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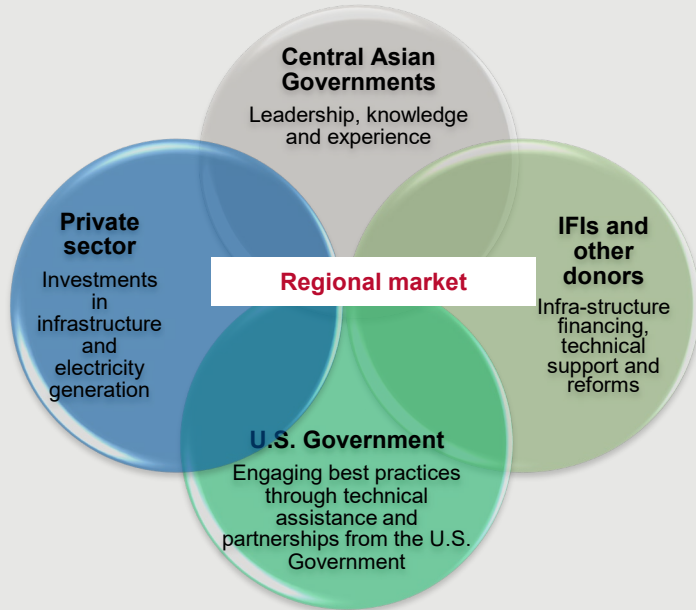
PROSPECTS FOR REGIONAL ENERGY COOPERATION IN CENTRAL ASIA

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The USAID Power Central Asia Activity
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REGIONAL ELECTRICITY MARKET OF CENTRAL ASIA

THE GOAL is to expand regional mutually beneficial cooperation, increase electricity trade, economic growth and energy security in the region through the regional electricity market.



Benefits

- Sustainable electricity market with modernised infrastructure
- Reduction of final tariffs
- Financially stable and sustainable energy sector.

Stages of market creation

- Formation of a regional system coordinator
- Creating a functional and transparent trading platform
- Creating a commercial basis for electricity trading
- Creating a coordinated technical, legal and regulatory framework for the operation of an integrated regional energy market

Promotion of the regional market

Technical support

Strengthening institutions

Financing from IFI

Infrastructure development

Knowledge management

Political and regulatory reform

REGIONAL ELECTRICITY MARKET OF CENTRAL ASIA

- The unified energy system was established in the 1970s within the framework of the Soviet Union.
- The region had a certain balance between electricity generation and water needs for irrigation.
- Today, only 3 countries are working in parallel - Kazakhstan, the Kyrgyz Republic and Uzbekistan.
- Cross-border trade accounts for about 10% of the level of the Soviet Union.



A NEW REALITY

In recent years, a situation with electricity trade in the region has changed:

- instead of the previous surplus, there is a shortage of electricity in the Central Asian countries;
- countries with hydro resources have entered extremely low-water years;
- climate change and intensive melting of glaciers pose risks of further reduction in the volume of hydroelectric power generation;
- following the global trends of transition to a low-carbon economy, the Central Asian countries initiate plans for energy transition and transformation of the energy sector;
- renewable energy is developing and renewable energy prices are declining.

MARKET DEVELOPMENT TRENDS

- An effective solution to reduce energy shortages is the development of renewable energy sources and regional trade.
- Kazakhstan and Uzbekistan are already intensively developing renewable energy sources. Other countries also consider the development of solar and wind energy.
- There is a need for maneuverable capacities to balance the variable generation of renewable energy.
- Pricing and commercial basis of trade:
 - Electricity
 - Transit
 - Maneuverability and ancillary service



PROSPECTS FOR REGIONAL ENERGY COOPERATION

- In order to ensure energy security, the Central Asian countries increasingly turn to implement the regional cooperation benefits
- Tajikistan is in the process of restoring connection to the Central Nuclear Power Plant
- Turkmenistan is considering the possibility of joining the CNPP
- Network construction is actively underway in Central Asian countries
- Countries are increasingly aware of the need to trade in maneuverability and support services
- It is necessary to establish an authorized intergovernmental body for regional trade: solving commercial, legal and technical issues

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Goal

1. Assistance to the five Central Asian countries in achieving their national and regional energy priorities to ensure energy security.
2. Support in securing economic benefits from regional electricity trade

Tasks

1. Task 1: Reforms of national markets
2. Task 2: Clean energy
3. Task 3: Regional electricity market
4. Through directions (4)

Implementation period

October 1, 2020 - 2025



A person wearing a blue work jacket with reflective stripes is holding an orange hard hat. The background shows a field of wind turbines under a dramatic sunset sky with orange and blue tones.

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