

Fostering small-scale private RES projects and public support for renewables at local level

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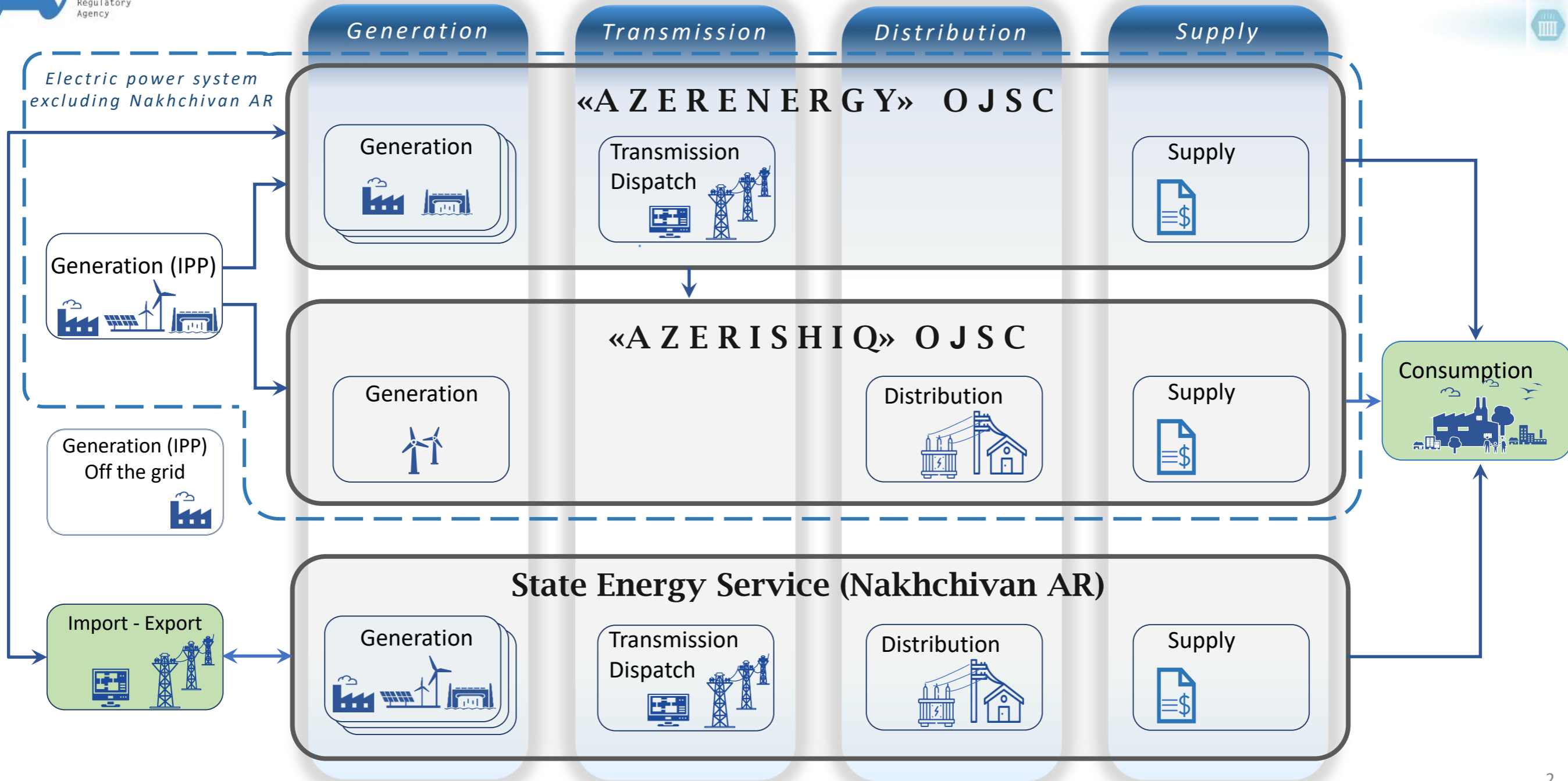
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Electricity market design of Azerbaijan



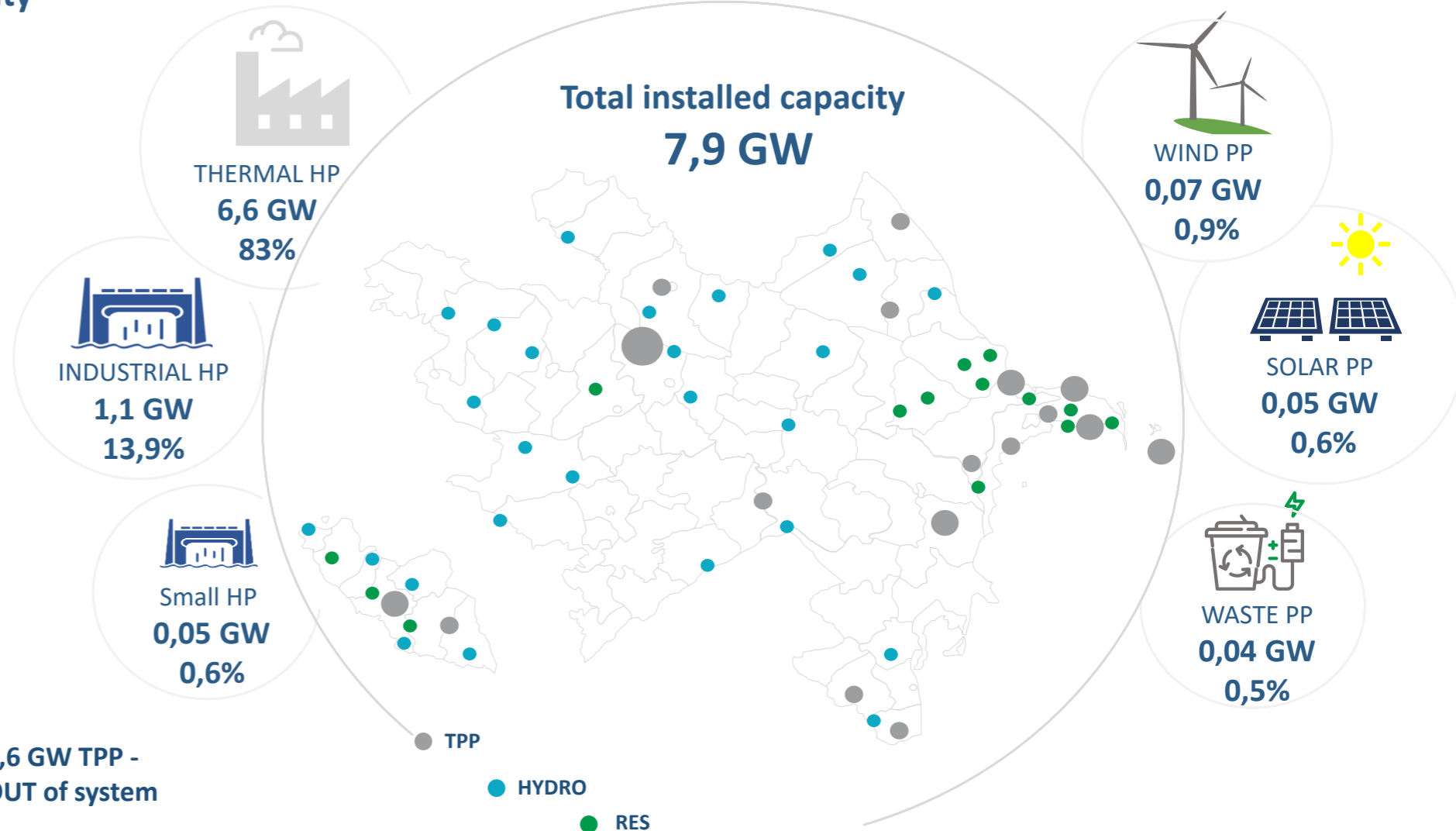
Installed Capacity



- RES including all hydropower plants is 1,3 GW, 16,5% of the total capacity

39 PP <10 MVT	96
Lerik PP	17
Varvara HPP	17
Arpachay-1 HPP	21
Babek Solar PP	22
Bilav HPP	22
Araz HPP	22
Shugar Factory	24
Shamkirchay HPP	24
Takhtakorpu HPP	25
Fizuli HPP	25
Balakhani HH Waste	37
Yashma Wind PP	50
Nakchivan TPP	60
Shaki PP	87
Xachmaz PP	87
Astara PP	87
Nakchivan PP	87
Shahdag HPP	104
Baku PP	104
Baku HEC	107
SOCAR PP	134
Yenikand HPP	150
Sangachal PP	299
Shamkir HPP	380
Qobu PP	385
Mingachevir HPP	425
BP PP	518
Sumqayit PP	525
Canub PP	780
Shimal PP	809
Azerbaijan TPP	2 400

0,6 GW TPP -
OUT of system



Hydropower plants commissioned in the liberated territories



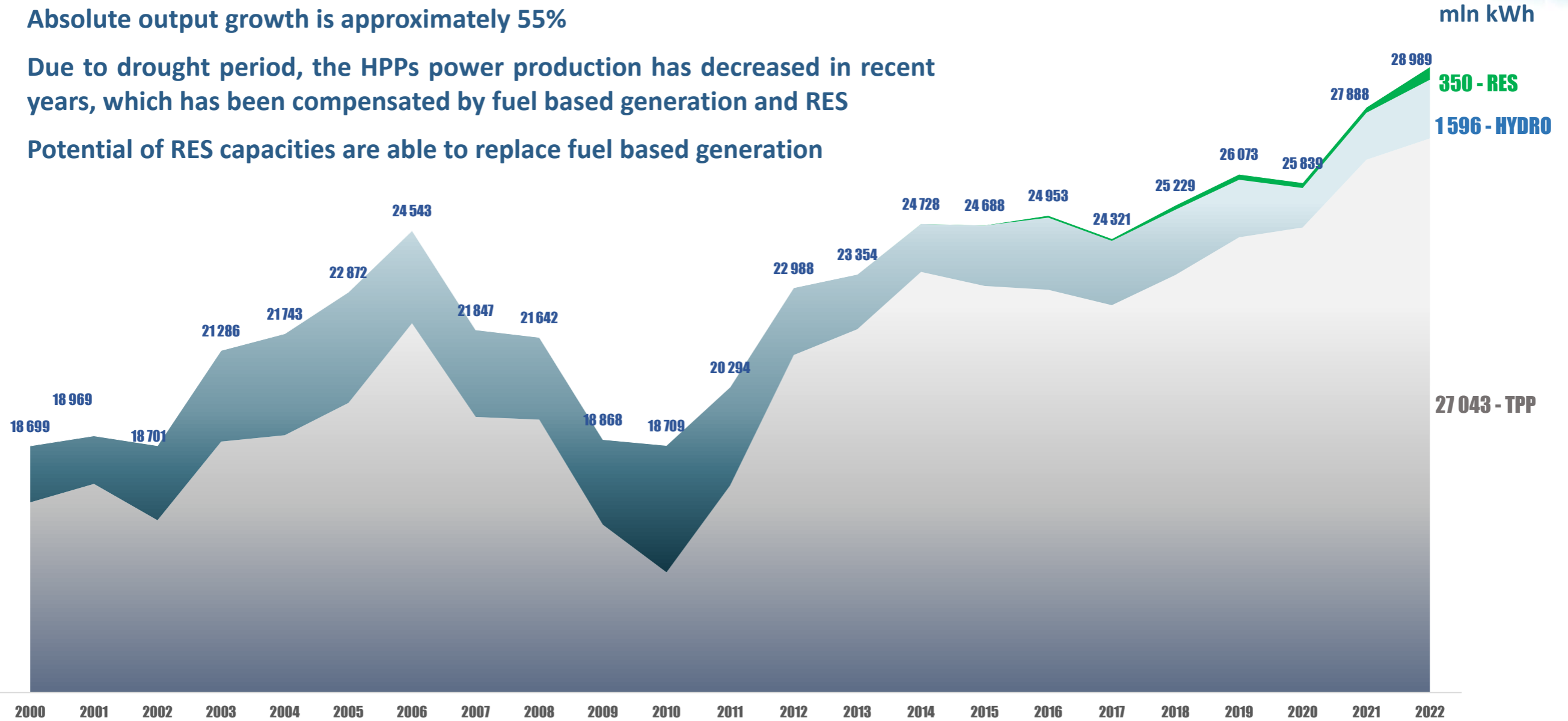
- According to the “First State Program on the Great Return to the Liberated Territories of the Republic of Azerbaijan“, it is planned to restore 23 small hydroelectric power plants, and to construct 37 new plants in the liberated territories by 2026.
- In total, 66 power plants with a capacity of 380 MW are expected to be put into operation

	NAME	ADMINISTRATIVE AREA	CAPACITY MW	CURRENT SITUATION
1	“Gulabird”	Lachin	8.0	commissioned
2	“Suqovushan-1”	Tartar	4.8	commissioned
3	“Suqovushan-2”	Tartar	3.0	commissioned
4	“Kalbajar-1”	Kalbajar	4.4	commissioned
5	“Gamishli”(“Kalbajar-3”)	Kalbajar	6,3	commissioned
6	“Chiraq-1” (“Tartar-2”)	Kalbajar	8,3	commissioned in test mode
7	“Soyuqbulaq” (“Tartar-3”)	Kalbajar	5,3	commissioned in test mode
8	“Meydan” (“Meydan-2”)	Kalbajar	3,4	commissioned
9	“Chiraq-2” (“Qaraarkhac”)	Kalbajar	3,6	commissioned in test mode
10	“Sus”	Lachin	4.0	commissioned in test mode
11	“Zabukh”	Lachin	2.5	commissioned in test mode
	TOTAL		53.6	

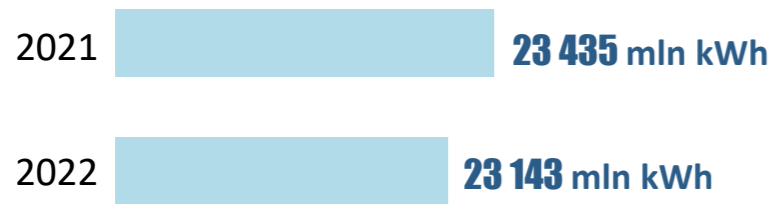
2000-2022 Energy production by source



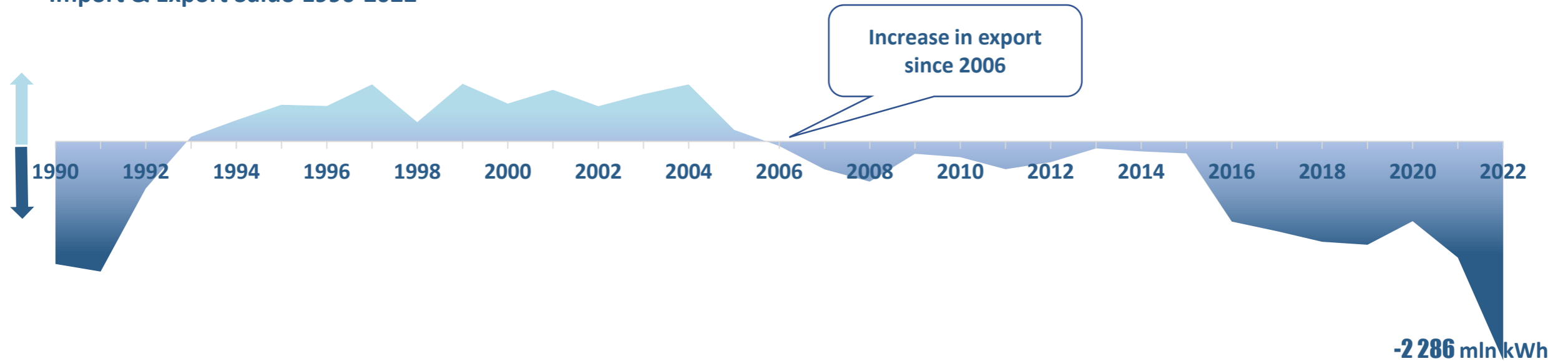
- Absolute output growth is approximately 55%
- Due to drought period, the HPPs power production has decreased in recent years, which has been compensated by fuel based generation and RES
- Potential of RES capacities are able to replace fuel based generation



- Azerbaijan is one of the rare countries in the world that has managed to achieve 100% energy security at the expense of its own potential



- Import & Export Saldo 1990-2022



High Voltage Network and Interconnectors

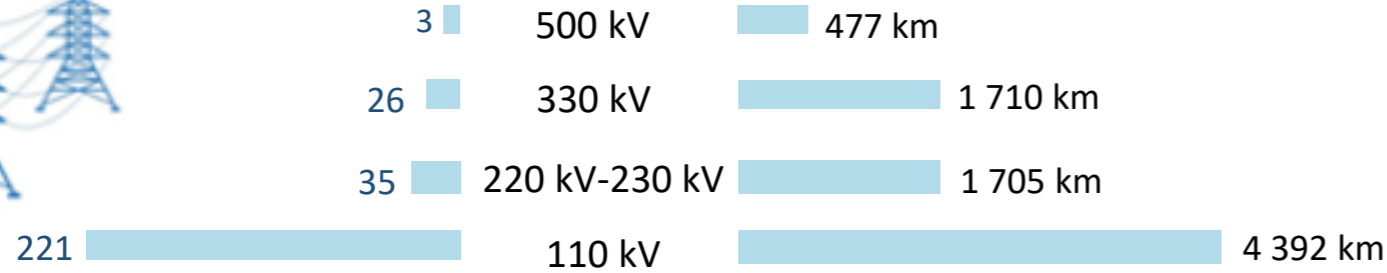
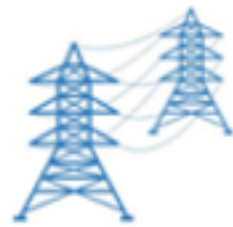


2021

Transmission lines

The number of lines - 285

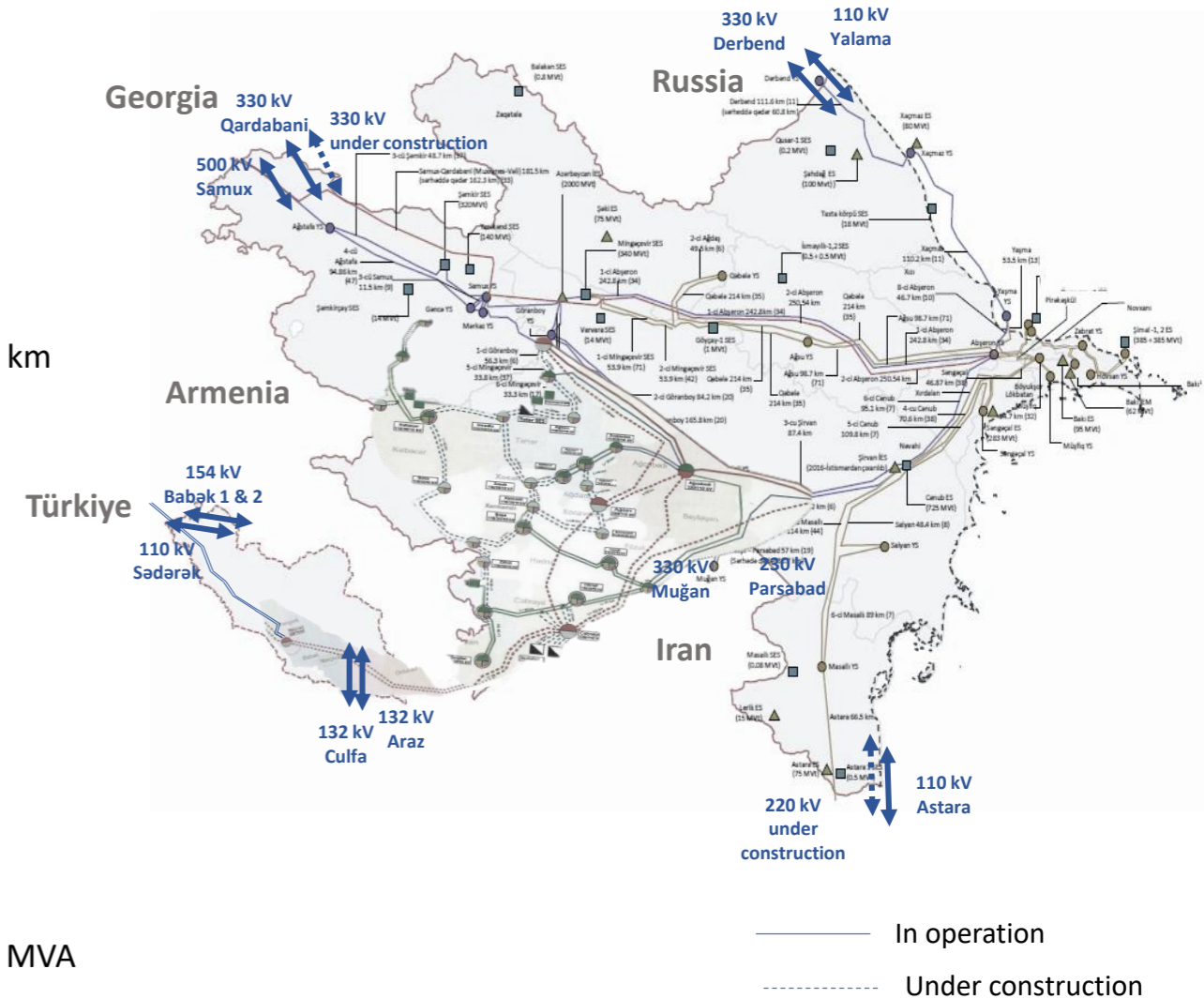
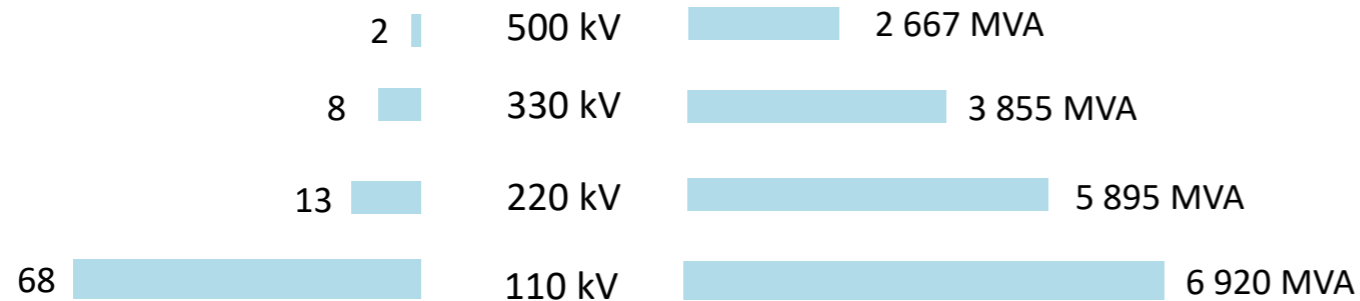
Length – 8 284 km



System forming substations

The number of substations - 91

Capacity – 19 337 MVA





Tariffs are set by the Tariff (Price) Council Decision – 16.10.2021 №14	AZN qap./kWh	USD cent/kWh
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Purchase from the producer:



- On private small hydropower plants

5

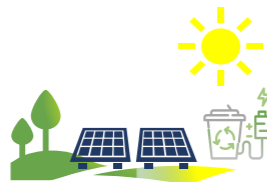
2,9



- On wind power plants

5,5

3,2



- Other renewable sources

5,7

3,4

Secondary legislation arising from the EE and RES laws



From Energy efficiency law

Energy services contract (ESCO) terms and template, and rules on energy efficiency services

Determining criteria for entities and non-residential buildings subject to the mandatory energy audit

Energy management system requirements

Rules on issuance of qualification certificates to energy auditors, suspension or revocation of certificates, register of energy auditors and energy audit organizations, state control over their activities

Rules on energy audit, submission and form of energy audit reports

Requirements for energy managers and rules on procedure for energy managers' attestation

Rules on labeling of energy related products

Eco-design requirements for energy related products

Minimum energy efficiency norms for buildings

Rules on energy performance certification of buildings

Presidential decree on establishment of the Energy Efficiency Fund and draft charter of the EEF

Rules on formation, allocation and use of the funds of EEF

Rules on efficiency potential assessment for electricity and heat generation, and natural gas processing

Rules on state control over the rational use of energy resources and energy efficiency

From RES law

Capacity limit for electricity production by prosumers and rules on application of support scheme for prosumers

Rules on selection of electricity producers in renewable energy zones and criteria for feed-in tariffs formation

Statute of RES Information System

Rules on issuing of the certificate for electricity produced from RES and template of the RES certificate

**Approved by the decisions of
the Cabinet of Ministers**

Energy potential

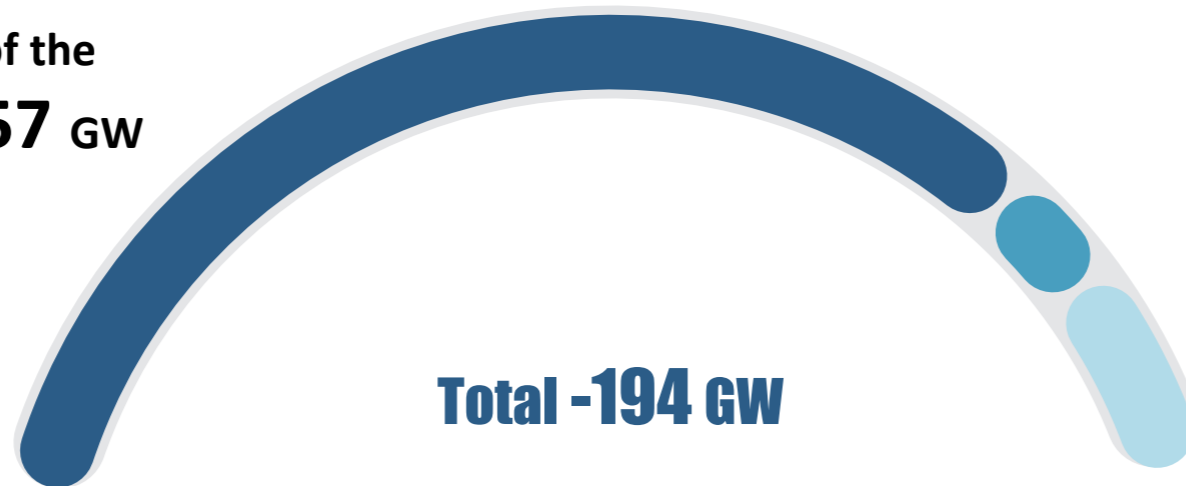


- The actual RES potential is in large excess over the existing generation capacities and makes it possible both to meet the domestic demand and to create new generation capacities for the export

Wind and solar potential in the liberated territories up to **10 GW**



Onshore wind and solar energy potential is equal to **27 GW**



- The existing potential and business opportunities offered to investors have created a basis for the implementation of large-scale projects



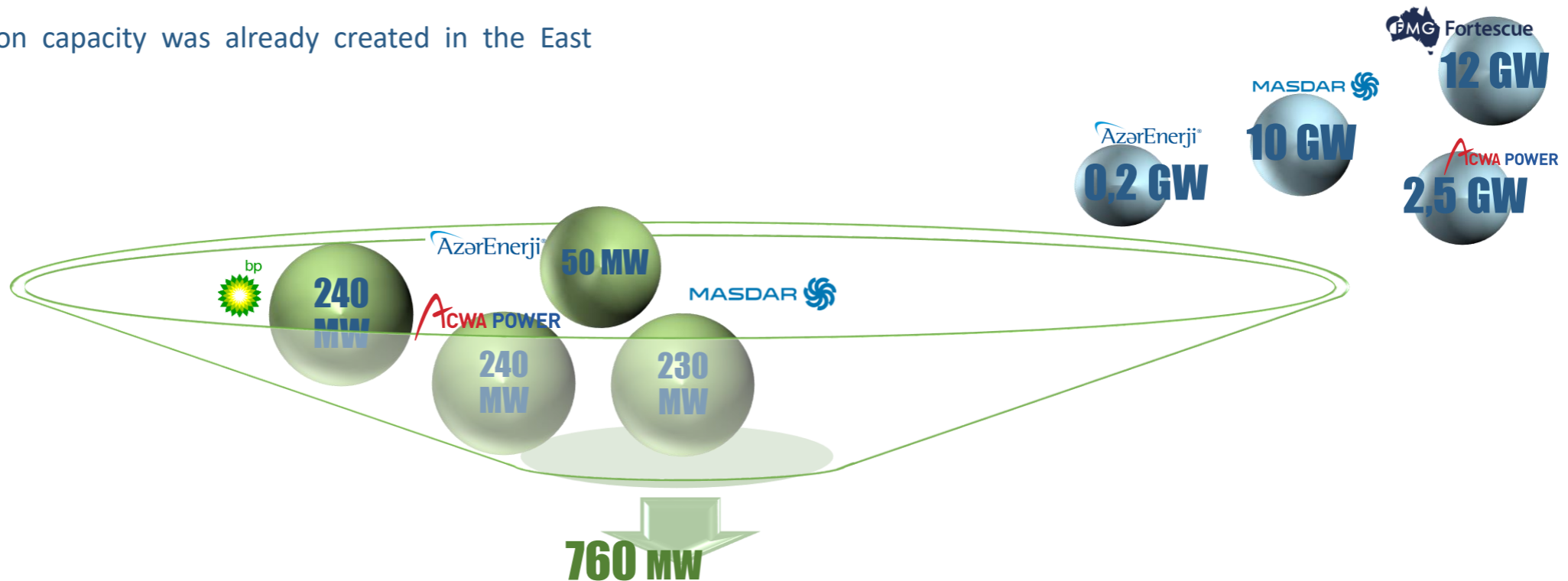
PROJECTS IN PROGRESS

- Solar and wind projects with total capacity of **470 MW**
- Solar project, which is already in the pipeline with bp, will be implemented in the liberated territories of Jabrayil district - **240 MW**
- **50 MW** generation capacity was already created in the East Zangezur region



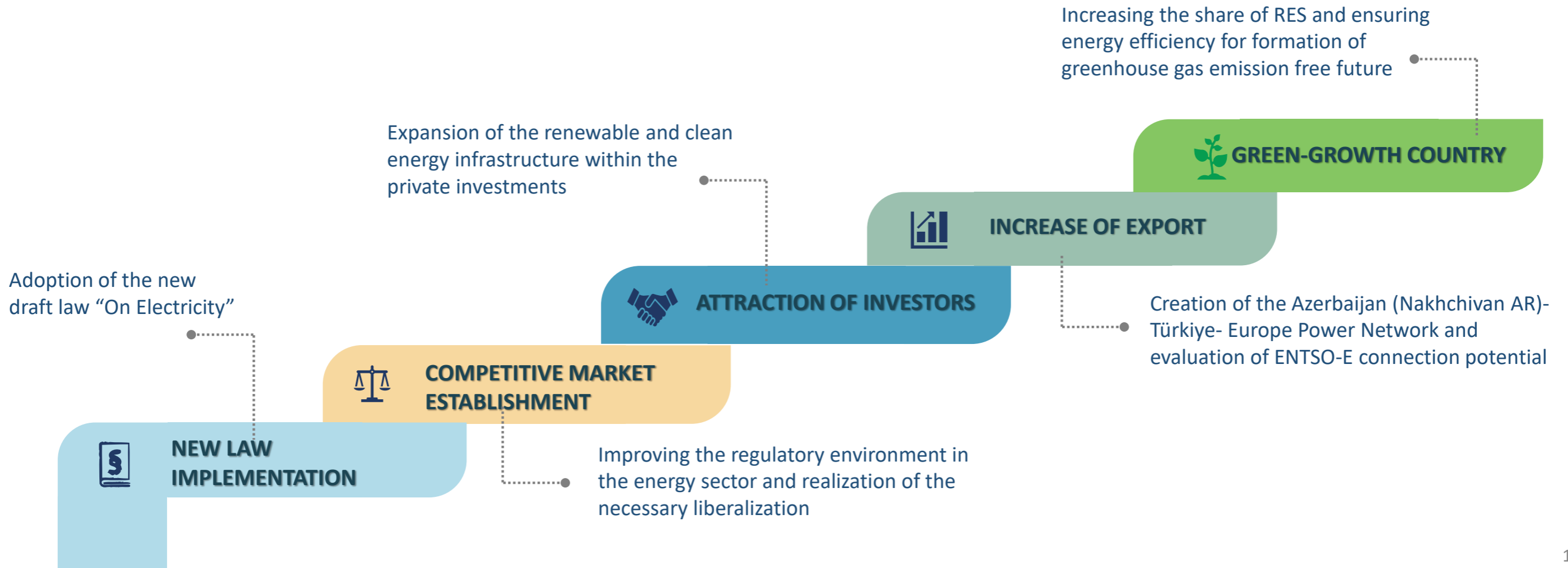
PLANS FOR RENEWABLES

- MoU and agreements to produce up to **25 GW** of renewable energy offshore and onshore, solar and wind.





- "Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026" ensures for the investors the energy generation from RES, creation of a favorable environment to introduce this energy in the domestic and international markets



New export routes and targets



- Georgia-Romania Interconnection



- The agreement on a strategic partnership in green energy development and transmission was signed



- Connection: Georgia – Romania
- Length: 1100 km

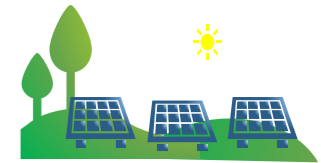
2027 target



3 GW



1 GW



80% to export

THANK YOU FOR ATTENTION!

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