

Roundtable discussion on 2024 domestic electricity sector development trends

Update by **AERA/Azerbaijan**

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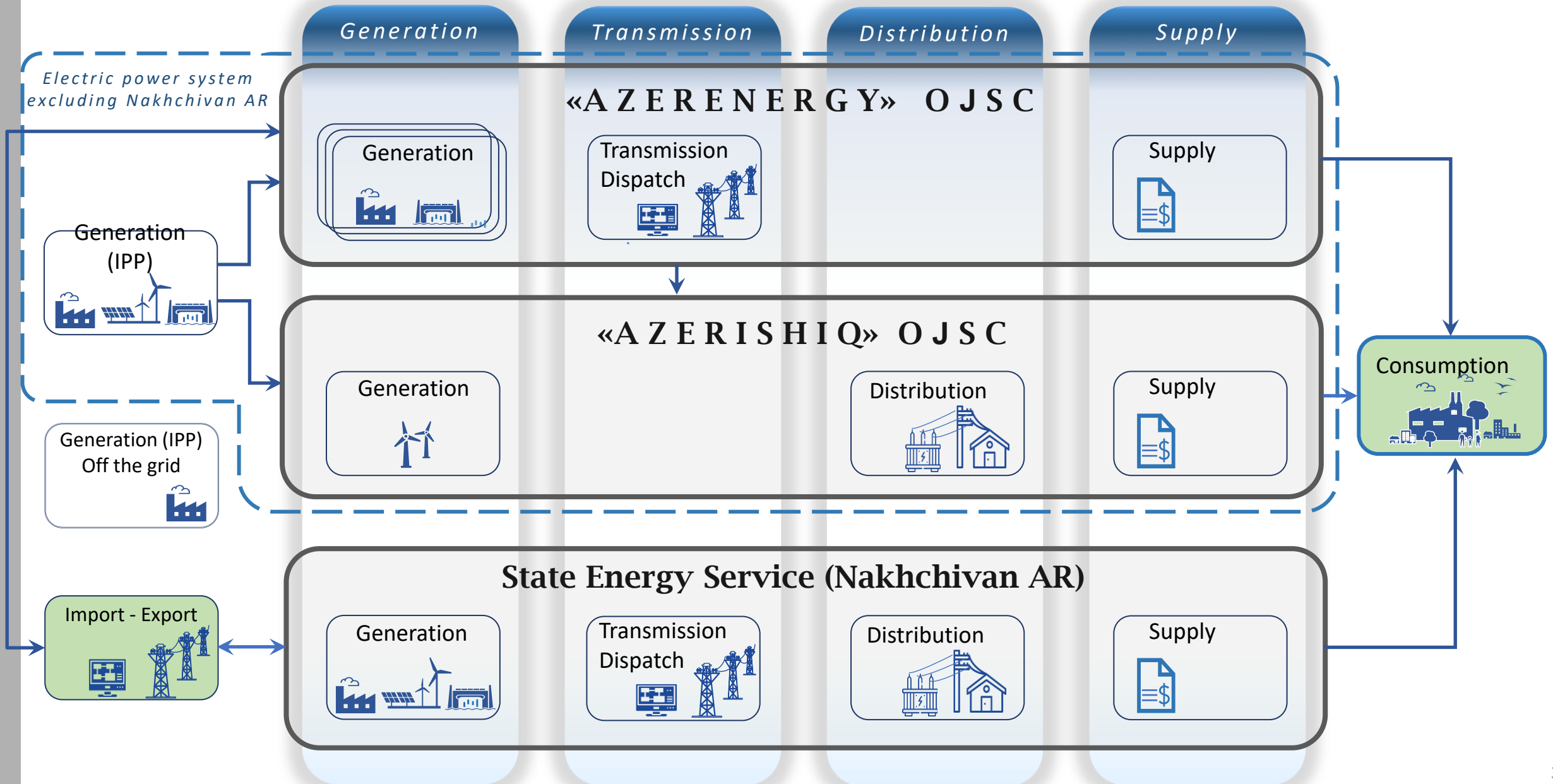
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Background

- Please briefly describe the electricity sector/market context, so that the colleagues could understand to what degree you regulate a monopoly/competition market.

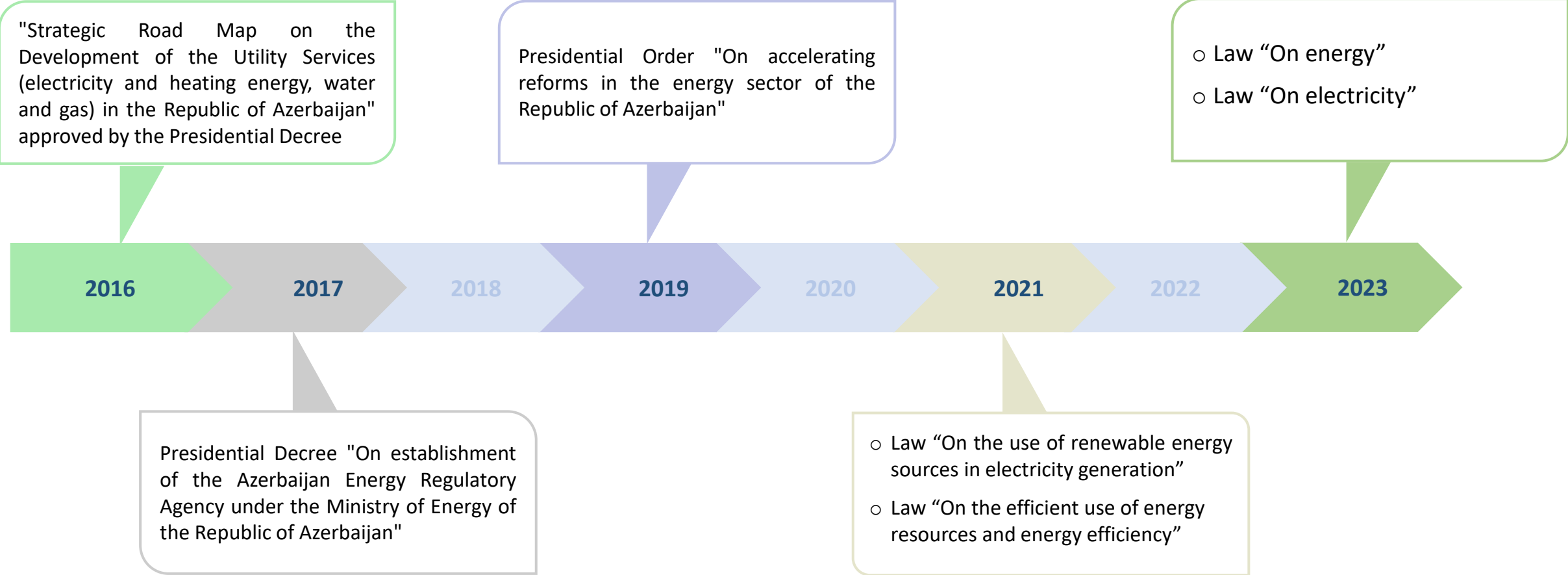
Electricity market design of Azerbaijan



Current domestic electricity sector/market development

- Please present the 2024 (and onwards where relevant) electricity sector/market development trends from the perspective of how the sector reacts to energy transition trends and what is the post energy crisis landscape (status of competition, any remaining subsidies/measures in place - where relevant).

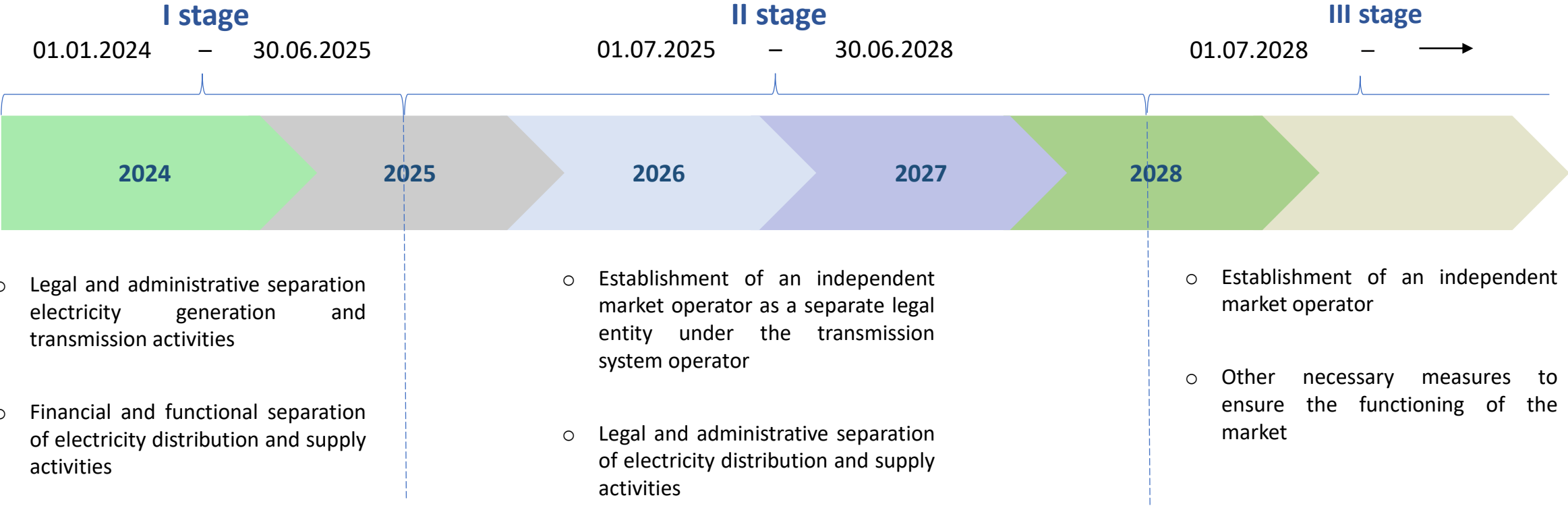
Reforms in the electricity sector



Gradual transition to a competitive electricity market

New law "On Electricity" 01.01.2024

The process of unbundling and formation of market operator



New stage of reforms and green energy targets

2022

Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026



1

Sustainable growing competitive economy

2

A society based on dynamic, inclusive and social justice

3

A place of competitive human capital and modern innovations

4

Great return to the liberated territories

5

Clean environment and "green growth" country

Action Plan for the establishment of a "green energy" zone in the liberated territories of the Republic of Azerbaijan for 2022-2026



The Action Plan developed in accordance with the "Green Energy" zone Concept contains concrete steps to be taken until 2026

2023

State program for the socio-economic development of the Nakhchivan Autonomous Republic for 2023-2027



State program defines decisive steps to be taken until 2027

GREEN TARGETS -2030



Share of RES ↑ 30 %

Greenhouse gas emissions ↓ 35 %

Key developments in renewable energy/energy transition/decarbonization

- In November 2021, at the COP26 conference in Glasgow, Azerbaijan adopted a new commitment to reduce emissions by 2050 by 40% as a voluntary commitment and to create a “Net Zero Emission” Zone in the liberated territories. To achieve these goals, by 2030, the Ministry of Energy has set the main target to increase the share of the installed capacity of renewable energy to 30% in the country's overall energy balance (currently 17%).
- On 13 January 2022, the foundations of the "Khizi-Absheron" Wind Power Plant (ACWA Power) with a capacity of 240 MW and on 15 March 2022, of 230 MW Garadagh Solar Power Plant (Masdar) were laid (total 600 000 tons of carbon emission reduction per year).
- 230 MW Garadagh Solar Power Plant (Masdar) started operation in October, 2023.
- On 3 June 2021, the Ministry of Energy of the Republic of Azerbaijan and bp signed an implementation agreement on cooperation in the field of evaluation and implementation of the project for the construction of a 240 MW solar power plant in the Jabrayil region.

You may add your
LOGO here



**THANK YOU
FOR YOUR ATTENTION!**

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