

RENEWABLE ENERGY IN KAZAKHSTAN

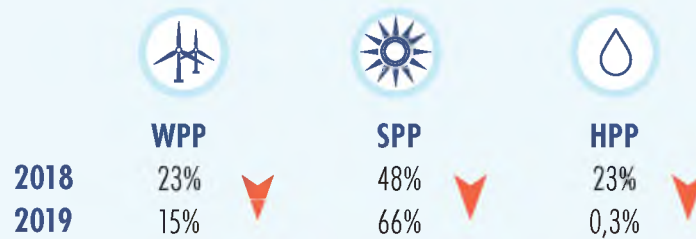
State regulation of RES development

- 2014 to 2017 **FIXED TARIFFS** for electricity from renewable energy sources in local currency were used
 - Since 2018, the selection of renewable energy projects has been carried out through **AUCTIONS** (to lower prices)
- AUCTION WINNERS ARE GUARANTEED:**
- Conclusion of a purchase agreement with a single purchaser of electricity - Financial Settlement Center of Renewable Energy LLP
 - Access to the electric grid, priority dispatching and mandatory transmission of electricity from renewable energy facilities
 - Exemption from payment for services for transmission of electricity and licenses for electricity production
 - Annual tariff indexation: 30% for inflation and 70% for changes in foreign exchange rates
 - Investment preferences in accordance with the Entrepreneurial Code of the Republic of Kazakhstan

RENEWABLE ENERGY AUCTIONS

The winner and the price for each project are determined at auctions organized by KOREM JSC on an **INDEPENDENT ELECTRONIC PLATFORM**

According to the results of the 2018 and 2019 auctions, the **BIGGEST PRICE REDUCTION** was:



CEILING auction prices in 2020:

WPP: 21,69 tenge /kWh • **SPP:** 16,97 tenge /kWh • **HPP:** 15,48 tenge /kWh • **BioPP:** 32,15 tenge /kWh

Power Purchase Agreement (PPA)

Provides the possibility of **PHASED** commissioning of renewable energy stations

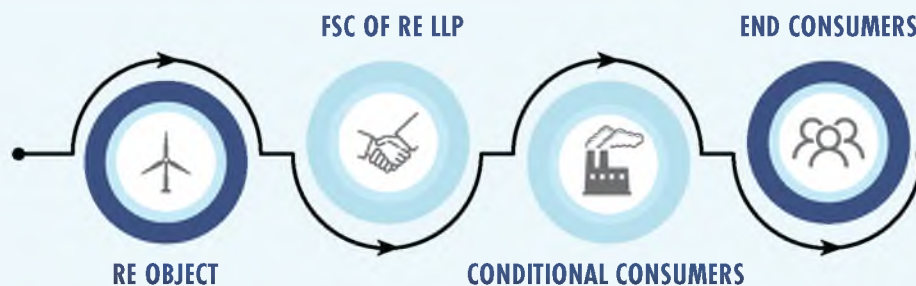
Provides the **TERMS** for putting the RES facility into operation: SPP - 24 months • WPP and BioPP - 36 months • HPP - 48 months.

Extension of the **CONSTRUCTION PERIOD** by 1 year if the object is 70% ready by the time of the set commissioning date

Gives lenders the right to **DIRECT PROJECT MANAGEMENT** (step-in rights)

Provides the right to **RESOLVE DISPUTES** in the International Arbitration Center of the "Astana" International Financial Center

Scheme of centralized purchase / sale of renewable energy



RES support costs are distributed in proportion to the actual data of the supply to the network of conditional consumers (CC)

RES support costs are included in the marginal tariff of traditional energy sources

Electricity from RES is distributed by CC according to the fact-balance of production and consumption of electricity

Electricity supply to the grid is accounted for using commercial metering devices

