for the construction of newly commissioned generating plants with a maneuverable generation mode;
- 70-42) develops and approves a methodology for evaluating the effectiveness of investments in the field of electric power industry;
- 70-43) develops and approves a plan for placement of generating plants with a maneuverable generation mode;]
- 70-44) develop and approve the rules for considering investment programs for modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, the conclusion of investment agreements for the modernization, reconstruction and (or) expansion with the construction of generating plants with the use of gas as an alternative type of fuel, the corresponding conclusion of contracts for the purchase of services to maintain the readiness of electric power and the establishment of individual tariffs for these contracts for the service to maintain the readiness of electric power, the volumes and terms of the purchase of services to maintain the readiness of electric power;
- 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;

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).

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) develop and confirm the technical rules and regulations for supply of electricity and heat within inhabited localities, within its competence;

3) organize methodological support for supply of electricity and heat within inhabited localities;

4) organize the conducting of design, survey, scientific research and development works in the supply of electricity and heat within inhabited localities;

5) develop and approve standard rules for calculation of consumption norms of communal services on power supply and heat supply for the consumers, not having metering devices;

5-1) develop and approve the rules for crediting of construction, reconstruction and modernization of heat supply systems in coordination with the central authorized body for budget planning;

5-2) develop and approve the rules for subsidizing of construction, reconstruction and modernization of heat supply systems in coordination with the central authorized body for budget planning;

5-3) provide crediting and subsidizing of construction, reconstruction and modernization of heat supply systems;

5-4) coordinates the local executive bodies of regions, cities of republican significance, the capital when subsidizing the costs of organizations in the field of transmission and supply of electric energy, transmission and supply of thermal energy for repayment and servicing of loans of international financial organizations involved in the implementation of projects for expansion, modernization , reconstruction, renovation, maintenance of existing assets and creation of new assets;

5-5) approves the rules for subsidizing the costs of organizations in the field of transmission and supply of electric energy, transmission and supply of thermal energy for the repayment and servicing of loans from international financial organizations involved in the implementation of projects to expand, modernize, reconstruct, renew, maintain existing assets and create new assets;

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 December 26, 2019 №

284-VI (shall be enforced upon expiry of ten calendar days after the day 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 regions, cities of republican significance, the capital subsidize the costs of organizations in the field of transmission and supply of electric energy, production, transmission and supply of thermal energy for repayment and servicing of loans from international financial organizations involved in the implementation of projects for expansion, modernization, reconstruction, renewal , maintaining existing assets and creating new assets, in the manner determined by the authorized state bodies.

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).

Article 6. State energy control

Footnote. Title as amended by Law of the Republic of Kazakhstan dated 06.01.2011 № 378-IV (enforced upon expiry of ten calendar days after its first official publication).

1. Control in the field of electric power industry shall be carried out by the state body for state energy supervision and control and local executive bodies.

2. The body for state energy supervision and control shall carry out the control over:

1) compliance with the requirements of regulatory legal acts of the Republic of Kazakhstan in the field of electric power industry;

2) operation and technical condition of power equipment of power stations, electric networks, electrical installations of consumers;

3) reliability and safety of production, transfer, supply and consumption of electric energy ;

4) non-admission or dismissal from work on electric installations of the personnel, not having passed the knowledge test of rules of technical operation and safety regulations in the field of electric power industry.

2-1. Local executive bodies shall carry out the control over:

1) operation and technical condition of boiler houses, heating networks and heat-using installations of consumers;

2) preparation and implementation of repair and restoration works on the boiler houses, heating networks and their operation in the autumn-winter period.

3. The state energy control in the field of electric power industry is carried out in the form of an inspection and preventive control in accordance with the Entrepreneurial Code of the Republic of Kazakhstan and this Law.

4. – 7. Excluded by Law of the Republic of Kazakhstan dated 17.07.2009 № 188-IV (for method of enforcement see article 2).

8. For elimination of the revealed violations, the head of the electric power industry object shall be issued a prescribed standard instruction, indicating the terms and persons, responsible for the execution, as well as dismissal from work of personnel, not having an appropriate permission to carry out activity on operation of electrical installations and not having passed the qualification test knowledge of technical operation rules and safety regulations in the field of electric power industry.

9. The energy control shall examine:

1) compliance with requirements of technical conditions concerning quality of electrical and heat energy;

2) compliance with regulatory legal acts of the Republic of Kazakhstan in the field of electric power industry within its competence;

3) rational and economic use, and optimization of methods of production, transfer and consumption of electrical and heat energy;

4) readiness of power stations, electrical and heating networks to work in the autumn-winter period.

10. The body for state energy supervision and control shall:

1) participate in the work of commissions of electric power enterprises to assess the readiness of facilities and equipment to work in the autumn-winter period;

2) keep records of technological violations in the operation of power stations, electrical networks, which led to shutdown of the main equipment, fires, explosions, division of the unified electric power system of the Republic of Kazakhstan into several parts, mass restriction of consumers of electric energy;

3) receive notifications on the beginning or termination of activity, as well as maintain, post and update on the Internet resource the register of expert organizations for energy expertise in accordance with the category;

4) 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);

5) review materials on administrative cases in the field of electric power industry within its competence in accordance with the legislation of the Republic of Kazakhstan on administrative offences;

6) apply to the court and participate in court proceedings on violations of the legislation of the Republic of Kazakhstan on electric power industry;

7) send to the state body, exercising management in the spheres of natural monopolies, information on non-compliance of the activity of the natural monopoly entity, providing the service for the transfer of electric energy, with the requirements of paragraph 6 of Article 13-1 of this Law;

8) monitors the wear and tear of the main equipment of energy -generating and energy transmission organizations.

10-1. Local executive bodies shall:

1) carry out investigations of technological violations in the operation of boiler houses and heating networks (main, intra-quarter);

2) coordinate the planned repair of boiler houses and heating networks (main, intra quarter);

3) issue passports of readiness of heating boiler houses of all capacities and heating networks (main, intra quarter) to work in the autumn-winter period;

4) 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);

5) keep record of investigations of technological violations in the work of heating networks, which led to restriction of consumers of heat energy, damage of the power equipment of boiler houses;

6) carry out consideration of materials on administrative cases in the field of electric power industry within its competence in accordance with the legislation of the Republic of Kazakhstan on administrative offences;

7) apply to the court and participate in court proceedings on violations of the legislation of the Republic of Kazakhstan on electric power industry.

11. The body for state energy supervision and control in the order, established by the legislation of the Republic of Kazakhstan shall have the right to:

1) have an unimpeded access to electrical and power installations;

2) prepare proposals to improve the legislation of the Republic of Kazakhstan on electric power industry;

3) involve experts in carrying out inspection of power equipment, complex inspections of power organizations and investigation of technological violations in the work of power equipment of power stations, electrical networks;

4) issue a passport of readiness without remarks or with remarks in case of need of additional explanations, materials and substantiations to the documents, submitted for obtaining a passport of readiness, which volume complies with the requirements, established by the legislation of the Republic of Kazakhstan on electric power industry, and also refuse to issue a passport of readiness in case of non-compliance of volume, content of the submitted documents, confirming the fulfillment of conditions and requirements, established by the legislation of the Republic of Kazakhstan on electric power industry, for obtaining a passport of readiness.

Footnote. Article 6 is in the wording of Law of the Republic of Kazakhstan dated January 31, 2006 № 125; as amended by the Laws of the Republic of Kazakhstan dated July 27, 2007 № 316 (enforced from the date of its first official publication); 29.12.2008 № 116-IV (enforced from 01.01.2009); 17.07.2009 № 188-IV (for method of enforcement see Article 2); 06.01.2011 № 378-IV (enforced upon expiry of ten calendar days after first official publication); 15.07.2011 № 461-IV (enforced from 30.01.2012); and 03.07.2013 № 124-V (enforced upon expiry of ten calendar days after official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 12.11.2015 № 394-V (shall be enforced upon expiry of ten calendar days after its first official publication); 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); dated 07.12.2020 № 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

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

1. Preventive control without visiting the subject (object) of control in the field of electric power industry is carried out in accordance with the Entrepreneurial Code of the Republic of Kazakhstan and this Law.

2. Preventive control without visiting the subject (object) of control in the field of electric power industry is carried out to ensure safe, reliable and stable operation of the electric power complex of the Republic of Kazakhstan.

3. Preventive control without visiting the subject (facility) of control in the field of electric power industry shall be carried out by studying and analyzing:

1) information and reports submitted by electric power enterprises in accordance with the requirements of the legislation of the Republic of Kazakhstan on the electric power industry;

2) information, received at the request of the supervisory authority in the field of electric power industry, on compliance with the legislation of the Republic of Kazakhstan on the electric power industry within its competence – in case of information reported on its violation;

3) documentation and materials along with participation in the work of commissions of electric power enterprises to assess the readiness of facilities and equipment to operate in the autumn-winter period;

4) information of authorized state bodies, as well as information obtained from state information systems, electronic information resources, other documents and information on the activities of the subject (facility) of control in the field of electric power industry.

4. Preventive control without visiting the subject (object) of control in the field of electric power industry is carried out in respect of electric power enterprises of the Republic of Kazakhstan and electric power plants, heat-energized installations of consumers.

5. In case of violations found as a result of preventive control without visiting the subject (object) of control in the field of electric power industry in actions (inaction) of the subject of control in the electric power industry, the supervisory authority in the field of electric power industry draws up and sends a recommendation within five working days of violations' detection.

6. The recommendation shall be delivered to the subject of control in the field of electric power industry by hand against signature or using another method confirming its dispatch and receipt.

A recommendation sent using one of the below indicated methods is deemed to be served in the following cases:

1) by courier – on the date of the receipt mark in the recommendation;

2) by mail – by registered mail;

3) electronically – on the date of dispatch by the supervisory authority in the field of electric power industry to the electronic address of the subject of control in the field of electric power industry indicated in a letter received in response to the request of the supervisory authority in the field of electric power industry.

7. The subject of control in the field of electric power industry, which received a recommendation to eliminate violations found as a result of preventive control without visiting the subject (object) of control in the field of electric power industry, shall, within ten working days of the day following its delivery, submit to the supervisory authority in the field of electric power industry, an action plan to eliminate identified violations specifying the deadlines for their elimination, indicated in the recommendation on the elimination of violations.

Upon expiration of the deadlines specified in the recommendation on elimination of violations, the subject of control in the field of electric power industry shall provide information on the implementation of the recommendation on elimination of violations to the supervisory authority in the field of electric power industry.

8. In the event of disagreement with violations specified in the recommendation, the subject of control in the field of electric power industry may send to the supervisory authority in the field of electric power industry, which sent the recommendation, an objection within five working days of the day following the recommendation's delivery.

9. A failure to implement the recommendation on elimination of violations, identified as a result of preventive control without visiting a subject (object) of control in the field of electric power industry within the prescribed time frames, entails the scheduling of preventive control

with a visit to the subject (object) of control in the field of 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 field of electric power industry.

10. Preventive control without visiting the subject (object) of control in the field of electric power industry is carried out in the event of the circumstances specified in paragraph 3 of this article.

Footnote. Chapter 2 is supplemented with Article 6-1 in accordance with Law of the Republic of Kazakhstan № 394-V as of 12.11.2015 (shall be enforced ten calendar days after its first official publication); as amended by Law of the Republic of Kazakhstan № 156-VI as of 24.05.2018 (shall be enforced ten calendar days after 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 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;

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);

Article 7-1. Licensing in the sphere of electric power industry

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

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).

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

1. Subsidizing of construction, reconstruction and modernization of heat supply systems shall be carried out as an economic stimulation for the development of heat supply.

2. Subsidizing of construction, reconstruction and modernization of heat supply systems shall be carried out in the following areas:

1) technical support of projects, which includes the development of technical justification, design and estimate documentation, technical and author's supervision;

2) capital-intensive expenses, including expenses for construction and installation works, purchase of equipment and materials.

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).

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

Neither the central executive bodies nor then local representative and executive bodies have the right to interfere in the production and technological activities of organizations connected with production and transfer of electrical and heat energy or with technological management of these processes, with the exception of cases provided for by laws of the Republic of Kazakhstan.

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, belonging to the same group of persons shall have the right to jointly or independently carry out the design, construction and operation of their own transmission lines with a voltage of 220 kilovolts and above, provided that the electrical energy, transmitted through such lines will be used for consumption within this group of persons, within the region as an administrative-territorial unit, as well as compliance with technical requirements, determined by the system operator to ensure the reliability of works 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;
- 2) exercising functions of the executive body of a legal entity.

The opportunity of an individual or a legal entity to determine indirectly the decisions, made by another legal entity, in accordance with subparagraph 1) of part three of this paragraph means the disposal by every subsequent legal entity of more than fifty percent of the voting shares (stakes in the authorized capital, shares) of another legal entity.

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).

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 9-2. 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. Equipment in electric stations and electric and heat networks, and consumers' installations, intended for production, transfer and consumption of electrical and heat energy, shall comply with determined technical regulations.

Article 9-3. Safety requirements for electrical equipment and materials used in production, transfer and consumption of electric and heat energy

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. It is not allowed to put into operation the equipment of consumers' power plants, electrical and heat networks, installations subject to confirmation of compliance with the requirements established by technical regulations, without a document in the field of conformity assessment.

4. Equipment in electrical stations, electrical and heat networks and consumers' installations shall be in a technically sound state that ensures safe conditions of operation.

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).

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.

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).

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) render system services for transfer of electrical energy through the national electric network in accordance with the contract, and ensure its servicing and continued operational availability;

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;

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. The system operator shall carry out the supply of electric energy to energy-producing organizations in case of an emergency retirement of capacities in the absence of the possibility of buying electric energy from other energy-producing organizations. If the system operator has more than one agreement on mutual emergency assistance with the power systems of neighboring countries, the system operator shall select the electricity supplier, who has offered the lowest price of electric energy, taking into account technical limitations.

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).

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 a service on maintaining the readiness of electric capacity in accordance with the contract for the purchase of service on maintaining the readiness of electric capacity;

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).

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 generation and transmission of electric power, with the exception of individual consumers of electrical and (or) thermal energy and net consumers of electrical energy, are 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.

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) present a report on costs of production and sales of electrical energy, showing volumes of production and sales of electrical energy for the previous calendar year, to the authorised organisation, annually on or prior to March 31;

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.

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 a contract for the services in the use of the national power grid with the system operator;

2) conclude a contract for the services in the electrical energy transmission through the national power grid with the system operator (if necessary);

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 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

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.

Adjustment of the marginal tariff for electrical energy shall be made no more than once a year on the basis of an application from the energy producing organization to the authorized body in connection with a change in the cost of coal, gas, sulfur-containing raw materials, oil products used as fuel for the production of electrical energy, for the water used for technological needs in the process of generating electrical energy, and (or) tariffs (prices) subject to state regulation of tariffs (prices) for the transportation of coal, gas, sulfur-containing raw materials, oil 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.

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).

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.

3-1. Energy-producing organizations are obliged to sell the entire volume of generated electrical energy to a single electrical energy purchaser and (or) consumers who are part of the same group of persons with them, in accordance with this Law.

Energy-producing organizations that sell electricity to consumers who are part of the same group of persons are obliged to sell electricity outside the group of persons only to a single purchaser of electricity. In this case, the consumer is a legal entity that purchases electricity for its own needs without further sale.

At the same time, the volume of electric energy undeclared for sale by the energy producing organization in accordance with items one and two of this paragraph is not subject to sale on the balancing electric energy market.

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

1) sale of electric energy to retail electric energy market entities, also to wholesale electric energy market entities, with the exception of a single purchaser and consumers who, together with this energy producing organization, are included in one group of persons;

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) sale of electric energy to digital miners, except for the cases specified in subparagraph 2) 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:

for the period of reduction or termination of the production of electrical energy by an energy-producing organization with which the consumer has concluded an agreement for the sale of electrical energy, due to the absence or limitation of the technical feasibility of production, distribution of electrical energy, confirmed by the system operator in accordance with the procedure, established by the legislation of the Republic of Kazakhstan except for cases of emergency decommissioning of facilities.

The energy-producing organization shall have the right to sell electrical energy to the consumer until the reasons for the termination of the supply of electrical energy by the energy-producing organization, confirmed by the system operator, are eliminated;

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. Legal relations related to the purchase of electrical energy and capacity by energy-supplying organizations are not covered by the legislation of the Republic of Kazakhstan on public procurement.

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, is carried out in accordance with the concluded agreements at an agreed price by the system operator, energy transmission, energy supply organizations and consumers that are subjects of the wholesale electric power market, from energy generating organizations, as well as from non-resident organizations whose main activities include the provision of this service.

The electric power regulation service is used to compensate for deviations of the actual electric load from the declared one, subject to the zero balance of the exchanged electric energy, and is not a service for maintaining the readiness of electric power.

The price for the electric power regulation service is set in accordance with the concluded bilateral agreements.

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-generating organizations - hydroelectric power plants are obliged to sell the electric energy generated during the period of environmental water releases to the settlement and financial center for supporting renewable energy sources in accordance with the legislation of the Republic of Kazakhstan in the field of supporting the use of renewable energy sources.

7-1. Transmission of electrical energy through the national electrical network shall be paid by the wholesale electrical energy market entities that export and import electrical energy, organizations of other states for the volume of interstate transit of electrical energy, organizations that are part of the group of persons engaged in the transmission of electrical energy through the national electrical network for facilities comprised into these organizations, and wholesale market entities engaged in the purchase and sale of electrical energy outside a single electrical energy purchaser.

8. The personnel, performing operation, repair, adjustment and installation of the energetic equipment of power stations of the unified electric power system of the Republic of Kazakhstan, electric and heating networks, electrical installations of consumers, and also experts shall be obliged to pass examination of knowledge and to have the corresponding access to implementation the activity on operation, repair, adjustment and installation, and also inspection of energetic equipment and electric 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.

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).

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 and heat energy market

1. Energy in the Republic of Kazakhstan shall be delivered under conditions of functioning of electric and heat energy markets.

2. Electric and heat energy are the market product.

3. The electrical energy market consists of two levels: wholesale and retail electrical energy markets. The heat energy market consists of one level: retail market.

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. The regional transmission organization has no right to refuse to connect energy-producing and energy-supplying organizations and consumers to electric and heat networks, or to transfer electric or heat energy upon condition of fulfilment by them of requirements determined by the normative legal acts of the Republic of Kazakhstan.

7. Relations arising during production, transfer and consumption on the electric and heat energy market shall be regulated in the electric power industry by the relevant contracts.

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).

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 the centralized electric energy trade for medium term (week, month) and long-term (quarter, year) periods, as well as centralized biddings of electric capacity 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);

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).

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.

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 a single purchaser for the purchase of a service to maintain the readiness of electric power and the provision of a service to ensure the readiness of electric power, minus:

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).

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 only in relation to the main generating equipment of operating (existing) power stations of operating energy-producing organizations.

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 are not entitled to conclude investment agreements on modernization, expansion, reconstruction and (or) renewal with the authorized body.

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 31st 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).

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 holds a tender for the construction of re-commissioned power-generating installations for the amount of electric capacity to cover the projected deficit minus the amount of electric capacity to be created by wholesale market entities included in the Register under a contract with the authorized body provided for in paragraph 11 of Article 15-5 of this Law.

2. The location (site), type and form of fuel for power-generating installations re-commissioned on a tender basis are determined based on the results of a feasibility study conducted by the authorized body.

3. The authorized body, within three working days of approval of tender documentation, but not less than thirty calendar days before the final date for submission of documents and materials for participation in the tender by potential investors, publishes an announcement of the tender for the construction of re-commissioned power-generating installations in the media.

4. The tender documentation for the construction of re-commissioned power-generating installations shall contain:

1) description and required technical, quality and operational characteristics of re-commissioned power-generating installations;

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 sufficient for the construction of re-commissioned power-generating installations, provided that at least thirty percent of the total cost of power-generating installations are financed with their own funds.

6. The tender commission shall sum up results of the tender for the construction of re-commissioned power-generating installations within thirty calendar days of opening of envelopes with tender bids.

The authorized body, within fifteen calendar days of summing up results of the tender for the construction of re-commissioned power-generating installations, shall send a draft contract for the construction of re-commissioned power-generating installations to a potential investor recognized as the winner of the tender for the construction of re-commissioned power-generating installations.

The winner of the tender for the construction of re-commissioned power-generating installations, within ten working days of receipt of the draft contract for the construction of re-commissioned power-generating installations, shall sign the specified 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.

If the tender for the construction of re-commissioned power-generating installations is recognized as failed, the authorized body shall conduct another tender.

8. Within forty-five calendar days of summing up results of the tender for the construction of re-commissioned power-generating installations, the authorized body shall enter into a contract with the winner of the tender for the construction of re-commissioned power-generating installations, which provides for the deadline for commissioning the power-generating installations and responsibility for a failure to fulfill and (or) improper fulfillment of obligations assumed by the winner of the tender.

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 by paragraphs 8 and 9 of this article shall be concluded on the basis of model contracts.

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).

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 are concluded only with operating (existing) power plants of operating energy-producing organizations located in cities of republican significance.

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 after being submitted to the market council.

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) the tariff for the service for maintaining the readiness of electric power as a variable over the years, taking into account the return of the principal debt attracted for the implementation of measures for the modernization, reconstruction and (or) expansion with the construction of generating plants using gas as an alternative type of fuel, taking into account the period purchase of the service for maintaining the availability of electric power (in months) and the volume of the service for maintaining the readiness 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).

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 balancing market settlement center shall purchase balancing electricity separately for each balancing zone.

The volume of balancing electricity, which 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.

Balancing electricity shall be purchased by the settlement center of the balancing market:

1) at the balancing electricity market at the prices indicated in the respective activated bids for participation in balancing for an increase (in the relevant balancing zone), taking into account the actual execution of these bids;

2) from the system operator as part of its interaction with the energy systems of other states at prices and conditions specified in the relevant agreements (at the same time, the sale of negative imbalances is also allowed along with the purchase of balancing electricity).

Based on the above volumes and prices, the settlement center of the balancing market shall calculate for the respective balancing zone the hourly weighted average prices for the sale of balancing electricity to the balancing electric energy market entities, that made positive imbalances within the balancing zone during the hours in which the settlement center of the balancing market purchased balancing electricity. The hourly weighted average prices shall also take into account the relevant income and expenses of the settlement center of the balancing market from the sale of balancing electricity and the purchase of negative imbalances from energy transmission organizations, energy producing organizations operating under the control of the automatic frequency and power control system, balancing

electricity market entities that have entered into production sharing agreements with the Government of the Republic of Kazakhstan, as well as the costs of the settlement center of the balancing market for the purchase of negative imbalances from other balancing electric energy market entities.

The balancing electricity market entities that made positive imbalances during the hours in which the settlement center of the balancing market purchased balancing electricity are obliged to buy balancing electricity from the settlement center of the balancing market in the volumes of hourly positive imbalances in them at the corresponding hourly weighted average prices for the sale of balancing electricity, calculated by the settlement center of the balancing market.

The balancing electric energy market entities that have made negative imbalances during the hours in which the balancing market settlement center purchased balancing electricity are obliged to sell these negative imbalances to the balancing market settlement center at the corresponding hourly weighted average prices at which the balancing market settlement center carried out the specified in this paragraph purchase of balancing electricity (with the exception of the balancing electricity market entities specified in paragraph 7 of this article).

The calculation of prices indicated in this paragraph shall be carried out by the settlement center of the balancing market in the manner prescribed by the authorized body.

6. The settlement center of the balancing market shall sell the negative imbalances of each balancing zone separately.

The volume of negative imbalances of the relevant balancing zone, which is sold by the settlement center of the balancing market for the corresponding hour of the operating day, shall be determined in the manner established by the authorized body.

Negative imbalances shall be sold by the settlement center of the balancing market:

1) in the balancing electricity market at the prices specified in the respective activated bids for participation in the downward balancing (in the relevant balancing zone), taking into account the actual execution of these bids;

2) to the system operator in the framework of its interaction with the energy systems of other states at prices and terms specified in the relevant agreements (at the same time, along with the sale of negative imbalances, the purchase of balancing electricity is also allowed).

Based on the above volumes and prices, the settlement center of the balancing market shall calculate for the respective balancing area the hourly average weighted prices for the purchase of negative imbalances from the balancing electric energy market entities that made negative imbalances in this balancing zone during the hours in which the settlement center of the balancing market sold negative imbalances. The hourly weighted average prices for the purchase of negative imbalances shall also take into account the corresponding income and expenses of the settlement center of the balancing market from the sale of balancing electricity and for the purchase of negative imbalances from energy transmission organizations, energy producing organizations operating under the control of the automatic

frequency and power control system, the balancing electric energy market entities, that have concluded a production sharing agreement with the Government of the Republic of Kazakhstan, as well as income of the settlement center of the balancing market from the sale of balancing electricity to other entities of the balancing electricity market.

The balancing electric energy market entities that have made negative imbalances during the hours in which the balancing market settlement center sold negative imbalances are obliged to sell the hourly negative imbalances that they have made to the balancing market settlement center at hourly weighted average prices for the purchase of negative imbalances, calculated by the balancing market settlement center.

The balancing electric energy market entities that have made positive imbalances during the hours in which the settlement center of the balancing market sold negative imbalances are obliged to buy balancing electricity from the settlement center of the balancing market in the volumes of hourly positive imbalances they have made at the corresponding hourly weighted average prices at which the settlement center of the balancing market carried out the sale of negative imbalances specified in this paragraph (with the exception of the balancing electricity market entities specified in paragraph 7 of this article).

The calculation of prices specified in this paragraph shall be made by the settlement center of the balancing market in the manner prescribed by the authorized body.

7. Energy-producing organizations operating under the control of the automatic frequency and power control system shall sell all their negative imbalances caused by the operation of the automatic frequency and power control system to the settlement center of the balancing market at the marginal tariff for balancing electricity.

Energy-producing organizations operating under the control of the automatic frequency and power control system shall cover all their positive imbalances caused by the operation of the automatic frequency and power control system by purchasing balancing electricity from the settlement center of the balancing market in the appropriate volumes at zero prices.

Energy transmission organizations shall sell all their negative imbalances to the settlement center of the balancing market at the forecast price of a single buyer of electricity for the sale of electricity.

Energy transmission organizations shall cover all their positive imbalances by purchasing balancing electricity from the settlement center of the balancing market in the appropriate volumes at the forecast price of a single buyer of electricity for the sale of electricity.

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 the same time, the balancing electricity market entities that have concluded production sharing agreements with the Government of the Republic of Kazakhstan, as of the billing period results, do not receive payment in the balancing electricity market from the settlement center of the balancing market, if their total income for the billing period from the sale of negative imbalances exceeds their total costs for the purchase of balancing electricity for the billing period.

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;

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.

A single electricity buyer does not have its own imbalances in the balancing electricity market and participates in this market only as a balance provider, taking responsibility for the purchase and sale of balancing electricity and negative imbalances of renewable sources.

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.

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).

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 and sale of electrical energy, purchase and sale of balancing electricity and negative imbalances, offsets in the balancing market, services for the electrical energy transmission, including through the national power grid, use of the national power grid, technical dispatching, regulation of electrical power, balancing of production and consumption of electrical energy, ensuring the readiness of electrical power to carry the load, maintaining the readiness of electrical power, participation in the centralized trade in electrical energy, participation in centralized trading in electrical power 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 and sale of electrical energy, purchase and sale of balancing electricity and negative imbalances, a connection agreement, contracts for electrical energy transmission services, including for the national electrical network, the use of the national electrical network, technical dispatching, regulation of electrical power, ensuring the readiness of electric power to bear the load, maintaining the readiness of electric power, balancing of the production and consumption of electric energy in the wholesale electricity market, contracts for participation in the centralized trade market shall contain the conditions and procedure for terminating the provision of relevant services in case of untimely 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).

Article 18. Contracts on retail electric and heat energy market

1. The purchase and sale of electricity and heat in the retail market are carried out on the basis of standard form energy supply contracts concluded by consumers with energy-supplying organizations.

Energy-supplying organizations shall not have the right to refuse the consumers in realization (sale) of electric energy at the tariffs, differentiated depending on the volumes (for individuals) of the consumed electric energy.

The energy-supplying organizations may not refuse the sales of heat energy to the consumers according to tariffs differentiated according to presence or absence of heat energy metering instruments.

Energy-supplying organizations shall not have the right to stop the supply of heat energy to the consumer if there is a debt in the payment for the used electric energy.

Energy-supplying organizations shall not have the right to stop the supply of electric energy to the consumer if there is a debt in the payment for the used heat energy.

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 regional transmission organizations on the retail market shall include equal conditions for all participants in the retail electric and heat energy 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).

Article 19. Rights and obligations of electrical and heat energy consumer

1. Electric and heat energy consumers have the right to:

- 1) Receive electrical and heat energy in accordance with concluded contracts;
- 2) Issue claims against the energy-producing, regional transmission and energy-supplying organizations for compensation for damages caused by short-delivery or delivery of defective electric and heat energy, in accordance with the conditions 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 and heat energy shall be 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 energy consumption regimes, determined by the contract for sale and purchase of electric and heat energy;

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) timely pay for the released, transferred and consumed electric and (or) heat energy according to 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).

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) buy electric energy from energy producing organizations 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 prescribed 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;
 - 2) sell electric energy to energy transmission and power supply organizations, electric energy consumers that shall be subjects of the wholesale electric energy market, conditional consumers, as well as at centralized electricity trading above the maximum tariffs for electric energy to persons engaged in digital mining activities, in the manner prescribed 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) renewable sources having a long-term contract for the sale and purchase of electric energy concluded with a unified buyer of electric energy, in accordance with the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources in full their planned supply of electric energy to the network at the prices of these contracts;

2) power generating organizations, which shall include cogeneration plants, with the exception of cogeneration plants, the electric energy of which shall be consumed within the framework of the appropriate group of persons providing centralized heat supply to cities and regions, in the full amount of their planned supply of electric energy to the network at the appropriate maximum tariffs for electric energy multiplied by the corresponding hourly rates determined in the manner determined by the authorized body;

3) from energy producing organizations that shall have concluded long-term contracts on the electric power market for the purchase of services to maintain the readiness of electric power in accordance with Articles 15-4, 15-6 and 15-8 of this Law, in the volume of planned supply of electric energy to the network of generating plants, the capacity of which is the subject of these contracts, at the relevant limit tariffs for electric energy, multiplied by the corresponding hourly rates determined 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 shall be obliged to sell electric energy only to a single buyer of electric energy and consumers belonging to the same group of persons with them, and to conclude appropriate contracts for the sale and purchase of electric energy with them.

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) subjects of the wholesale market of electric energy shall be obliged to purchase electric energy only from a unified buyer of electric energy and (or) from energy-producing organizations that shall be part of the same group of individuals with them, and (or) from renewable sources and conclude appropriate contracts for the sale and purchase of electric energy with them;

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) power supply organizations, power transmission organizations and consumers that shall be subjects of the wholesale market of electric energy, with the exception of organizations of other states that carry out interstate transit of electric energy, shall be obliged to conclude an agreement with the system operator for the provision of services for the use of the national electric network. A unified purchaser of electric energy shall be prohibited from selling (selling) electric energy to power supply, power transmission organizations and consumers who are subjects of the wholesale electricity market and do not have contracts with a system operator for the provision of services for the use of the national electric network;

7) conditional consumers and qualified consumers shall be obliged to buy electric energy from a single buyer of electric energy at prices and in volumes, which are calculated by a unified buyer of electric energy, in the procedure determined by the authorized body, taking into account the share of their planned consumption of electric energy in the total planned consumption of the republic, volumes of electric energy produced by renewable sources included in their composition, volumes of electricity purchased by them from renewable sources that are subjects of the wholesale electricity market, and the costs of a unified electricity buyer to buy electricity from renewable sources, as well as conclude relevant contracts for the purchase and sale of electric energy with a single buyer of electric energy;

8) for renewable sources having a long-term contract for the sale and purchase of electric energy concluded with a unified buyer of electric energy, according to the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources, adjustment shall be allowed only to increase (up) the daily electric energy production-consumption schedule approved by the system operator, not later than two hours before the corresponding hour of actual electric energy production-consumption, provided that the electric energy production-consumption balance is maintained in the specified daily electric energy production-consumption schedule in the manner 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. Legal relations related to the purchase of electric energy by a unified buyer of electric energy from energy-producing organizations, including those using renewable energy sources, energy waste disposal and secondary energy resources, as well as the purchase of balancing electricity and negative imbalances, shall not be covered by the legislation of the Republic of Kazakhstan on public procurement.

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).

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. Production of construction, installation, excavation, loading and unloading operations, prospecting works, connected with the device of wells and pits, arrangement of sites, parking lots for vehicles, placement of markets, buildings, structures, warehousing of materials, construction of protections and fences, dumping and draining of caustic corrosive substances and fuels and lubricants in security zones of lines of electric and heat networks without coordination with organization in which jurisdiction there are electric or heat networks shall be forbidden.

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.

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).

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.

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).

The President of the Republic of Kazakhstan