Kazakhstan has adopted and is implementing [a concept for transition to "green" economy](https://vie.korem.kz/uploads/kazakhstan_concept_for_transition_of_the_republic_of_kazakhstan_to_green_economy.pdf), in order to implement it, [a legislative framework](https://vie.korem.kz/eng/zakonodatelstvo/npa/) has been established and clear target indicators for the development of the RES sector have been identified. The authorized body implementing the state policy in the renewable energy sector is the [Ministry of Energy of the Republic of Kazakhstan](https://www.gov.kz/memleket/entities/energo?lang=en).

According to the concept for the transition of the Republic of Kazakhstan to the "green economy", the share of renewable energy sources by 2020 should be 3% of the total electricity production, by 2030 – 10%, by 2050 – 50%, taking into account alternative energy.

Achieving this goal is based on existing resource potential of renewable energy sources in the country. The existing potential of wind energy is estimated at 920 billion kWh per year, solar energy 3000 hours per year, hydropower 62 billion kWh per year. More detailed information on resource potential of the renewable energy sector of the Republic of Kazakhstan you may find here <https://rfc.kegoc.kz/en/investors/resources/sun-atlas>.

In 2009, Kazakhstan adopted the first legislative initiatives to support the development of renewable energy sector. In 2009, the [law "On Supporting the Use of Renewable Energy Sources"](https://vie.korem.kz/uploads/%D0%97%D0%B0%D0%BA%D0%BE%D0%BD%20%D0%BE%20%D0%BF%D0%BE%D0%B4%D0%B4%D0%B5%D1%80%D0%B6%D0%BA%D0%B5%20%D0%B8%D1%81%D0%BF%D0%BE%D0%BB%D1%8C%D0%B7%D0%BE%D0%B2%D0%B0%D0%BD%D0%B8%D1%8F%20%D0%92%D0%98%D0%AD%202021%28en%29.pdf) was adopted which is aimed at supporting the use of renewable sources in production of heat and electric energy.

In 2013, the mechanism of state support for the renewable energy sector was launched, which is based on centralized guaranteed purchase of all electric energy produced by renewable energy sources at fixed rates. The Financial Settlement Center caries out centralized purchase and sale of electric energy generated by RES facilities and delivered in electric grid of unified power system of the Republic of Kazakhstan in the order provided by the Law on support of RES.

The mechanism of state support of RES sector until February 2018 was based on the practice of fixed tariffs. The introduction of fixed tariffs was a necessary measure for formation of renewable energy sector in the country, attracting investments into industry and served as a guarantee of return of invested financial resources in the implementation of RES in Kazakhstan.

Development of technologies in RES sector with growing number of investors wishing to implement RES projects in Kazakhstan, required introduction of mechanism capable of ensuring fair and competitive selection of projects. In this regard, since 2018 a mechanism of auction for selection of RES projects is introduced in the Republic of Kazakhstan.

In order to hold auction, amendments were made to the current legislation in the field of support of RES sector and [the Rules of organizing and holding auction](https://vie.korem.kz/uploads/Pravila%20RES%202021_eng.pdf) were developed.

The auction is held on the basis of [schedule of auction](https://vie.korem.kz/uploads/Schedule%20of%20auction%202021.pdf) annually approved by the Ministry of Energy of the Republic of Kazakhstan.

To attract private investment in the renewable energy sector of the Republic of Kazakhstan, the following measures are envisaged:

* the single buyer of RES electricity [is the financial settlement center for the support of renewable energy sources](https://rfc.kegoc.kz/en), established under[JSC KEGOC, Kazakhstan Electricity Grid Operating Company](https://kegoc.kz/en);
* investors are guaranteed to purchase the entire volume of RES energy at auction prices for 15 years upon signing purchase agreement with the FSC;
* auction prices are subject to annual indexation starting from the second year of electricity generation: 70% for change of national currency exchange rate against convertible currencies and 30 % for consumer price index;
* RES producers are exempt from payment for electricity transmission from RES;
* financial settlement of imbalances from RES performs the FSC.
* RES producers are granted priority dispatch in the transmission of electrical energy;
* energy transmission organization may not refuse connection of RES facility due to grid unavailability;
* cost of reconstruction and expansion of the grid is borne by energy transmission organization;
* land plots and connection points to the grid are reserved for auction for selection of RES projects;
* the legislation provides for investment preferences.

As of May 2020, there are 99 RES facilities in Kazakhstan, including:

* WPP – 21;
* SPP – 37;
* HPP – 37;
* BioPP – 4.

The total installed capacity for the 1st quarter of 2020 is 1 361 MW, including:

* WPP – 335.9 MW;
* small HPP – 224.6 MW;
* SPP – 797.6 MW;
* BioPP – 2.82 MW.

Electricity generation from RES facilities in 2019 amounted to 2,4 billion kWh, which is 2,3% of the total generation in the Republic of Kazakhstan.

To implement the RES facility construction project in Kazakhstan through the mechanism of guaranteed centralized purchase, a potential investor should:

* Get acquainted with [auction schedule](https://vie.korem.kz/uploads/Schedule%20of%20auction%202021.pdf) and decide which RES project is acceptable;
* Visit the auction organizer's website, get [online registration in the trading system](https://vie.korem.kz/eng/uchastie_v_torgah/registration/);
* Sign agreement with auction organizer;
* Not later than two working days before the auction to provide [application financial guarantee](https://rfc.kegoc.kz/en/auctions/fin-request) for participation in auction in the name of the FSC of RE LLP;
* Take part in the auction;
* Become the auction winner;
* Within 60 days after the inclusion of the auction winners in the RES list, contact the FSC of RE LLP for [signing purchase agreement](https://rfc.kegoc.kz/en/investors/contract-conclusion);
* After signing purchase agreement make [financial guarantee for performance of agreement](https://rfc.kegoc.kz/en/auctions/fin-contact).