

Uzbekistan plans to establish an independent electricity and natural gas regulator

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In the first quarter of 2021, a draft of Presidential Resolution “On Additional Measures to Reform the Electric Energy Industry” has been announced which aims to establish a competitive electricity market in Uzbekistan between 2020 and 2025.

The draft provides for the establishment of an independent regulator in charge of electricity and natural gas (the Regulator), which will not be part of the government but will be subordinate to the president and the parliament.

The following main functions of the Regulator are envisaged in the draft resolution:

- Establishment of a competitive market and the regulatory framework to ensure transparency and equal access for all participants;
- Licensing and control functions;
- Developing and approving tariffs for generation, transmission, distribution and sales of power.

Moreover, the main tasks of the Regulator have been defined as follows:

- To reduce the government's share in the energy sector, create favorable conditions for attracting private capital, and prevent unreasonable price increases in the supply of electricity to end users;
- To develop and approve regulated tariffs for electricity generation, transmission, distribution and sales;
- To liberalize natural and liquid gas sales and improve the quality of services provided;
- To support competition in the natural and liquefied gas market.

The draft resolution also envisages further unbundling of JSC “National Electric Grid of Uzbekistan” and establishing a new “Uzpowertrade” JSC in charge of export and import of power, with the right to directly purchase power from energy producers and place it for sale online at free prices.

In addition, the draft includes the Concept of Transition to a Competitive Electricity Market for 2021-2025. The priority areas of the concept are as follows:

- To form a competitive electricity market;
- To improve the quality, reliability and stability of power supply through effective management of the power industry by the transformation of state-owned companies;
- To form gradually competitive wholesale and retail power markets;
- To ensure the connection of all participants of the competitive electricity market to pipelines and power grids on

equal terms (open access to grids and markets).

The concept establishes the following models for the competitive wholesale electricity market:

1. Trade under bilateral agreement (monthly trade);
2. Day-ahead trade;
3. Intra-day trade;

The draft will be approved after it is reviewed by the ministries and departments of the government.

In 2020, the Concept Note for Ensuring Electricity Supply in Uzbekistan in 2020-2030 was approved. This envisaged an increase of generating capacity from 12.9 GW in 2019 to 29.3 GW in 2030. It is also planned to achieve up to 8 GW of electricity generated from RES (3 GW from wind farms and 5 GW from solar farms). An overview of the concept can be found [here](#).

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