

**On approval of the Rules for organization and conduct of auction bidding, including qualification requirements for auction participants, the content and procedure for submitting an application, types of financial security of an application for participation in the auction and conditions for their submission and return, the procedure for summarizing and determining winners**

*Unofficial translation*

(with changes and additions as of 27.08.2020)

Order of the Minister of Energy of the Republic of Kazakhstan of December 21, 2017 No. 466. Registered with the Ministry of Justice of the Republic of Kazakhstan on January 17, 2018 No. 16240.

*Unofficial translation*

In accordance with subparagraph 5-5) of Article 6 of the Law of the Republic of Kazakhstan dated July 4, 2009 "On support for the use of renewable energy sources" **I**

**ORDER:**

1. To approve the attached Rules for organization and conduct of auction bidding, including qualification requirements for auction participants, the content and procedure for submitting an application, types of financial security for an application for participation in the auction and conditions for their submission and return, the procedure for summarizing and determining winners.
2. The department for renewable energy sources of the Ministry of Energy of the Republic of Kazakhstan, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, shall ensure:
  - 1) state registration of this order at the Ministry of Justice of the Republic of Kazakhstan;
  - 2) within ten calendar days from the date of state registration of this order sending its copy on paper and electronic form in the Kazakh and Russian languages to the Republican state enterprise on the right of economic management "Republican Center for Legal Information" of the Ministry of Justice of the Republic of Kazakhstan for official publication and inclusion in Standard control bank of regulatory legal acts of the Republic of Kazakhstan;
  - 3) within ten calendar days from the date of state registration of this order, sending its copy for official publication in periodicals;
  - 4) placement of this order on the official Internet resource of the Ministry of Energy of the Republic of Kazakhstan;
  - 5) within ten working days after the state registration of this order in the Ministry of Justice of the Republic of Kazakhstan, submission of information on implementation of measures provided for in subparagraphs 2), 3) and 4) of this paragraph to the legal Department of the Ministry of Energy of the Republic of Kazakhstan.
3. Control over implementation of this order shall be entrusted to the supervising Vice- Minister of Energy of the Republic of Kazakhstan.
4. This order shall be enforced upon expiry of twenty-one calendar days after its first official publication.

Minister of Energy of the  
Republic of Kazakhstan

K. Bozumbayev

"AGREED"

Minister of National Economy  
of the Republic of Kazakhstan

\_\_\_\_\_ T. Suleimenov

December 27, 2017

Approved  
by the order of the Minister of  
Energy of the Republic  
of Kazakhstan  
dated December 21, 2017,  
№ 466

**Rules for organization and conduct of auction bidding, including qualification requirements for auction participants, the content and procedure for submitting an application, types of financial security of an application for participation in the auction and conditions for their submission and return, the procedure for summarizing and determining winners Chapter 1. General Provisions**

1. These Rules of organization and conduct of auction bidding, including qualification requirements for auction participants, the content and procedure for submitting an application, types of financial security of an application for participation in the auction and conditions for their submission and return, the procedure for summarizing and determining winners (hereinafter – the Rules) are developed in accordance with subparagraph 5-5) of Article 6 of the Law of the Republic of Kazakhstan dated July 4, 2009 "On support for the use of renewable energy sources" (hereinafter-the Law) and shall determine the procedure for organization and conduct of auction bidding, including qualification requirements for auction participants, the content and procedure for submitting an application, types of financial security of the application for participation in the auction and conditions for their submission and return, the procedure for summarizing and determining winners.

*Footnote. Paragraph 2 was amended in accordance with the order of the Minister of energy of the Republic of Kazakhstan dated 11.09.18 No. 360*

2. The following basic definitions are used in these Rules:

1) auction price – the price for the purchase of electric energy, produced by the facility for the use of renewable energy sources by the accounting and financial center, determined based on the results of auction bidding and not exceeding the level of the relevant maximum auction price;

2) auction bidding-a process, organized and conducted by the auction bidding organizer in the electronic system on the basis of the auction and aimed at selection of projects for construction of new facilities for the use of renewable energy sources and determination of auction prices of electric energy, produced by the facilities for the use of renewable energy sources, taking into account the plan of placement of facilities for the use of renewable energy sources;

3) register of auction bidding winners – a document, formed by the Organizer based on the results of auction bidding and confirming the results of the bidding;

4) a participant of auction bidding – hereinafter-participant) - an applicant, who has been registered at the Organizer and received the status of the participant;

5) auction bidding organizer (hereinafter-the Organizer) – a legal entity, determined by the authorized body, carrying out organization and conduct of auction bidding in the manner prescribed by the Law;

6) a bank guarantee - a written document, drawn up in accordance with the Rules for issuing of bank guarantees and sureties by the second-tier banks, approved by the resolution of the Board of the National Bank of the Republic of Kazakhstan No. 21 dated January 28, 2017 (registered in the Register of state registration of regulatory legal acts No. 14915), and issued by the bank to the client (debtor) on the basis of his(her) application in favor of a third party (creditor), according to which the bank undertakes to pay a limited amount of money to a third party (creditor) on the conditions specified in it;

7) a beneficiary - a person in whose favor payments and (or) money transfers are made;

8) a debtor - a legal entity on whose instructions the issuing bank issues a bank guarantee or a standby letter of credit in favor of a beneficiary;

9) unilateral auction - a form of organization of auction bidding, aimed at determining winners, by successive selection of applications of auction bidding participants from a ranked list of auction bidding participants;

10) renewable energy sources (hereinafter – RES) - energy sources, continuously renewable due to naturally occurring natural processes, including the following types: solar energy, wind energy, hydrodynamic energy of water; geothermal energy: heat of soil, groundwater, rivers, reservoirs, as well as anthropogenic sources of primary energy resources: biomass, biogas and other fuel from organic waste, used for production of electricity and (or) heat;

11) accounting and financial center for support of renewable energy sources (hereinafter-accounting and financial center) - a legal entity created by the system operator and determined by the authorized body, carrying out centralized purchase and sale of electric energy produced by the facilities for the use of RES and supplied to the electric networks of the unified electric power system of the Republic of Kazakhstan in the manner prescribed by Law;

12) maximum allowable power of RES facilities - the maximum allowable amount of power of solar and wind power plants connected to the electrical network, determined on the basis of technical capabilities of the electric power system;

13) the facility for using of RES - technical devices intended for production of electric and (or) thermal energy using RES and interrelated to them facilities and infrastructure technologically necessary for operation of the facility for using RES and being on the balance sheet of the owner of the facility for using RES;

14) an applicant - a legal entity planning to participate in the auction bidding;

15) a standby letter of credit - an obligation of the bank to pay the amount sum in favor of the beneficiary under the letter of credit upon the occurrence of the case (nonfulfillment of obligations to the beneficiary by the debtor). Standby letter of credit is issued by the SWIFT system;

16) a ranked list - a list of applications from the participants in auction bidding, ordered in ascending order of prices specified in applications;

17) a purchase contract - a contract for the purchase of electric energy from an energy producing organization using RES, at auction prices, concluded between the accounting and financial center and an energy producing organization using RES;

18) trading system - a set of organizational, technical, software components, providing the conduct of auction bidding via the Internet;

19) trading session - a process during which applications are submitted by the participants of auction bidding, determination of prices, volumes of auction bidding and a register of winners of auction bidding is formed;

20) an authorized body - central executive body, carrying out management and inter-sectoral coordination in the field of support for the use of renewable energy sources;

21) marginal auction price - maximum value of auction price for electric energy;

22) point of connection to the electrical network - the place of physical connection of the facility for the use of renewable energy sources of energy producing organization with the electrical network of energy transmitting organization;

23) minimum allowable amount of installed capacity - the amount of installed capacity, below which the participant does not implement the project to build a new facility for the use of RES.

2-1. The selection of projects for the construction of new RES facilities and the determination of auction prices for electric energy produced by RES facilities is carried out by organizing and conducting auctions with the prepared main parameters of the project for the construction of new RES facilities (hereinafter referred to as documentation) and/or without documentation.

*Footnote. The rules are supplemented by paragraph 2-1 in accordance with the order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 № 228.*

## **Chapter 2. The procedure for organization and conduct of auction bidding Paragraph**

### **1. Preparation for auction bidding**

3. The authorized body not less than 3 (three) months before the expected date of the auction bidding shall develop and publish on its Internet resource the schedule of auction bidding for the calendar year in the form, according to Appendix 1 to these Rules (hereinafter-the Schedule). The information in the Schedule is not subject to adjustment.

3-1. to prepare documentation, the authorized body in January of this year provides the settlement and financial center with information on the types of RES facilities, their location (indicating land plots) and the amount of installed capacity for the next two years.

The system operator in January of this year, at the request of the authorized body, provides the settlement and financial center with information about possible points of connection to the electric grid for auction with documentation.

*Footnote. The rules are supplemented by paragraph 3-1 in accordance with the order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 № 228*

3-2. The settlement and financial center sends the Organizer documentation indicating its cost no later than 3 (three) months before the planned date of the auction for placement on the official Internet resource.

After receiving the documentation, the Organizer announces the date of the auction within 3 (three) business days.

*Footnote. The rules are supplemented by paragraph 3-2 in accordance with the order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 № 228*

3-3. Documentation includes:

- 1) initial data, marketing research on the construction of a new RES facility, including an assessment of the resource potential;
- 2) results of public proceedings and preliminary environmental impact assessment;
- 3) the location of the land plot, taking into account the technical characteristics and costs of land purchase / lease, taxes;
- 4) the power distribution scheme and technical conditions for connection developed and agreed in accordance with the power Grid rules approved by the order of the Minister of energy of the Republic of Kazakhstan dated December 18, 2014 No. 210 (registered in the Register of state registration of regulatory legal acts for No. 10899) (hereinafter - the power Grid rules).

Preparation of documentation is carried out by the developer of documentation or transferred by the authorized body to the settlement and financial center.

*Footnote. The rules are supplemented by paragraph 3-3 in accordance with the order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 № 228*

4. The Schedule contains information about the land plots planned to be allocated for construction of the RES facility and the points of connection to the electrical networks of power transmitting organizations, indicating the maximum allowable power and the number of possible connections.

5. Local executive bodies of regions, the cities of republican significance and the capital city in accordance with subparagraph 3-1) of Article 7 of the Law, shall reserve land plots for the planned construction of facilities for the use of RES until the winners of the auction bidding are granted the rights to a land plot, in accordance with the Land code of the Republic of Kazakhstan dated June 20, 2003 and send the relevant information to the authorized body in the form, according to table 1 of the Schedule.

6. The points of connection to the electrical network submitted by power transmitting organizations to the authorized body are reserved for the planned construction of facilities for the use of RES until the conclusion by the winner of the auction bidding of the contract on connection of facilities for the use of RES and (or) issue of technical conditions for connection to the electrical network and send the relevant information to the authorized body in the form according to table 2 of the Schedule.

7. From the moment of the Schedule publication until completion of all auctions planned according to the Schedule, the power transmitting organizations suspend the acceptance of applications for the receipt of technical conditions for connection to the electrical network on the reserved points of connection to the electrical network, specified in the Schedule.

8. Construction and operation of the facility for the use of RES shall be carried out in accordance with the legislation of the Republic of Kazakhstan in the field of architectural, urban planning and construction activities and electric energy.

At the same time, the construction of the facility for the use of RES shall be carried out using new generating equipment (previously not being in operation).

*Footnote. Paragraph 8 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

9. Acceptance of documents and registration of applicants in the auction bidding shall be made by the Organizer within the time specified in the Schedule approved by the authorized body.

10. For registration in the database of the trading system, the applicant shall apply to the official Internet resource of the Organizer for online registration and provide the Organizer with electronic documents in accordance with subparagraphs 1) - 5) of paragraph 19 of these Rules.

11. The applicant shall provide to the accounting and financial center the original of documents on financial security of application for participation in auction bidding no later than 2 (two) working days prior to the date of the beginning of auction bidding according to paragraph 4 of these Rules.

12. When providing the documents by the applicant in accordance with subparagraphs 1) - 5) of paragraph 19 of these Rules, concluding the contract between the applicant and the Organizer and payment for the services of the Organizer, the Organizer shall assign the status of the participant of auction bidding to the applicant.

*Footnote. Paragraph 12 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

13. The organizer shall stop accepting documents from applicants 5 (five) working days prior to the start date of the auction bidding in accordance with the schedule of the auction bidding, approved by the authorized body.

14. The participant not later than 5 (five) working days before the start of the auction bidding shall notify the Organizer of the change of requisites, the list of the participant staff members, having the access to the trading system.

*Footnote. Paragraph 14 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

15. A password granting the right of access to the trading system shall not be subject to transfer to third parties.

16. Tariffs for the services of the Organizer shall be set in accordance with the legislation of the Republic of Kazakhstan and be paid on the basis of the contract, concluded between the applicant and the organizer (hereinafter - the Contract).

17. The contract shall contain:

- 1) the subject of the Contract, types of services provided by the Organizer, terms and procedure for payment;
- 2) criteria and requirements for the applicant to participate in the auction bidding and admission to the auction bidding;
- 3) methods of conducting auction bidding;
- 4) the responsibility of the contract parties for violation of the terms of the Contract.

18. In order to organize and conduct auction bidding, the Organizer shall:

- 1) ensure the efficiency of the trading system for conducting auction bidding;
- 2) develop and approve methodical guidelines and procedures for conducting auction bidding;
- 3) provide the Participants with equal conditions of access to auction bidding;
- 4) conduct instruction of the Participant staff members on the work in the trading system;

- 5) interact with the authorized body and accounting financial center on the issues, related to organization and conduct of auction bidding;
- 6) publish on the official Internet resource the Register of auction winners.

18-1. The settlement and financial center creates a competition Commission to review applications from potential suppliers to participate in the competition, authorize and determine the documentation developer in accordance with the terms of reference.

*Footnote. The rules are supplemented by paragraph 18-1 in accordance with the order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 № 228*

## **Paragraph 2. Qualification requirements for the participants of auction bidding**

19. To participate in the auction bidding, the Participants shall confirm the qualification requirements for legal capacity and solvency by providing the following documents:

- 1) copies of the Charter;
- 2) copies of the certificate of state registration/re-registration of a legal entity;
- 3) copies of the decision of the relevant body of a legal entity on appointment of the first head;
- 4) power of attorney for a representative (if the representation of interests is carried out not by the first head);
- 5) information about the requisites of a legal entity (bank requisites, address, contact numbers, e - mail address);
- 6) the document confirming introduction of financial security of application for participation in auction bidding.

Under subparagraphs 1) - 5) of this paragraph, foreign legal entities shall provide similar documents in accordance with the legislation of the country in which they are registered with mandatory attachment of translation into the state or Russian languages to each document, the accuracy of translation or the authenticity of the translator's signature should be certified by a notary.

Under subparagraph 6) of this paragraph, foreign legal entities shall provide a document confirming financial security of the application for participation in auction bidding, in accordance with paragraph 4 of these Rules.

7) copies of technical specifications for connection to the electric grid issued and agreed in accordance with the Power grid rules or indication of the point of connection to the electric grid in accordance with the Schedule;

8) copies of title documents for the land plot in accordance with the Land code of the Republic of Kazakhstan dated June 20, 2003 or indication of the land plot in accordance with the Schedule;

9) a copy of the letter of approval of the System operator "Power plant power distribution Scheme" with the declared electric capacity of 5 MW or more developed in accordance with the Power grid rules or indicating the point of connection to the electric networks in accordance with the schedule;

10) confirmation letter about the Participant's familiarization with the documentation posted on the Organizer's Internet resource for participants participating in the auction with the documentation.

*Footnote. Paragraph 19 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360; order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 No. 228 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

20. Financial security of an application for participation in auction bidding in the form of a Bank guarantee or a standby letter of credit shall be issued in favor of the accounting and financial center.

## **Paragraph 3. Content and procedure of application**

21. Auction bidding are conducted anonymously, remotely using the Internet, via the Internet resource of the Organizer's trading system.

22. Auction bidding are conducted in the form of a one-way auction.

23. Trading session during the auction bidding shall be held within the terms, approved by the authorized body according to the Schedule and last 3 (three) hours.

24. Before the opening of trading session the Organizer shall:

1) enter into the trading system the information on the volume of planned selection of the installed capacity, the maximum auction price and other information in accordance with the Schedule, approved by the authorized body;

2) enter into the trading system the information received from the authorized body on availability of reserved land plots for the planned construction of facilities for the use of RES and the possibility of connection to the electrical networks of energy transmitting organizations, indicating the maximum allowable power at the points of connection to the electrical networks and the number of possible connections;

3) enter into the trading system the information on the amount of financial security of applications for participation in the auction bidding, received from the accounting and financial center.

4) enters into the trading system information about land plots and points of connection to electric grid in accordance with sub-paragraphs 7) and 8) of paragraph 19 of these Rules.

*Footnote. Paragraph 24 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

25. The procedure of conducting trading session shall include:

1) opening of trading session by the Organizer;

2) submission of applications for participation in the auction bidding in the trading system by the participants;

3) closing of the trading session by the Organizer;

4) summarizing the results of the auction bidding, including determination of auction prices;

5) formation of the register of auction bidding winners and its publication on the Internet resource in the form, according to Appendix 2 to these Rules by the Organizer.

26. The Participant's application for participation in the auction bidding shall contain the following basic information:

1) the name of the participant;

2) the price of electric energy per kilowatt-hour excluding VAT, indicated in the national currency of the Republic of Kazakhstan with the number of significant digits after the separator not more than two;

3) the volume of installed capacity not less than 100 kilowatts and a multiple of 1 (one) kilowatt;

4) a land plot, planned for construction of a facility for the use of RES and a connection point to the electrical network;

5) the minimum allowable volume of installed capacity.

At the same time, Participants having a land plot and (or) a point of connection to the electrical network, in accordance with the issued technical conditions for connection to the electrical network, shall indicate the relevant data in the application.

The Participants indicate in the request the relevant data about the land plot and the point of connection to the electric grid, according to the issued technical conditions for connection to the electrical network provided by the Organizer in accordance with subparagraphs 7) and 8) of paragraph 19 of these Rules, either choose the relevant data from the Graph

*Footnote. Paragraph 26 as amended by the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 No. 360; it is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan dated 27.06.19 No. 228 (shall be enforced upon the expiry of twenty-one calendar days after its first official publication).*

27. Participants shall submit applications for participation in auction bidding into the trading system during the trading session, while the prices indicated in the applications should not exceed the values of the respective marginal auction prices.

28. Applications for participation in the auction bidding, submitted by participants during the trading session, with prices that coincide with the prices in applications for participation in the auction bidding of other participants, submitted to the trading system, shall be rejected.

29. Participants may not submit applications for participation in the auction bidding with indication of the volume exceeding:

- 1) the volume of installed capacity, put up for auction bidding by an authorized body;
- 2) the maximum allowable volume of power at the points of connection to electrical networks;
- 3) the amount of financial security of applications for participation in the auction bidding.

When conducting an auction with documentation from the participant, an application is submitted within the financial security of the application for participation in the auction equal to the total installed capacity of the project put up for auction.

*Footnote. Paragraph 29 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

29-1. When submitting requests in an auction without documentation, participants submit requests for each connection point and land plot separately within the financial security of the request for participation in the auction.

*Footnote. Paragraph 29-1 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

30. Participants can simultaneously submit applications for participation in auction bidding for several land plots planned for construction of facilities for the use of RES, and several points of connection to the electrical network within the financial security of each submitted application for participation in the auction bidding.

31. The Participant's application, submitted for participation in the auction bidding in the trading system shall not be deleted.

32. Participants, at their discretion, before the end of receipt time of applications for participation in the auction bidding, change the previously submitted application by submitting a new application. At the same time, participants indicate the price in a new application lower than in the previous one, and the volume of the previously submitted application shall not be subject to change.

The price change step is not less than 5 (five) tiyn per 1 (one) kilowatt-hour.

*Footnote. Paragraph 32 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

33. Fixing the date and time of applications submission for participation in the auction bidding trading in the trading system shall be carried out by the Organizer with millisecond accuracy.

#### **Paragraph 4. Types of financial security of applications for participation in the auction and conditions for their entry and return**

34. In order to guarantee the fulfillment of obligations assumed by the participants, as well as obligations arising at the winners of the auction bidding, the specified persons shall submit financial security in the manner and on the conditions determined by these Rules.

Information about the financial security of the request for participation in the auction is confidential and is not subject to disclosure.

*Footnote. Paragraph 34 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

35. Financial security should be free from the rights of claims of third parties, as well as from other obligations of the participant and (or) of the auction bidding winner.

36. The amount, received as a result of claims paid for Bank guarantee or standby letter of credit, shall be credited to the special account of the reserve Fund of financial-settlement center and (or) sent by financial settlement center on the preparation of documentation in accordance with paragraph 3-3 of the Rules.



*Footnote. Paragraph 36 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

37. The conditions for the deposit and return of financial security shall be determined in accordance with this paragraph.

38. Financial security of applications for participation in the auction bidding is provided by the applicants to the accounting and financial center and shall be a guarantee that he, if he is the winner of the auction bidding, shall conclude the purchase contract with the accounting and financial center on the terms and conditions provided by these Rules and make financial security for fulfillment of the purchase contract.

39. Financial security for fulfillment of conditions of the purchase contract shall be provided by the winners of the auction bidding to the accounting and financial center within 30 calendar days after signing the purchase contract in accordance with the Rules of the centralized purchase and sale by the accounting and financial center of electric energy, produced by the facilities for the use of renewable energy sources, approved by the order of the Minister of Energy of the Republic of Kazakhstan dated March 2, 2015 № 164 (registered in the Register of state registration of regulatory legal acts № 10662).

*Footnote. Paragraph 39 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

40. Financial security of an application for participation in the auction bidding shall be issued in favor of the accounting and financial center and be provided to it not later than 2 (two) working days before the date of the auction bidding.

41. The accounting and financial center sends the Organizer a list of applicants having financial security, indicating the amounts, before 2 (two) hours of the auction bidding start.

42. The applicant chooses one of the following types of financial security of application for participation in the auction bidding, issued by the SWIFT system:

- 1) a bank guarantee;
- 2) a standby letter of credit.

43. The amount of financial security for the application for participation is:

- 1) in auctions without documentation - 2000 (two thousand) tenge per 1 (one) kilowatt of installed capacity multiplied by the installed capacity of the RES facility specified in the application for participation in the auction;
- 2) in auctions with documentation-5000 (five thousand) tenge per 1 (one) kilowatt of installed capacity, multiplied by the installed capacity of the object for the use of RES, specified in the Schedule.

*Footnote. Paragraph 43 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

44. Financial security of application for participation in the auction bidding, made by the applicant in the form of a bank guarantee or a standby letter of credit, shall be returned (released) by sending of the relevant letter to the bank (banks) within 3 (three) working days from the date of conducting auction bidding by the accounting and financial center, when one of the following cases occur:

- 1) the participant did not become the winner of the auction bidding in accordance with the results of the auction;
- 2) the winner of the auction bidding concluded the purchase contract and made financial security for fulfillment the terms of the purchase contract.

*Footnote. Paragraph 44 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

45. If the auction winner evaded the conclusion of the purchase agreement and (or) did not provide financial security for the fulfillment of the terms of the purchase agreement in accordance with

paragraphs 38 and 39 of the Rules, the settlement and financial center issues a request for payment under the corresponding Bank guarantee or reserve letter of credit.

*Footnote. Paragraph 45 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

46. Financial security is drawn up for a period of not less than 150 (one hundred and fifty) calendar days from the date of conducting auction bidding and is irrevocable.

*Footnote. Paragraph 46 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

47. Financial security is fulfilled (withheld) by the bank when the following documents are provided by the accounting and financial center:

1) a statement of non-fulfillment of obligations by a debtor, on paper, signed by an authorized person of the accounting and financial center, and certified by a seal of the accounting and financial center;

2) a claim for payment indicating the amount of recovery in accordance with these Rules.

48. All bank charges and expenses related to financial security, including the Bank recipient (beneficiary), shall be paid by the debtor.

49. A bank guarantee or a standby letter of credit as a support of an application for participation in the auction bidding shall be provided from resident banks of the Republic of Kazakhstan, whose long-term foreign currency credit rating is not lower than “B” by Standard & Poor's or “B-” by Fitch or “B3” by Moody's Investors Service or the parental organization rating (which owns more than 50% of the shares of the resident bank of the Republic of Kazakhstan) is not lower than “BBB” by Standard & Poor's or “BBB” by Fitch or “Baa2” by Moody's Investors Service.

At the same time, a bank guarantee or a standby letter of credit of non-resident banks of the Republic of Kazakhstan must be confirmed by resident banks by issuing a guarantee against non-resident counter-obligations.

Non-resident banks of the Republic of Kazakhstan, which long-term credit rating in foreign currency not lower than “BBB” by Standard & Poor's, “BBB” by Fitch “Baa2” by Moody's Investors Service can issue a bank guarantee or a standby letter of credit without issuing appropriate counter-obligations.

*Footnote. Paragraph 49 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 No. 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication).*

#### **Paragraph 5. The procedure for summing up and determining winners**

50. During the trading session, the following information is available to auction participants without documentation:

1) general information describing auctions specified in the Schedule approved by the authorized body;

2) an application for participation in the auction submitted by the participant with all its parameters (price, time of application);

3) the lowest price indicated in the submitted applications for participation in the auction for sale (without indication of volume).

*Footnote. Paragraph 50 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

50-1. During the trading session, the following information is available to auction participants with documentation:

1) General information describing auctions specified in the Schedule approved by the authorized body;

- 2) an application for participation in the auction submitted by the participant with all its parameters (price, time of application submission);
- 3) requests submitted by bidders indicating the price.

*Footnote. Paragraph 50-1 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

51. The organizer calculate prices if the following conditions are met:

- 1) the total volume of the installed capacity of applications for participation in the auction bidding for the sale is at least 130% of the demand for installed capacity;
- 2) the number of participants, registered and admitted to the relevant auction bidding in the trading system, is at least two.

In case of non-fulfillment of the above specified conditions, the Organizer shall not calculate the prices, close the auction before the end of the closing time of the trading session and announce that the auction did not take place.

The regulation of subparagraph 1) of this paragraph does not apply to the conduct of auctions for the selection of projects that use hydrodynamic water energy, biomass, biogas and other fuels from organic waste used for the production of electric energy.

*Footnote. Paragraph 51 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication); order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19.*

52. The Organizer makes the ranked list, created in the order of increasing prices, specified in them, from applications for participation in the auction bidding.

53. Determination of the preliminary list of winners shall be carried out after the end of the time of acceptance of applications for participation in the auction bidding in the trading session, by their successive selection from the ranked list in order of increasing prices, to fully meet the demand.

53. Determination of the preliminary list of winners in auctions without documentation is carried out after the end of the time for accepting applications for participation in auctions in the trading session, by sequentially selecting them from the ranked list in ascending order of the declared prices, until the demand is fully met.

*Footnote. Paragraph 53 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

53-1. The winner of the auction with documentation is determined after the end of the time for accepting bids for participation in the auction during the trading session, by selecting one bid with the lowest price.

*Footnote. Paragraph 53-1 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

54. If the preliminary list of winners in auctions without documentation contains several pre-satisfied requests for participation in auctions that specify the same connection point, the technical requirements of which cannot be met due to the excess of the total volume of these requests for participation in auctions over the maximum allowable capacity for this connection point and/or the number of possible connections, then applications for participation in auctions are excluded from the preliminary list of winners in descending order of price, until the condition about the maximum allowed amount of installed capacity for this connection point and the number of possible connections is met.

*Footnote. Paragraph 54 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

55. If the last demanded application for participation in the auction bidding from the preliminary list of winners cannot be fully satisfied with the existing demand, the following conditions shall be applied in conducting the bidding:

- 1) if satisfied the volume demand applications for participation in the auction amounts to 50% or more of its stated volume, such application for participation in the auction are satisfied at the end of

trading in full or in an amount not exceeding the size limitations maximum allowable volume mount points. At the same time, the amount of installed capacity selection announced by the authorized body will be increased by the amount of the unsatisfied balance (or part of it) of the last requested bid for participation in the auction from the ranked list;

2) if the satisfied volume of the last requested application for participation in the auction is less than 50% of its declared volume, such bid for participation in the auction is checked for the condition of the minimum allowable amount of installed capacity.

*Footnote. Paragraph 55 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 № 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication); order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19.*

56. After checking the conditions specified in paragraphs 54 and 55 of these Rules, the Organizer determines the winner (s) of the auction without documentation and includes them in the register of auction winners. In this case, auction prices are determined at the prices indicated in the submitted applications for participation in the auction.

*Footnote. Paragraph 56 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

56-1. To participants of auctions without documentation on the selection of projects that use hydrodynamic water energy, biomass, biogas and other fuels from organic waste used for the production of electric energy that are not included in the preliminary list of auction winners, the Organizer sends an offer for inclusion in the preliminary list of winners with the following conditions for the auction price:

- 1) 1% lower than the lowest price indicated in the preliminary list of auction winners, if the maximum auction price is reduced by more than 50% or more;
- 2) 5% lower than the lowest price indicated in the preliminary list of auction winners, if the maximum auction price is reduced in the range of more than 30% and up to 50% (inclusive);
- 3) 7% lower than the lowest price indicated in the preliminary list of auction winners, if the maximum auction price is reduced in the range of more than 10% and up to 30% (inclusive);
- 4) 10% lower than the lowest price indicated in the preliminary list of auction winners, if the maximum auction price is reduced to 10% (inclusive).

If such a bidder consents, the auction volume increases by the amount of the bid submitted, and the bidder is included in the register of auction winners.

*Footnote. Paragraph 56-1 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 287 dated 27.08.20*

57. According to the results of the held auction bidding, the Organizer, within 1 (one) hour after closing the trading session, shall send notifications on the results of the held auction bidding in electronic form to the Participants. Written notifications shall be sent to the participants no later than 6:00 pm Nur-Sultan time of the next working day.

*Footnote. Paragraph 57 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 287 dated 27.08.20*

58. The register of the auction bidding winners shall be published on the Organizer's website within 1 (one) hour after closing of the trading session, indicating the auction prices and the volume of installed capacity of facilities for the use of renewable energy sources selected during the auction bidding.

58-1. The transfer of documentation by the financial settlement center to the property of the auction winner is carried out by concluding a corresponding purchase and sale agreement.

The costs of developing documentation, including related taxes, are reimbursed (paid) by the winner of the auction with documentation to the financial settlement center within 30 calendar days from the date of publication of the corresponding register of auction winners.

*Footnote. Paragraph 58-1 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

59. The organizer not later than 1 (one) working day after closing of the trading session shall form and send to the authorized body the results of the auction bidding with a breakdown of the auction bidding procedure and full information about all applications submitted to the trading system and the Register of the auction bidding winners.

60. The authorized body from the moment of receiving the Register of auction winners from the Organizer includes the auction winners within 5 (five) business days in the list of energy-producing organizations using RES and within 30 (thirty) calendar days in the plan of placement of objects for the use of RES.

At the same time, the auction bidding winners shall submit an application for conclusion of a purchase contract with the accounting and financial center within 60 (sixty) calendar days after inclusion in the list of energy producing organizations using RES.

*Footnote. Paragraph 60 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 287 dated 27.08.20*

### **Chapter 3. Final provision**

61. The conduct of auction bidding may be suspended for a period of up to 30 minutes in case of the following circumstances:

1) technical problems on the server equipment or failures in the electronic system, which led to malfunction of the trading system;

2) technical problems of the equipment or communication channels of the Internet, which led to the impossibility of access to the trading system.

63. The conduct of auction bidding may be cancelled in case of the following circumstances:

1) it takes more than 30 minutes to resolve technical problems, specified in paragraph 61 of these Rules;

2) long (more than two hours) break in power supply of the trading hall and (or) server equipment of the trading system.

64. In case of cancellation of the auction bidding for the reasons, specified in paragraph 63 of these Rules, the repeated auction bidding shall be held on the next working day after the date of conduct of the auction bidding.

64-1. If the auction with documentation is declared invalid for the reasons specified in paragraph 51 of these Rules, the Organizer conducts them again in a month.

At the same time, if repeated auctions with documentation are declared invalid, the authorized body determines the date of their next holding.

*Footnote. Paragraph 64-1 is set out in the wording of the order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19*

65. Disputes arising in the course of organization and conduct of auction bidding shall be resolved in accordance with the civil legislation of the Republic of Kazakhstan.

Appendix 1  
to the of the Rules for  
organization and conduct  
of auction bidding, including  
qualification requirements for  
auction participants, the content  
and procedure for submitting an  
application, types of financial  
security of an application for  
participation in the auction and  
conditions for their submission  
and return, procedure for  
summarizing and determining  
winners  
Form

**The schedule of carrying out auctions**

Bidding date	Bidding time (Nur-Sultan time)	The period for accepting documents for inclusion in the register of auction bidding participants	UES zone	Type of RES	Volume of purchased installed capacity, MW		The amount of the marginal auction price, tg / kWh	Required date of commissioning, validity term of the contract	Financial security of application for participation in the auction bidding at the rate of 1 kW of installed capacity of the project	Financial support for the fulfillment of the terms of the purchase agreement based on 1 kW of installed capacity of the project	Availability of documentation (available/missing)
					small from 0.1 to 10 MW inclusively (for UES from 0.75 MW)	large over 10 MW					

*Footnote. Appendix 1 is in the wording of the order of the Minister of Energy of the Republic of Kazakhstan dated 11.09.2018 No. 360 (shall be enforced upon expiry of twenty-one calendar days after its first official publication); order of the Minister of energy of the Republic of Kazakhstan No. 228 dated 27.06.19.*

Appendix 2  
to the of the Rules for  
organization and conduct  
of auction bidding, including  
qualification requirements  
for auction participants, the content  
and procedure for  
submitting an application, types of  
financial security of an application  
for participation in the auction and  
conditions for their  
submission and return, procedure for  
summarizing and  
determining  
winners  
Form

**The registry of the winners of the auction bidding**

**from " \_ " \_\_\_\_\_ 20\_\_ № \_**

№	Date of bid-ding	Transaction number	Type of RES	Name of the winner	Land plot	Connection point	Auction price, tg / kWh (without VAT)	Installed capacity, kW
1								
2								
TOTAL:								