



On Electric Power Industry

Unofficial translation

Law of the Republic of Kazakhstan dated 9 June 2004 No. 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 No. 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) allowance for supporting the use of renewable energy sources - the price determined by the settlement and financial center for supporting renewable energy sources in accordance with the zone of consumption of electric power for energy-generating organizations that are conditional consumers or qualified conditional consumers, in accordance with the legislation of the Republic of Kazakhstan in areas of support for the use of renewable energy sources;

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;

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 No. 25-V (shall be enforced from 01.01.2020);

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

14) excluded by the Law of the Republic of Kazakhstan dated 04.07.2012 No. 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 No. 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;

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;

23) balancing electrical energy – electrical energy used for a balance correction in realization of hourly daily schedule of electrical energy production-consumption, approved by the system operator;

23-1) marginal tariff for balancing electricity - approved by the authorized body for groups of energy-generating organizations, selling electricity, every seven years, the maximum value of the selling tariff (price) for electricity, sold on the balancing electric power market, taking into account the costs of generating power, purchasing electricity from the settlement and financial center for the support of renewable energy sources and a fixed profit for balancing, determined according to the methodology established by the authorized body;

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) an organization for modernization and development of housing and communal sector - a joint-stock company with one hundred percent participation of the state, which activity is aimed at modernization and development of housing and communal sector;

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;

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;

33) entities of the wholesale electric energy market – energy- producing, energy-transmitting, energy-supplying organizations, electric energy consumers, a system operator, an operator of the centralized trading market, accounting and financial center for the support of renewable energy sources;

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 electrical energy market – system of relations operating on the basis of standard form contracts (for the sale and purchase, transfer and consumption of electrical energy, and rendering associated services) between the retail electrical energy market entities outside the wholesale market;

39) retail electrical energy market entities – organizations producing, supplying and transmitting energy, and consumers of electrical energy;

40) wholesale market of electric energy - a system of relationships, connected with sale and purchase of electric energy, including at the centralized biddings of electric energy, rendering system and ancillary services, services in the electric capacity market, operating on the basis of contracts between the entities of the wholesale electric energy market;

41) centralized electrical energy trade – buy-and-sell transactions in electrical energy, carried out by wholesale electrical energy market entities in an electronic trading system on a voluntary basis, with the exception of cases determined by 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 market of electric energy – the system of relationships between the system operator and energy-producing, energy-transmitting, energy-supplying organizations, wholesale consumers, performing an activity on the wholesale market of electric energy, developing as a result of physical and subsequent financial settlement of imbalances, arising in real time between contractual and actual of production values and (or) consumption of electric energy in the unified electric power system of the Republic of Kazakhstan in the current operating day by the system operator;

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) electrical energy unbalances – difference between factual value of electrical energy production-consumption and value approved by system operator in hourly daily schedule of electrical energy production-consumption;

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-generating organization - an organization that generates electrical and (or) thermal energy for its own needs and (or) sells it to buyers of electric power in the wholesale market, consumers of thermal energy, with the exception of individual consumers of electrical and (or) thermal energy and net consumers of electric energy, which are such in accordance with the legislation of the Republic of Kazakhstan in the field of 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) sale price of electric power from an energy-generating organization - the sum of the selling price of electric power of an energy-generating organization included in the relevant group of energy generating organizations selling electric power, not exceeding its marginal tariff for electric power and the allowance for supporting the use of renewable energy sources , determined in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 1 is in the wording of Law of the Republic of Kazakhstan dated 29.12.2008 No. 116-IV (enforced from 01.01.2009), as amended by laws of the Republic of Kazakhstan dated 01.03.2011 No. 414-IV (enforced from date of its first official publication); 22.07.2011 No. 479-IV (enforced upon expiry of ten calendar days after first official publication); 04.07.2012 No. 25-V (the order of enforcement see Art. 2); and 04.07.2013 No. 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 No. 284-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2019 No. 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 No. 380-VI (see Article 2 for the entry into force).

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 No. 136 (enforced from the date of first official publication); 29.12.2006 No. 209 (for method of instruction see Article 2); and 10.07.2012 No. 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 management holding shall be prohibited from alienating the shares of the national company, as a result of which the national management holding will own less than ninety percent plus one voting share 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).

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) determine the organization for modernization and development of housing and communal sector;

2) perform other functions, assigned to it by the Constitution, laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

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).

Article 5. Competence of the authorized body

The authorized body shall:

1) implement the state policy in the field of 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 of the central trading market;

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) determine the procedure for approval of the marginal tariff for electric energy, the marginal tariff for balancing electricity and the marginal tariff for the service on maintaining the readiness of electric capacity;

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) develops and approves the methodology for determining the rate of return, taken into account when approving marginal tariffs for electric power, as well as fixed profit for balancing, taken into account when approving marginal tariffs for balancing electric power;

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) approve the marginal tariffs for balancing electricity;

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 24.05.2018 (shall be enforced from 01.01.2019); (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;]

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 No. 249-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2019 No. 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 29.06.2020 No. 352-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of 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 the Republic of Kazakhstan dated December 26 , 2019 No. 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 No. 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 No. 249-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated December 26, 2019 No. 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 No. 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 No. 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 No. 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 No. 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 No. 125; as amended by the Laws of the Republic of Kazakhstan dated July 27, 2007 No. 316 (enforced from the date of its first official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 17.07.2009 No. 188-IV (for method of enforcement see Article 2); 06.01.2011 No. 378-IV (enforced upon expiry of ten calendar days after first official publication); 15.07.2011 No. 461-IV (enforced from 30.01.2012); and 03.07.2013 No. 124-V (enforced upon expiry of ten calendar days after official publication); dated 29.09.2014 No 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 No. 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 (object) of control in the field of electric power industry is carried out by analyzing:

1) information and monthly 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. 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).

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 No. 116-IV (enforced from 01.01.2009); as amended by the Laws of the Republic of Kazakhstan dated 10.07.2009 No. 178-IV; dated 05.07.2011 No. 452-IV (enforced from 13.10.2011); dated 04.07.2012 No. 25-V (refer to Article 2 for the enforcement procedure);

and 06.03.2013 No. 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 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 No. 136 (enforced from the date of its official publication); as amended by laws of the Republic of Kazakhstan dated 05.07.2008 No. 66-IV (for method of enforcement see Article 2); 29.12.2008 No. 116-IV (enforced from 01.01.2009); and 04.07.2013 No. 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 No. 373-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day 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 No. 209, (for method of enforcement see article 2).

Article 9-1. General provisions

1. Institutional arrangements in the operation of electric equipment, electric and heat networks and consumers' installations shall ensure the safety for life and health of humans and the environment.

2. The objects of technical regulation and standardization are consumers' electrical equipment, electrical and thermal networks, installations intended for the production, transmission and use of electrical and thermal energy, electrical and thermal energy.

3. The quality indices of electrical energy on the outputs of consumers' electrical devices shall comply with established norms.

4. Quality characteristics of electrical energy are:

maximum divergence of actuating voltage from a nominal value;

divergence of electrical frequency.

5. Parameters of heat energy for warming in main and distribution pipelines shall comply with the established temperature chart.

Footnote. Article 9-1 as amended by Law of the Republic of Kazakhstan dated 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); 184-VI as of 05.10.2018 № (shall be enforced six months after its first official publication)..

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

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

2. 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).

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 financial settlement of unbalances of electrical capacity, as prescribed by Kazakh legislation;

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;

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 to buy and sell electric energy from an energy-producing organization, as well as from electric energy suppliers, realizing electric energy in the Republic of Kazakhstan directly on behalf of a foreign manufacturer, in the following cases:

1) for technological and production needs;

2) to ensure the contractual values of electricity flows with the power systems of neighboring states;

3) in the balancing electricity market;

4) to provide emergency mutual assistance with the power systems of neighboring states within the framework of the concluded contracts.

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 No. 116-IV (enforced from 01.01.2009); 04.07.2009 No. 166-IV; 04.07.2012 No. 25-V (enforced upon expiry of ten calendar days after first official publication); 04.07.2013 No. 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 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 10-1. National operator

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

Article 10-2. The market council

1. The market council shall:

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

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

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

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

4) perform other functions, determined by the authorized body

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

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

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 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day 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 electric power at prices not exceeding the selling price of electricity from the energy generating organization and the marginal tariff for balancing electricity, except for cases of sale at spot auctions (no more than ten percent of the volume of electricity they generate per calendar month);

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 No. 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;

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

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

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

8) was valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 No. 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. In the event of the sale of electric power in excess of the selling price of electric energy from the energy generating organization and (or) the marginal tariff for balancing electricity, the energy generating organization is obliged to return to the wholesale and (or) retail market entities the excess amount, with the exception of the amount received as a result of the sale of electric energy at spot auctions (no more than ten percent of the volume of electricity them generated per calendar month).

5. Valid until 01.01.2017 in accordance with the Law of the Republic of Kazakhstan dated 04.07.2012 No. 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. Energy-transmitting organizations shall be obliged not to exceed the normative values of reliability indicators of power supply, approved by the authorized body.

Footnote. Article 12 as amended by laws of the Republic of Kazakhstan dated 29.12.2006 No. 209 (for method of enforcement see Article 2); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 04.07.2012 No. 25-V (the order of enforcement see Art. 2); 04.07.2013 No. 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 No. 373-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

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

Footnote. The heading of Article 12-1 as amended by Law of the Republic of Kazakhstan № 394-V as of 12.11.2015 (shall be enforced from 01.01.2019).

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-generating organization sells electricity no higher than its selling price.

The energy-producing organization shall set the selling price for balancing electricity independently, which may not be higher than the marginal tariff for balancing electricity of the relevant group of energy-producing organizations selling electrical energy.

The marginal tariff for electricity and the marginal tariff for balancing electricity are approved by groups of energy generating organizations that sell electricity, every seven years, by years, and adjusted if necessary.

The basis for determining the marginal tariff for electrical energy and the marginal tariff for balancing electricity for the first seven years of their validity is maximum costs for the production of electrical energy incurred by the relevant group of energy-producing organizations selling electrical energy during a year preceding the year of introduction of the marginal tariff for electrical energy and the marginal tariff for balancing electricity.

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

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

The marginal tariff for electrical energy for newly commissioned energy generating organizations is determined on the basis of the forecast costs for the production of electrical energy in the coming year and is approved for the period of validity of the marginal tariffs for electrical energy approved for existing energy-generating organizations.

Based on the results of the report specified in subparagraph 4) of paragraph 3 of Article 12 of this Law, the authorized body reviews the level of the marginal tariff for electricity for a newly commissioned energy-generating 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.

Note by RCLI!

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 No. 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.

Note by RCLI!

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

Note by RCLI!

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

Note by RCLI!

Paragraph 3-1 shall be valid till 01.01.2016 in accordance with Law of the Republic of Kazakhstan dated 04.07.2012 No. 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 No. 116-IV (enforced from 01.01.2009); as amended by Law of the Republic of Kazakhstan dated 04.07.2012 No. 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 No. 380-VI (for the procedure of enforcement see Article 2).

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 purchase electrical energy from energy-producing organizations in order to supply their consumers.

In order to provide power supply services, energy-supplying organizations are obliged to enter into standard form contracts for power supply in accordance with model power supply contracts.

Model power supply contracts are placed on the websites of energy-supplying organizations..

3-1. The energy-producing organizations are obliged to sell produced electrical energy:

1) to consumers, energy-supplying, energy-transmitting organizations (to cover normative loss of electric energy in their own networks and for economic needs) on the basis of contracts, concluded in the market of decentralized purchase and sale of electric energy in accordance with the requirements of the civil legislation of the Republic of Kazakhstan;

2) on a centralized electrical energy trade market;

3) on a balanced electrical energy market.

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

1) Sell (trade in) of electrical energy to individuals and legal entities that are not wholesale and/or retail market entities, with the exception of electrical energy export;

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;

2) Acquire (purchase) electrical energy from the other energy-producing organization, with the exception of emergency disposal of capacities in a volume determined according to the daily schedule of electrical energy production, and/or acquisition of electrical energy as per individual needs;

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-supplying organization shall be prohibited from selling (trading in) electrical energy to the other energy-supplying organization, and from acquiring (purchasing) it from the other energy-supplying organization.

The register of organizations, having the license to purchase electricity for energy supply shall be formed, conducted and published on the Internet resource by the state body, exercising management in the spheres of natural monopolies.

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. Energy-generating organizations are obliged to carry out hourly planning of the generation mode in accordance with the applications of consumers within the technical feasibility, determined in accordance with the information provided to the system operator on the corresponding planning day, on the values of the operating electric capacities of

generation, technological and technical minimums of power plants that are part of the energy-generating organization.

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.

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.

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. Sale of electric energy outside the Republic of Kazakhstan shall be carried out at a price not lower than the cost of production of exported electric energy only in case of profit 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 a unified electric power system of the Republic of Kazakhstan, approved by the authorized body.

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. Requirements of paragraphs 9 and 10 of this Article do not extend to the cases of purchase and sale of electric energy by the system operator for providing contractual values of flows of electric energy, for rendering emergency mutual assistance with power systems of neighboring states and in the balancing market of electric energy.

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.

Footnote. Article 13 as amended by laws of the Republic of Kazakhstan dated 27.05.2007 No. 316 (enforced from the date of its official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 04.07.2009 No. 166-IV; 10.07.2009 No. 178-IV; 04.07.2012 No. 25-V ((order of implementation see Art. 2)); 04.07.2013 No. 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 No. 373-VI (shall be enforced upon expiry of ten calendar days after the

day of its first official publication); dated 07.12.2020 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of 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 No. 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 No. 136 (enforced from date of first official publication); 27.07.2007 No. 316 (enforced from date of first official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 05.07.2011 No. 452-IV (enforced from 13.10.2011); dated 12.28.2016 № 34-VI (shall be enforced from 01.01.2017).

Article 15. Wholesale electrical energy market

1. The wholesale electrical energy market shall consist of:

1) market for decentralized buy-and-sell of electrical energy, functioning on the basis of buy-and-sell agreements concluded by the market participants at the prices and subject to delivery conditions determined by agreement between the parties;

2) centralized electrical energy trade market constituting an organized trading platform for buying and selling electrical energy on a short term (spot biddings), medium term (week, month) and long term (quarter, year) basis;

3) balancing market in real-time mode, functioning for the purpose of physical and subsequent financial settlement of hourly unbalance arising during operating days between actual and contractual values of electrical energy production-consumption in the single electric power system of the Republic of Kazakhstan, confirmed by the system operator in a daily electrical energy production-consumption schedule;

4) market of system and ancillary services, functioning on the basis of acquisition from the wholesale electrical energy market entities and of provision of the relevant services by the system operator for the wholesale electrical energy market entities, for ensuring the standards of work of the single electric power system of the Republic of Kazakhstan and the quality of electrical energy as determined by the national standards.

5) market of electric capacity.

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;

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 No. 116-IV (enforced from 01.01.2009); 05.07.2011 No. 452-IV (enforced from 13.10.2011); 10.07.2012 No. 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).

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.

The expert opinion is advisory in nature.

Expert opinions shall be in the Kazakh and Russian languages.

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 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of 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;

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;

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 operating energy 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 as a result of these auctions. At the same time, 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-generating 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 volume of services to maintain the readiness of electric power, determined in accordance with subparagraphs 1), 1-1), 2), 2-1) 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.

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;

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.

The change in the volume of service on ensuring the readiness of electric capacity to bearing the load, established for the calculated year in the contract for provision of service on ensuring the readiness of electric capacity to bearing the load shall not be allowed to decrease.

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.

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 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day 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 No. 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 pursuant to an application submitted by a legal entity having control over consumers and energy-producing organizations in accordance with parts two and three 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 who will provide electric power to consumers, belonging to the same group of persons, given the presence of control determined in accordance with parts two and three of paragraph 1-1 of Article 9 of this Law;

2) a list of consumers who will be provided with electric power by energy-producing organizations included in the same group of persons, given the presence of control determined in accordance with parts two and three 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. The authorized body enters alterations and additions to the Register of a relevant group of persons pursuant to an application from a legal entity having control over consumers and energy-producing organizations in accordance with parts two and three 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 No. 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. Energy-generating organizations and consumers belonging to the same group of persons, subject to the existence of control determined in accordance with parts two and three of paragraph 1-1 of Article 9 of this Law, but not included in the Register, are not subject to the provisions of this Article and Articles 15- 3, 15-4, 15-6 and 15-8 of this Law, established for a group of persons.

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 No. 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 07.12.2020 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day 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 No. 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 No. 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 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Article 16. Retail electrical energy market

1. The procedure for access to the retail electricity market shall be determined by the authorized body.

2. Regional electric grid companies transmit electrical energy through the electric networks in the range of its balance participation.

3. (Paragraph excluded by Law of the Republic of Kazakhstan dated 11.04.2006 No. 136 (enforced from the date of its official publication).

4. Guaranteeing electrical energy suppliers may not gain advantages in relation to other energy-producing organizations when carrying out economic activity.

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 No. 136 (enforced from the date of its official publication); 27.07.2007 No. 316 (enforced from date of official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 05.07.2011 No. 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).

Article 17. Contracts on wholesale electrical energy market

1. Purchase and sale of electric energy, provision of services on transfer of electric energy, technical dispatching, regulation of electric capacity, balancing of production-consumption of electric energy, ensuring the readiness of electric capacity to bearing the load, maintaining the readiness of electric capacity, participating in the centralized trading of electric energy, participation in the centralized biddings with electric capacity 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 electric energy purchase and sale, contracts for the provision of service on transfer of electric energy, technical dispatching, regulation of electric capacity, ensuring the readiness of electric capacity to bearing the load, maintaining the readiness of electric capacity, balancing of production and consumption of electric energy in the wholesale market of electric energy, contracts on participation in the centralized trading market must contain the conditions and procedure for termination the provision of relevant services in case of untimely payment for 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 No. 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).

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 No. 116-IV (enforced from 01.01.2009); 13.01.2012 No. 542-IV (enforced from 01.07.2012); 04.07.2012 No. 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 No. 125; 11.04.2006 No. 136 (enforced from date of official publication); 29.12.2008 No. 116-IV (enforced from 01.01.2009); 06.01.2011 No. 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).

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 No. 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 No. 452-IV (enforced from 13.10.2011); dated 07.12.2020 No. 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 No. 136 (enforced from the date of its official publication); 29.12.2008 No. 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, No. 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 No. 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.

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.

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 No. 380-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

The President
of the Republic of Kazakhstan