

LAW OF THE REPUBLIC OF UZBEKISTAN

About electricity

Adopted by the Legislative Chamber on July 9, 2024
Approved by the Senate on July 10, 2024

Chapter 1. General provisions

Article 1. Purpose and scope of this Law

The purpose of this Law is to regulate relations in the field of electric power.

This Law shall not apply to:

power plants with an installed capacity of less than 5 MW that generate electricity solely for their own consumption without being connected to the unified electric power system;

relations associated with the use of electrical energy storage equipment when such equipment is utilized by consumers exclusively for their own needs.

Article 2. Legislation on Electric Power

The legislation on electric power consists of this Law and other legislative acts.

In the event that an international treaty to which the Republic of Uzbekistan is a party establishes rules that differ from those provided by the legislation of the Republic of Uzbekistan on electric power, the provisions of the international treaty shall prevail.

Article 3. Key Terms

The following terms are used in this Law:

emergency mode – a condition in which the technological parameters of electric power facilities may lead to disruptions in the reliable operation of the unified electric power system;

market participant – a natural or legal person authorized to engage in the sale and/or purchase of electricity, including the operator of the relevant system;

authorized consumer – a consumer with the right to select or change their electricity supplier;

social services – services provided by electric power companies in the general socio-economic interest;

producer – a legal or natural person engaged in electricity production activities;

large consumer – a consumer authorized to purchase electricity directly from producers on the wholesale energy market or from one or more suppliers on the retail energy market;

central buyer – a legal entity authorized to centrally procure and sell electricity;

balancing – the process of maintaining equilibrium in the unified electric power system between electricity demand and supply, taking into account all influencing factors and regulating voltage and frequency in real time;

designated supplier – a company responsible for the guaranteed supply (sale) of electricity to consumers who are unable to select a supplier or upon the request of an authorized consumer;

distribution system – a network of low-voltage facilities that connect the transmission system or producers to end consumers' connection points;

supplier – a company engaged in the supply (sale) of electricity to consumers;

operator of the relevant system – an entity responsible for the operation of the transmission, distribution, or closed distribution networks to which the user is connected;

operational-dispatch management – the process of ensuring the stable operation of the unified electric power system through real-time management and coordination with power systems of other countries;

system operator – a legal entity responsible for operational-dispatch management, considering factors that influence electricity demand and supply;

system services – services provided by the system operator to ensure the stable operation of the unified electric power system;

trader – a legal or natural person engaged in the sale of electricity, excluding transmission and distribution system operations;

transmission system – a network of high-voltage power facilities (35 kV and above) that connect producers, large consumers, and distribution systems, including interconnections with foreign power systems;

transmission system operator – a legal entity authorized to manage and develop the transmission system within the Republic of Uzbekistan;

user – a legal or natural person entitled to access and use the unified electric power system;

power plant – a facility or set of facilities used for electricity generation;

electric networks – a set of transmission and distribution facilities, including auxiliary services necessary for electricity transmission and distribution;

power supply – the distribution, supply, and sale of electricity to consumers;

electric power company – a legal entity engaged in electricity production, transmission, storage, distribution, purchase, sale, or market organization, including import and export of electricity. A group of electric power companies whose shares are directly or indirectly owned by the state shall not be considered a single vertically integrated electric power enterprise;

electric power facilities – infrastructure used for electricity production, storage, transmission, and distribution;

electric power industry – the sector encompassing electricity production, storage, transmission, distribution, supply, purchase, sale, and consumption;

electricity – a specific type of commodity characterized by simultaneous production (storage) and consumption;

energy market – a competitive wholesale and retail market for electricity;

energy market operator – a legal entity responsible for the formation of a competitive wholesale energy market and for organizing the sale and/or purchase of electricity on behalf of market participants to ensure the safe and efficient functioning of the market in the Republic of Uzbekistan;

energy market rules – regulatory provisions established by the Cabinet of Ministers of the Republic of Uzbekistan that must be observed by participants in the competitive wholesale and retail energy markets;

electricity storage system – a set of equipment, including battery systems, mechanical storage systems, pumped-storage power plants, and other devices, used for storing and subsequently transmitting and distributing electricity;

competitive wholesale energy market – a system of mechanisms governing the sale and/or purchase of electricity based on competition between electric power companies, large consumers, and foreign electric power companies. Participation in the competitive wholesale energy market requires a license issued by the Energy Market Regulator;

competitive retail energy market – a set of mechanisms and trade processes for selling electricity between two or more suppliers, aimed at selling electricity to authorized consumers in one or more territories, or selling electricity to non-authorized consumers as prescribed by the Cabinet of Ministers of the Republic of Uzbekistan;

rules of the competitive retail energy market – a set of rules established by the Cabinet of Ministers of the Republic of Uzbekistan to ensure the efficient functioning of the competitive retail energy market;

unified electric power system – an integrated system of electricity production and storage facilities, transmission and distribution networks, and operational-dispatch management processes.

Article 4. Fundamental Principles of the Electric Power Industry

The fundamental principles governing the electric power industry shall include:

- legality;
- healthy competition;
- equality and accountability;
- openness and transparency;
- priority of safety in the electric power industry.

Chapter 2. Governmental (State) regulation in the Electric Power Sector

Article 5. Key Directions of State Policy in the Electric Power Sector

The key directions of state policy in the electric power sector shall include:
ensuring the sustainable development and enhancement of efficiency in the electric power sector through measures aimed at minimizing adverse environmental impacts, reducing greenhouse gas emissions, and ensuring safety;

guaranteeing the security of electricity supply by ensuring the reliable supplies, aimed at the secure and stable operation of the unified electric power system to meet consumer demand for electricity;

safeguarding the right of access to and use of the unified electric power system;

ensuring competitiveness, transparency, and the prevention of discriminatory practices in the electric power sector;

implementing the gradual elimination of subsidies and cross-subsidies in the electric power sector;

ensuring the independence of electricity transmission and distribution operations from other activities and related interests within the electric power sector;

promoting the adoption of energy-efficient technologies and renewable energy sources within the electric power sector;

facilitating electricity exchange with other countries to optimize the efficient utilization of transmission grid's capacity for interconnected power systems;

protecting the rights and legitimate interests of consumers.

Article 6. State Bodies Responsible for Regulation of the Electric Power Sector

State regulation in the power sector shall be carried out by the following bodies:

the Cabinet of Ministers of the Republic of Uzbekistan;

the Ministry of Energy of the Republic of Uzbekistan;

the Agency for the Development and Regulation of the Energy Market of the Republic of Uzbekistan;

the Inspectorate for Control Over the Use of Electric Energy, Petroleum Products, and Gas;

local executive authorities.

Article 7. Powers of the Cabinet of Ministers of the Republic of Uzbekistan in the Electric Power Sector

The Cabinet of Ministers of the Republic of Uzbekistan shall:

ensure the implementation of a unified state policy in the electric power sector;

ensure the development and implementation of programs for the development of the electric power sector;

determine the fundamental principles and priority directions of economic reforms in the electric power sector;

approve the balance of electricity production and consumption;

coordinate international cooperation in the electric power sector;

establish the procedures for financing, construction, commissioning, and decommissioning of electric power facilities;

approve the procedures for the provision of social services to consumers in need of social protection;

establish the obligations of electric power enterprises to provide social services;

establish the rules for the competitive wholesale and retail electricity markets, including commercial rules for the central buyer;

establish the rules for the use of transmission and distribution networks;

define the procedure for the installation and use of meters.

The Cabinet of Ministers of the Republic of Uzbekistan may exercise other powers in accordance with the law.

Article 8. Powers of the Ministry of Energy of the Republic of Uzbekistan in the Electric Power Sector

The Ministry of Energy of the Republic of Uzbekistan is the specially authorized state body in the power sector (hereinafter referred to as the "specially authorized state body").

The specially authorized state body shall:

implement a unified state policy in the power sector;

Ensure the safe and reliable functioning of the unified electric power system and meet consumer demand for electricity;

develop and monitor the implementation of the balance of electricity generation and consumption;

develop, update, and implement state programs, concepts, and strategies for the development of the electric power sector, and oversee their implementation;

develop and annually update a ten-year plan for the development of the electric power sector;

ensure the sale of state-owned power plants to private investors or the transfer of management of these facilities to one or more private investors, in coordination with their shareholders and the Energy Market Regulator;

conduct open and transparent tenders for local and foreign investors for the construction of new power plants under the conditions established by law;

ensure an adequate level of power generation capacity to meet electricity demand until the entry into force of the rules of the competitive wholesale electricity market rules;

Supervise and coordinate the design, construction, financing, ownership, and operation of power plants commissioned by local or foreign investors until the entry into force of the competitive wholesale electricity market rules;

coordinate activities related to technical regulation, standardization, metrology, and certification in the electric power sector within its competence;

establish, in cooperation with the system operator, the operational modes of the unified electric power system;

supervise compliance with the rules for load increase and load management in the unified electric power system, including transmission networks connected to the power systems of other countries;

develop procedures for the provision of social services to consumers in need of social protection;

coordinate scientific research and the implementation of new technologies in the power sector;

cooperate with the competent authorities of other countries to support the export and import of electricity;

develop and adopt regulatory legal acts in the power sector within its competence;

engage in international cooperation, including cross-border collaboration with competent government bodies of neighboring countries;

make decisions, within its competence, on regulating the activities of power plants with a capacity of up to 500 kW (hereinafter referred to as "micropower plants") at the point of connection to the unified electric power system and ensure their implementation.

The specially authorized state body may also exercise other powers in accordance with the law.

Article 9. Powers of the Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan in the Power Sector

The Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan is the authorized state body responsible for the development and regulation of the energy market (hereinafter referred to as the "Energy Market Regulator").

The Energy Market Regulator shall:

regulate, monitor, and oversee the activities of the energy market;

develop and implement regulatory legal acts related to the energy market, including the concept and rules governing market operations;

ensure the periodic updating of the energy market concept at least once every three years in accordance with established procedures;

within its competence, issue binding decisions for ministries, agencies, local executive authorities, other organizations, officials, and citizens, and exercise control over their implementation;

determine the status of large consumers;

develop procedures for identifying consumers or categories of consumers who are unable to choose their electricity supplier;

approve the terms of service provision by electric power enterprises and monitor their implementation;

adopt decisions within its competence to prevent the formation of a dominant position by market participants, in accordance with legislation;

ensure transparency in the energy market, including monitoring compliance with obligations related to wholesale and retail electricity prices;

develop licensing procedures for market participants, issue licenses, and oversee compliance with licensing requirements and conditions;

monitor compliance with the requirements for the independence of the relevant system operator and the central buyer, and take appropriate measures in accordance with the law in the event of a violation of the established requirements;

organize and conduct inspections related to energy market activities in accordance with the law;

request information related to the activities of the energy market from electricity companies and government agencies;

takes measures to establish conditions, tariffs, and prices for the relevant system operator and the central buyer;

develop tariff calculation methodologies, set regulated tariffs and payments, and monitor their correct application;

prevent the occurrence and expansion of subsidies between electricity companies, directly or indirectly;

develop and oversee the implementation of (or) their expansion;

develop a mechanism for compensation for damages caused by non-compliance with the law by electricity companies, and controls its correct application;

develop and monitors compliance with requirements determining the independence of the transmission system operator;

coordinate, monitor, and provide recommendations for amendments to the investment programs of the relevant system operator;

monitor the activities of the transmission system operator, including the effectiveness of mechanisms and methods to maintain the balance between supply and demand;

maintain a register of social service provisions in the electric power sector;

conduct international cooperation in the field of energy market development and regulation;

monitor the quality and provision of technical and commercial information necessary for ensuring non-discriminatory access to the energy market;

cooperate with the competent government agencies of neighboring countries on cross-border electricity-related issues;

prepare and submit an annual report to the Cabinet of Ministers of the Republic of Uzbekistan on the implementation of energy market regulatory programs.

The Energy Market Regulator shall independently approve its annual budget.

The activities of the Energy Market Regulator shall be financed by funds received from one-time license payments and annual periodic license fees paid by market participants. The annual periodic license fees shall not exceed two percent of the licensees' annual turnover.

The Energy Market Regulator may also exercise other powers in accordance with the law.

Article 10. Powers of the Inspectorate for Control of the Use of Electric Energy, Oil Products, and Gas in the Electric Power Sector

The Inspectorate for Control of the Use of Electric Energy, Oil Products, and Gas is the state body responsible for exercising governmental oversight in the power sector (hereinafter referred to as the “governmental control body”).

The governmental control body shall:

participate in the development of draft regulatory legal acts governing the electric power sector;

implement measures to ensure safety in the production, storage, transmission, distribution (supply), and consumption of electric power;

exercise governmental control over compliance with energy efficiency and energy saving standards for goods (works, services), buildings, structures, and devices, as well as ensure the rational use of energy and adherence to quality standards;

in the event of violations of electric power saving requirements or its rational and efficient use, take measures to hold responsible parties accountable in accordance with the law.

The governmental control body may also exercise other powers in accordance with the legislation.

Article 11. Powers of Local Executive Bodies in the Power Sector

Local executive bodies shall:

participate in the development and implementation of programs for the development of the power sector;

develop, approve, and implement regional programs for the development of the power sector;

ensure the allocation of land plots for the construction and placement of electric power facilities;

coordinate forecasts of regional electricity consumption for the following year.

Local executive bodies are prohibited from interfering in operational dispatch management, as well as in the production, transmission, storage, supply (distribution, and sale) of electric power.

Local executive bodies may also exercise other powers in accordance with the legislation.

Chapter 3. Rules in the Power Sector

Article 12. Concept of the Wholesale and Retail Energy Market

The concept of the wholesale and retail energy market (hereinafter referred to as the "market concept") establishes the detailed procedures and principles for organizing and operating the energy market and its segments.

The market concept shall include:

the general structure and boundaries of the energy market;

the stages of transition to a competitive energy market and measures to be implemented at each stage;

the responsibilities of market participants at each stage;

measures for organizing the provision of social services;

identification of consumers or categories of consumers who do not have the option to choose a supplier.

The market concept may contain other provisions in accordance with the law.

The market concept shall be developed by the Energy Market Regulator and approved by the President of the Republic of Uzbekistan.

Article 13. Rules of the Competitive Wholesale and Retail Energy Market

The rules of the competitive wholesale and retail energy market (hereinafter referred to as the "market rules") shall be developed in accordance with the market concept.

The market rules shall include:

- a detailed structure of the energy market;
 - procedures for establishing competitive prices based on supply and demand;
 - requirements for the protection of consumer rights;
 - mechanisms to stimulate flexibility in electricity production and consumption;
 - procedures for reducing the use of fossil fuels in the electric power sector;
 - requirements for interconnections with the transmission systems of other countries;
 - procedures for the identification, assessment, qualification, and registration of market participants;
 - a centralized database to support the organization, management, and functioning of the energy market;
 - procedures for the sale and/or purchase of electricity and mechanisms for controlling these processes;
 - procedures for terminating the exclusive rights of the designated supplier;
 - standard contracts for the sale and/or purchase of electricity.
- The market rules may include other provisions in accordance with the law.
- The market rules shall be developed by the Energy Market Regulator and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 14. Rules for the Use of Transmission Lines

The rules for the use of transmission lines shall include:

- requirements for ensuring the safety and reliability of the transmission system;
- procedures and conditions for connection to and use of transmission lines;
- operating procedures for transmission lines under normal and extraordinary conditions, including emergency situations of natural or man-made origin, while ensuring power supply security;
- operational-dispatch management, including conditions for servicing by the system operator;
- conditions for the connection and use of networks by users connected to the distribution or transmission system;
- measures to ensure the stability of the unified electric grid at minimal cost;
- regulation of cross-border electricity exchanges;
- conditions for preventing overloads and managing loads within the transmission system;
- criteria, methods, and conditions for the provision of system and ancillary services;

criteria and procedures for planning the reliable operation and long-term development of the transmission system;

procedures for disconnecting users from the power supply within the transmission system;

dispute resolution procedures related to connection to and use of the transmission system;

methods for collecting, managing, and exchanging data between system operators related to system operations;

requirements for providing the transmission system operator with the necessary information for the operation and management of the electricity transmission system;

responsibilities of the transmission system operator and the system operator in ensuring compliance with system security requirements.

The rules for the use of transmission lines may include other conditions and technical requirements in accordance with the law.

The rules for the use of transmission lines shall be developed by the specially authorized state body and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 15. Rules for the Use of Distribution Lines

The rules for the use of distribution lines shall include:

requirements for ensuring the safety of the distribution system in accordance with applicable safety regulations;

conditions for the operation of the distribution system under normal and emergency conditions, including malfunctions and natural or man-made emergencies;

conditions for the connection of third parties to the distribution system and its use;

functional requirements for the distribution system, including conditions for connecting users and power plants;

the rights and obligations of the distribution system operator and users with respect to connection and use of the distribution system;

conditions and procedures for the provision of ancillary services necessary for the implementation of dispatching activities within the distribution system and its interaction with the transmission system;

criteria for planning the operation and management of the distribution system;

measures to be taken in the event of interruptions in electricity supply through the distribution system;

general conditions for the provision of distribution system services;

procedures for dispute resolution related to connection to and use of the distribution system;

methods for managing and publishing information and data necessary for system operation and market organization;

requirements for the provision and exchange of information and data necessary for the operation and management of the distribution system, and methods of exchanging information and data between operators of the relevant system;

measures to ensure energy efficiency and security of electricity supply within the competence of the distribution system operator, based on the rules for the use of electric energy;

other conditions and technical aspects related to the operation and management of the distribution system.

The rules for the use of distribution lines may also include other conditions and technical requirements in accordance with the legislation.

The rules for the use of distribution lines shall be developed by the specially authorized state body and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 16. Commercial Rules of the Central Buyer

The commercial rules of the central buyer, including technical, commercial, billing, payment, and other essential conditions applicable to contractual matters related to the central buyer, shall be developed by the Energy Market Regulator in accordance with the concept and rules of the electric energy market and shall be approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Chapter 4. Organization and Monitoring of the Energy Market

Article 17. General Rules for the Energy Market

The energy market shall facilitate the sale and/or purchase of electricity and ancillary services in accordance with the rules of the competitive wholesale and retail energy market.

In the retail energy market, the sale and/or purchase of electricity shall occur between consumers and suppliers.

Competitive wholesale and retail energy markets shall be established in accordance with this Law, the market concept, and the energy market rules.

Until the establishment of the competitive energy market, the central buyer model shall serve as a temporary mechanism for energy market operations.

The validity period of the central buyer model shall be determined in accordance with the market concept.

Article 18. Monitoring of Energy Market Activities

The monitoring of energy market activities shall be conducted by the Energy Market Regulator.

The Energy Market Regulator shall publish an annual report by March 31 of the year following the reporting year, which shall include an analysis of:

the overall performance of the energy market;

the activities of market participants;

pricing mechanisms;

the application of regulated tariffs and trends in energy market dynamics.

The energy market operator and the relevant system operator shall monitor the activities of energy market participants and notify the Energy Market Regulator and the authorized state body responsible for competition of any violations of market rules.

Chapter 5. Participants in the Energy Market, Their Rights and Obligations

Article 19. Market Participants

The participants in the electric energy market shall include:

- the energy market operator;
- producers;
- electricity storage system operators;
- the transmission system operator;
- the central buyer;
- traders;
- the distribution system operator;
- suppliers;
- consumers.

Until the establishment of a competitive wholesale electric energy market, the following electric power enterprises shall have the right to sell and/or purchase electric energy:

- the central buyer;
- producers;
- the appointed supplier;
- the relevant system operator.

Large consumers shall be required to purchase electric energy exclusively from the competitive wholesale electric energy market in accordance with this Law.

Market participants shall fulfill their contractual rights and obligations in accordance with the rules of the competitive wholesale electric energy market and the requirements set forth in the market concept.

Article 20. System Operator

The system operator shall be responsible for managing the unified electric power system to ensure its safe, reliable, and economically optimal operation.

Electric power companies shall promptly provide the system operator, upon request, with accurate and up-to-date information necessary for the safe and reliable operation, maintenance, and development of the unified electric power system.

The system operator shall use economically significant, legally protected, or confidential information received during the reporting period solely for purposes related to the safe and reliable operation, maintenance, and development of the unified electric power system. Such information shall be stored under conditions that ensure confidentiality and prevent unauthorized access.

Article 21. Rights and Obligations of the System Operator

The system operator shall have the right to:

- operate the unified electric power system and all connected electric power facilities in real-time, issuing instructions to their operational and technical personnel;

- issue mandatory instructions to the operational personnel of all electric power enterprises, regardless of their organizational and legal form, as well as large consumers, when necessary to ensure the balance of electric energy and capacity, prevent emergencies, eliminate incidents, and restore normal operating conditions after accidents;

- in the event of violations of dispatch discipline, safety regulations, or operational equipment rules that result in delays in eliminating emergencies, submit a request to the Energy Market Regulator to suspend the license of the violating party or take other appropriate measures;

- utilize all available reserve capacities within the unified electric power system to eliminate emergency mode, cancel scheduled maintenance of power facilities, and impose restrictions on electricity consumption if necessary;

- submit proposals for the development of the unified electric power system, the improvement of electricity supply security for consumers, and the enhancement of system reliability, and participate in the development of strategies for the electric power system;

- access all electric power facilities, regardless of the form of ownership, to monitor operational dispatch control, as well as the implementation of relay protection and emergency automation systems;

- submit proposals to the specially authorized government agency on changes in electricity import and export volumes with other countries, taking into account system conditions and available resources.

The system operator shall be obliged to:

- carry out the operational management of the unified electric power system in compliance with established requirements and ensure its reliable operation;

- conduct dispatch control of electric power companies;

- maintain a balance of electricity production, storage, and consumption;

- ensure the operation of the unified electric power system in technically and economically optimal modes;

- manage the operating conditions of the unified electric power system in coordination with the transmission systems of other countries;

- prevent the occurrence of emergency modes, eliminate them and restore the reliability of the system after the elimination of the emergency mode.

Article 22. Energy market operator

The energy market operator shall be established in the form of a joint-stock company.

The energy market operator shall conduct its activities based on a license issued by the Energy Market Regulator.

The energy market operator shall be financed through payments established in accordance with Article 44 of this Law.

The energy market operator shall carry out its activities in compliance with the principles of transparency, impartiality, and non-discrimination.

Article 23. Rights and Obligations of the Energy Market Operator

The energy market operator shall have the right to:

- organize the sale and/or purchase of electric energy on behalf of market participants in accordance with licensing requirements and conditions, environmental protection requirements and the requirements of this Law;

- request relevant information from electric power companies for the purpose of organizing a competitive wholesale energy market, in accordance with the rules of the competitive wholesale electric energy market.

The energy market operator is obliged to:

- organize the competitive wholesale electric energy market;

- register and maintain records of participants in the competitive wholesale electric energy market;

- keep records of contracts and obligations between market participants;

- prepare and publish daily schedules for electric energy trading, including import and export transactions;

- provide daily trading schedules to the transmission system operator and other relevant market participants in a timely manner;

- publish all necessary information in a timely manner to ensure the competitive and transparent operation of the wholesale electric energy market;

- submit proposals to the specially authorized state body, the Energy Market Regulator, and the transmission system operator regarding the efficient distribution of network loads connected to the transmission systems of other countries, as well as measures to improve their utilization and manage overloads in the transmission system.

The energy market operator may exercise other rights and assume additional obligations in accordance with the market concept and the rules of the competitive wholesale energy market.

Article 24. Producer

The generation of electricity shall be carried out based on a license issued by the Energy Market Regulator. A producer operating multiple power plants shall obtain a separate license for each power plant.

A license shall not be required in the following cases:

- when electricity is generated for own needs at a power plant with an installed capacity of less than 5 MW;

- when electricity is generated at a power plant not connected to the unified electric power system;

- when electricity is generated at a micro power plant.

A license for electricity generation shall be issued prior to the commencement of construction work at the power plant.

Power plants may be state-owned or privately owned. However, at least 25 percent of hydroelectric and pumped-storage power plants with an installed capacity of more than 5 MW shall remain the property of the Republic of Uzbekistan.

The production of electric energy based on renewable energy sources and innovative solutions shall be encouraged in accordance with the law.

Legal entities and individuals shall have the right to produce electric energy for their own needs.

Electricity generators producing exclusively for their own needs shall be considered consumers.

Upon completion of construction or reconstruction works, the testing and commissioning of power plants shall be carried out in the manner established by the Cabinet of Ministers of the Republic of Uzbekistan.

Generators (power plants with an installed capacity of 5 MW or more and connected to the unified electric power system) shall notify the system operator and the Energy Market Regulator at least twelve months in advance before any temporary shutdown or decommissioning of the power plant or any of its parts.

In certain cases, the Energy Market Regulator, based on an assessment conducted by the relevant system operator and the system operator regarding the impact of the temporary shutdown or decommissioning on the unified electric power system, may approve or reject the proposed action with appropriate justification.

Article 25. Rights and Obligations of Generators

Generators shall have the right to:

- produce (generate) electric energy at one or more power plants in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

- enter into contracts for the sale and purchase of electric energy with market participants in accordance with the rules of the electric energy market;

- enter into agreements with the relevant system operator for balancing services and the provision of ancillary services;

- connect to the unified electric power system;

- develop new generation capacities, commission them, and put them into operation.

Generators shall be obliged to:

- comply with the provisions of this Law, other legislative acts, and licensing requirements and conditions;

- adhere to the operational instructions of the system operator concerning operational dispatch control, balancing, emergency response, and the provision of ancillary services;

- maintain power plants in proper working condition and ensure their safe operation;

- promote healthy competition in the electric energy market;

- provide the relevant system operator with the necessary information for the management of the unified electric power system;

facilitate the relevant system operator's access to inspect, test, and maintain equipment used for reserve capacity and ancillary services;
disclose information regarding the volumes of generated electric energy.
Generators may have other rights and obligations as prescribed by law.

Article 26. Operator of the Electric Energy Storage System

The storage of electric energy shall be carried out based on a license issued by the Energy Market Regulator. A separate license shall be required for each electric energy storage system.

A license shall not be required in the following cases, the Energy Market Regulator does not require a license to be issued:

when users install electric energy storage systems exclusively for their own needs;

when electric energy storage systems are not connected to the unified electric power system.

The operator of the electric energy storage system shall be exempt from property tax for equipment used to store electric energy (with a nominal capacity of 0.1 MW or more) and from land tax on plots occupied by such equipment for a period of ten years from the date of commissioning.

Upon completion of the construction or reconstruction of an electric energy storage system, testing and commissioning shall be conducted in the manner established by the Cabinet of Ministers of the Republic of Uzbekistan.

The operator of the electric energy storage system shall notify the system operator and the Energy Market Regulator at least six months prior to any temporary disconnection or decommissioning of the electric energy storage system or any of its parts.

In certain cases, the Energy Market Regulator, based on an assessment conducted by the relevant system operator and the system operator of the potential impact of a temporarily disconnected or decommissioned facility on the unified electric power system, may approve or reject the proposed disconnection with appropriate justification.

Article 27. Rights and Obligations of the Operator of the Electric Energy Storage System

Operators of electric energy storage systems shall have the right to:

store electric energy in one or more electric energy storage systems in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

enter into contracts for the purchase and sale of electric energy and readiness to supply electric energy capacity with market participants in accordance with the rules of the electric energy market;

enter into agreements with the relevant system operator for balancing services and the provision of ancillary services;

connect to the unified electric power system.

Operators of electric energy storage systems shall be obliged to:

comply with the provisions of this Law, other legislative acts, and licensing requirements and conditions;

adhere to the operational instructions of the system operator related to operational dispatch control, balancing, emergency response, and the provision of ancillary services;

maintain electric energy storage systems in proper working condition and ensure their safe operation;

promote healthy competition in the electric energy market;

provide the relevant system operator with the necessary information for the management of the unified electric power system;

facilitate the relevant system operator's access for the technical maintenance of electric energy storage systems;

disclose information regarding the volumes of electric energy received and released from electric energy storage systems.

The operator of the electric energy storage system may exercise other rights and assume additional obligations in accordance with the law.

Article 28. Transmission System Operator

The transmission of electric energy shall be carried out by the transmission system operator, which shall operate independently of other electric power enterprises based on a license issued by the Energy Market Regulator.

The transmission system operator shall be established in the form of a joint-stock company in which the state holds 100 percent of the charter fund (authorized capital).

Transmission system facilities shall be state property and shall not be subject to privatization.

The transmission system facilities shall be under the ownership and operational management of the transmission system operator.

Article 29. Rights and Obligations of the Transmission System Operator

The transmission system operator shall have the right to:

manage the transmission of electric energy using modern methods in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

buy and/or sell electric energy and capacity in accordance with the rules of the energy market;

enter into agreements with the relevant system operator for balancing and the provision of ancillary services;

utilize ancillary services and provide system services;

operate the transmission system in economically and technically optimal modes;

inspect, test, and maintain power plants and electric energy storage facilities;

connect electric power enterprises to the unified electric power system.

The transmission system operator shall be obliged to:

comply with the provisions of this Law, other legislative acts, and licensing requirements and conditions;

adhere to the operational instructions of the system operator related to operational dispatch control, balancing, emergency response, and the provision of ancillary services;

ensure the balance of the unified electric power system;

ensure that established tariffs and payments for the use of the transmission system comply with legislative requirements;

adhere to the rules and conditions for the provision of system services;

notify the Energy Market Regulator of any factors that may threaten the independence of the transmission system operator;

cooperate with transmission system operators of other countries in coordination with the Energy Market Regulator and the specially authorized state body;

develop a multi-year transmission system development plan and ensure its annual update in accordance with market supply and demand;

develop electric power transmission networks interconnected with power systems of other countries, taking into account energy security, economic feasibility, and technical capabilities;

fulfill the instructions of the system operator regarding load management and load increase within the unified power system and in transmission networks connected to foreign power systems;

carry out the construction, maintenance, and regular technical servicing of the transmission system to ensure stable electricity supply to territories and large consumers;

provide services to users based on standard contracts;

provide the system operator with information necessary for the management of the unified power system;

disclose monthly and annual reports on the volumes of electric power transmitted through the transmission system;

provide interconnected system operators with information necessary for their safe and efficient operation.

The transmission system operator may exercise other rights and assume additional obligations in accordance with the law.

The transmission system operator shall manage cross-border electricity exchanges in compliance with:

international treaties of the Republic of Uzbekistan;

agreements concluded with transmission system operators of other states, subject to approval by the Energy Market Regulator and the specially authorized state body;

the general technical capabilities of the transmission system;

the rules governing the use of main electric grids;

other requirements stipulated by law.

Article 30. Central Buyer

The functions of the central buyer shall be carried out based on a license issued by the Energy Market Regulator.

The central buyer shall be established in the form of a joint-stock company, with the state holding 100 percent of the charter fund (authorized fund).

The central buyer and the transmission system operator shall enter into an agreement for the transmission of energy through the transmission system from the connection points of generators to the corresponding connection points of the distribution system or directly to consumers. In such cases, the transmission system operator shall maintain records of the transmitted energy.

Article 31. Rights and Obligations of the Central Buyer

The central buyer shall have the right to:

perform the functions of the central buyer in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

enter into agreements for the purchase and/or sale of energy with generators;

enter into agreements for the purchase and/or sale of energy with power enterprises and large consumers;

enter into agreements for the import and export of energy;

participate in the planning of new power plant construction.

The central buyer shall be obliged to:

conclude standard contracts for the purchase of energy for a period not exceeding twelve months, in accordance with tariffs established by the Energy Market Regulator;

enter into purchase and/or sale agreements with the winner of tenders for the construction of new power plants, offering the most favorable terms for capacity payments and electricity tariffs;

conclude standard contracts for the purchase of energy from new power plants planned based on direct agreements, where capacity payments and tariffs are determined according to the principle of the best offer, in compliance with market rules;

sign standard contracts for the purchase of energy from privatized power plants, where capacity payments and electricity tariffs are determined according to the principle of the best offer, in compliance with market rules;

conclude standard contracts for the sale of electric energy with the following market participants as buyers, in accordance with standard contracts and market rules:

suppliers;

the operator of the relevant system;

generators;

large consumers (at their discretion).

The central buyer may exercise other rights and assume additional obligations in accordance with the law.

The central buyer shall be prohibited from unreasonably granting legal entities or individuals with whom it has or intends to establish contractual relations any

benefits, preferences, or privileges that place them in an advantageous position or create discriminatory or preferential conditions.

Article 32. Traders

Traders shall purchase energy and engage in trading activities in the energy market at their own risk, based on a license issued by the Energy Market Regulator.

The rights and obligations of traders and consumers with respect to energy trading shall be regulated by this Law and the terms of standard contracts for the purchase and/or sale of energy.

Article 33. Rights and Obligations of Traders

Traders shall have the right to:

- conduct trading activities in the energy market in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

- enter into contracts for the purchase and/or sale of energy with market participants in accordance with the rules of the energy market;

- collect payments for electricity trading operations in accordance with the requirements established by the Energy Market Regulator.

Traders shall be obliged to:

- comply with the requirements ensuring the safety, reliability, and sustainability of energy trading operations;

- inform consumers in advance of any changes in prices, tariffs, or terms of energy trading transactions;

- promptly and comprehensively address consumer appeals related to energy trading;

- submit monthly reports on trading activities to the Energy Market Regulator;

- maintain relevant records of energy trading transactions for a period of five years and provide them upon request to authorized state bodies;

- ensure the uninterrupted supply of energy to socially vulnerable consumers and maintain separate financial records for such services as a designated supplier.

Traders may exercise other rights and assume additional obligations in accordance with the law.

Article 34. Distribution System Operator

The distribution of energy shall be carried out by distribution system operators within a designated territory, independently of other power enterprises, based on a license issued by the Energy Market Regulator.

The distribution system operator shall be established in the form of a joint-stock company, with the state holding 100 percent of the charter fund (authorized capital).

The distribution system facilities shall be owned by the distribution system operator.

The state's share in the charter fund (authorized capital) of the distribution system operator may be transferred to trust management. The legal entity

responsible for trust management shall be obliged to ensure the operational condition of the distribution system facilities.

The distribution of energy by distribution system operators shall be carried out in accordance with this Law, the rules for the use of distribution networks, and applicable licensing requirements and conditions.

Development and investment plans for the distribution system shall be submitted to the Energy Market Regulator and the specially authorized state body for approval.

The distribution system operator shall publish investment plans after their approval.

Article 35. Rights and Obligations of the Distribution System Operator

The distribution system operator shall have the right to:

- manage energy distribution using modern methods in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

- purchase and sell energy to compensate for technological losses in the distribution system and to ensure the operation of energy storage facilities, in coordination with the Energy Market Regulator;

- enter into contracts with the relevant system operator for balancing services and the provision of ancillary services;

- use additional services;

- utilize ancillary services and provide system services;

- operate distribution systems in economically and technically optimal modes;

- connect electric power enterprises and consumers to the unified electric power system in accordance with established procedures.

The distribution system operator shall be obliged to:

- comply with the provisions of this Law, other legislative acts, and licensing requirements and conditions;

- adhere to the operational instructions of the system operator related to operational dispatch control, balancing, emergency response, and the provision of ancillary services;

- inform the Energy Market Regulator of any factors that may threaten the independence of the distribution system operator;

- develop a five-year distribution system development plan, update it annually, and ensure its implementation based on market supply and demand;

- carry out construction, maintain facilities in working order, provide regular technical maintenance, and develop the distribution system to ensure stable electricity supply to territories and consumers;

- ensure that established tariffs and payments for the use of the distribution system comply with legislative requirements;

- provide services to users based on standard contracts approved by the Cabinet of Ministers of the Republic of Uzbekistan;

- provide the system operator with the necessary information for the management of the unified electric power system;

- maintain records of distributed electric energy;
- disclose monthly and annual reports on the volume of electric energy transmitted through the distribution system;
- provide interconnected system operators with the information necessary for their safe and efficient operation;
- assess current energy losses and develop and implement targeted measures to reduce them.

The distribution system operator may exercise other rights and assume additional obligations in accordance with the legislation.

Article 36. Supplier

The sale of electric energy shall be carried out by suppliers within a designated territory, independently of other power enterprises, based on a license issued by the Energy Market Regulator.

Article 37. Designated Supplier

The designated supplier shall be appointed by the Cabinet of Ministers of the Republic of Uzbekistan for a period of five years.

The designated supplier shall guarantee the sale of electric energy to an authorized consumer who has been disconnected from the power supply for various reasons, including planned or unplanned power outages or breaches of obligations by the supplier, for a period of three months.

If the authorized consumer fails to enter into an agreement with another supplier within the specified period, the operator of the relevant system shall discontinue the supply of electric energy to the authorized consumer.

The designated supplier shall provide the Energy Market Regulator with all necessary information related to its activities, including monthly and annual reports.

Article 38. Rights and Obligations of the Supplier

The supplier shall have the right to:

- sell electric energy to consumers in compliance with licensing requirements and conditions, environmental protection regulations, and the provisions of this Law;

- collect payments for sold electric energy and rendered services;

- request the operator of the relevant system to temporarily suspend the supply of electric energy to the consumer and disconnect the consumer from the unified power system in the event of the consumer's failure to fulfill obligations under the standard electricity supply agreement.

The supplier shall be obliged to:

- submit annual business plans to the Energy Market Regulator for approval;

- ensure the safe, reliable, and stable supply of electricity to consumers;

- promptly and comprehensively address consumer appeals related to electricity supply;

- disclose information on electricity consumption upon the consumer's request;

- fulfill obligations to provide social services within the designated territory;

publish the terms of the standard electricity supply agreement, tariffs, and other applicable charges on its official website;

inform consumers in advance of any changes in current prices, regulated tariffs, and other conditions;

regularly submit information related to its activities to the Energy Market Regulator, including monthly and annual reports;

maintain records of contracts for the sale and/or purchase of energy concluded with the operator of the relevant system, as well as data on the volumes of electric energy sold or purchased under these contracts, for a period of five years.

The supplier may exercise other rights and bear additional obligations in accordance with the law.

Article 39. Rights and Obligations of the Consumer of Energy

The consumer of electric energy shall have the right to:

purchase high-quality and stable energy from the supplier and use it;

terminate the contract in the event of changes to the terms of the standard contract;

request the supplier to ensure full compliance with the terms of the standard contract;

request disclosure of information related to their energy consumption from the supplier;

demand, in accordance with the established procedure, compensation for losses incurred due to insufficient energy supply or supply of energy with quality parameters that do not meet national standards, from the relevant system operator or the supplier;

request disclosure of any information on their energy consumption;

connect their facilities to the infrastructure of the relevant system operator in accordance with the law;

receive all relevant information regarding their energy consumption;

in the event of technical or other malfunctions, demand that the relevant system operator eliminate them as soon as possible in accordance with the terms of the standard contract.

A consumer who is not an authorized consumer, in addition to the rights specified in Part One of this Article, shall also have the right to receive energy from the designated supplier within the relevant territory.

An authorized consumer, in addition to the rights specified in Part One of this Article, shall also have the right to choose or replace a supplier in accordance with the conditions established by the energy market rules.

A large consumer, in addition to the rights specified in Part One of this Article, shall also have the right to purchase energy on the wholesale or retail market from multiple suppliers.

The consumer of energy shall be obliged to:

comply with the energy consumption regime established by the standard contract;

make payments (including prepayments) for consumed energy within the timeframes specified in the standard contract;

allow the inspection of electric energy meters;

take measures to ensure the rational use of electric energy;

ensure the proper technical condition and safety of electrical networks, devices, and equipment used, and promptly inform the relevant system operator or supplier of any malfunctions.

Consumers may exercise other rights and bear additional obligations in accordance with the law.

Chapter 6. Contractual Relations for Electricity Supply, Tariffs, and Payments

Article 40. Standard Electricity Supply Contract

The rights and obligations of consumers and suppliers shall be regulated by the terms of the standard electricity supply contract.

The standard electricity supply contract shall be developed by the Energy Market Regulator and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

The standard electricity supply contract shall include the following information:

the name and address of the supplier;

a description of the services provided, quality parameters, and the expected start date of supply;

all applicable tariffs and payments, including fees payable by the consumer;

the term of the contract, conditions for its extension and termination, and procedures for obtaining information on contract termination rights;

measures to be applied in case of non-compliance with the quality of service as stipulated in the contract, including incorrect or untimely issuance of invoices;

information on the dispute resolution procedure;

payment methods and terms.

Article 41. Quality of System Services

The Energy Market Regulator, in cooperation with the operators of the relevant system, shall develop and approve quality requirements for services provided to users, based on the following indicators, and ensure compliance with them:

operation, safety, and reliability, including the duration and frequency of supply interruptions;

timeframes for connection, reconnection, network repair, and the duration of supply interruptions;

the number of complaints and service requests received from consumers, and the timeframes for their resolution;

quality parameters such as voltage, frequency, and other performance indicators.

Operators of the relevant system shall publish the key indicators of service quality annually on their official website.

Article 42. Supply of Electricity through Local Networks

Legal entities and individuals shall have the right to enter into agreements with other legal entities and individuals for the creation of a local network and the sale of generated energy through such a network.

The installation and operation of local networks shall be carried out in accordance with the rules developed by the specially authorized state body and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 43. Connection to or Refusal of Connection to the Unified Electric Power System

The detailed procedures and conditions for connection to and refusal of connection to the unified electric power system shall be established in the rules for the use of electric networks.

Connection to the unified power system may be refused in the following cases:
if the relevant system operators are unable to fulfill service obligations;

in the absence of available energy capacity or technical feasibility for connection, except in cases where the applicant agrees to reimburse all costs associated with increasing electrical capacity or facilitating connection.

Article 44. Regulated Tariffs and Payments

The following tariffs and payments shall be regulated by the Energy Market Regulator:

tariffs for capacity and electricity purchased by the central buyer from producers;

tariffs for electricity purchased by suppliers and large consumers from the central buyer;

tariffs for capacity and electricity payable by the central buyer for energy generated by new power plants constructed under direct agreements or by licensed producers;

tariffs for electricity purchased from micro power plants;

tariffs payable by consumers to the supplier or designated supplier;

tariffs for electricity transmission services payable by users to the transmission system operator;

tariffs for the use of interstate electricity transmission networks connected to other states, in accordance with international treaties of the Republic of Uzbekistan, payable to the transmission system operator;

tariffs for electricity distribution services payable by users to the distribution system operator;

payments for the construction of connection points to the unified electric power system;

payments for connection to the unified electric power system;

payments for ancillary services provided by the relevant system operators;

payments for services provided by the energy market operator;
tariffs for electricity generated from reserve capacities of producers;
other tariffs and payments established by law.

regulated tariffs and payments shall be announced on a permanent basis.

tariffs and payments shall not be subject to unilateral changes.

The Energy Market Regulator may establish a uniform tariff for all consumers or specific categories of consumers.

In the event of a change in a regulated tariff or payment after the conclusion of a contract, the revised tariff or payment shall apply to the relevant contract.

The Energy Market Regulator shall ensure that the tariff of the designated supplier is higher than the average tariff for electricity sold to consumers within the same category.

Article 45. Principles of Setting Tariffs and Payments

The establishment of regulated tariffs and payments, as well as the methods for their determination, shall be based on the principles set forth in this Law.

Regulated tariffs and payments shall ensure the profitability of electric power enterprises and reflect the following justified expenses:

operating expenses;

fuel costs;

expenses for maintenance, modernization, construction, and reconstruction;

depreciation expenses, including basic expenses;

taxes, license fees, and other mandatory payments.

Basic expenses shall be accounted for by power enterprises in accordance with the principle of justified expenses.

When setting regulated tariffs and payments, the following factors shall be considered:

measures undertaken by power enterprises to improve operational and managerial efficiency;

efforts to reduce energy losses;

actions to ensure the security of energy supply;

initiatives to improve the quality of services provided;

support for research and development;

measures to enhance energy efficiency.

Cross-subsidization of the use of facilities belonging to relevant system operators, supply, and trading activities shall be prohibited. Discrimination among users shall not be permitted.

Article 46. Procedure for Establishing Tariffs and Payments

The methodology for establishing tariffs and payments, as well as the regulated tariffs and payments based on this methodology, shall be determined by the Energy Market Regulator.

The adopted tariffs and payments shall be publicly announced no less than fifteen days before they come into force. No tariff or payment shall have retroactive effect.

The methodology for establishing tariffs and payments shall specify detailed rules applicable to tariff and payment structures, their calculation, the determination of justified expenses, and the calculation of a reasonable rate of return.

Any revision of the methodology for tariffs and payments, if necessary, shall be carried out by the Energy Market Regulator and announced at least fifteen days before its implementation.

The Energy Market Regulator shall establish regulated tariffs and payments based on proposals submitted by licensees.

Licensees shall prepare their financial reports and data related to cash flows and expenses in accordance with the requirements established by the Energy Market Regulator.

Licensees shall provide the Energy Market Regulator with all necessary information required for the determination of applicable tariffs and payments in accordance with the approved methodology.

Licensees shall conduct their activities in the electric power sector based on the principle of minimum cost, and shall provide justification for compliance with this principle upon request from the Energy Market Regulator.

Article 47. Control of Regulated Tariffs and Payments

Licensees shall provide the Energy Market Regulator with all necessary information to enable the exercise of control over compliance with regulated tariffs and payments.

In the event of a violation by licensees of the rules for the application of regulated tariffs and payments, the Energy Market Regulator shall have the authority to:

- issue instructions to licensees on the correct application of tariffs and payments;

- issue an order requiring the power enterprise to refund excess funds collected under regulated tariffs and payments to the counterparty that has paid them, with interest calculated at the base rate established by the Central Bank of the Republic of Uzbekistan;

If it is not possible to identify the counterparty as specified in subparagraph (b) of this Article, issue an order to distribute the excess funds, along with the specified interest, in equal proportions to each counterparty under the agreement.

Chapter 7. General Licensing Rules in the Electric Power Sector

Article 48. Licensed Activities in the Electric Power Sector

The following types of activities in the electric power sector shall be carried out based on a license:

- operation of the electricity market operator;
- electricity production;
- electricity storage;
- electricity transmission;
- execution of the functions of the central buyer;

electricity distribution;
electricity supply;
electricity trading.

the provisions governing the procedures for obtaining licenses in the electric power sector shall be developed by the Energy Market Regulator and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 49. Licensing Requirements and Conditions

To obtain a license, an applicant must meet the following licensing requirements and conditions:

demonstrate the availability of technical, economic, and financial capacity, as well as sufficient human resources, to perform tasks, exercise rights, and fulfill obligations specific to each type of licensed activity in the electric power sector;

demonstrate the ability to implement measures necessary to ensure the quality of services provided;

demonstrate the capability to provide social services in accordance with the requirements of this Law;

fulfill other licensing requirements and conditions established in the provisions governing the licensing procedures.

Article 50. Documents Required for Licensing

To obtain a license, the applicant shall submit the following documents along with the license application:

documents confirming ownership rights or the right to use power facilities required to carry out the relevant activity in the electric power sector, or documents confirming agreements for the maintenance or repair of such facilities. In this case, the applicant shall substantiate that agreements related to ownership, use, or technical maintenance of the relevant power facility are valid for the minimum period established by the Energy Market Regulator;

permission to commission the power facilities specified in subparagraph (a) of this part, if such permission is required for the relevant activity in the electric power sector;

documents confirming compliance with technical regulations when connecting to the electric grid, if the intended activity involves connecting electrical equipment to the electric grid;

a list of the applicant's fixed assets and an auditor's report confirming the availability of assets required to carry out the relevant activity in the electric power sector;

documents confirming the current or proposed organizational structure and staffing schedule, or, in the case of a contract for the provision of professional services, documents confirming that the applicant has hired a sufficient number of qualified employees to cover all professional areas required for the relevant activity;

information on the composition of shareholders (equity holders), if the applicant is a legal entity;

other documents stipulated in the provisions governing the licensing procedures.

To obtain a license for the transmission or distribution of electric energy, the applicant's electricity network servicing function shall be separated from energy purchasing and selling functions.

To obtain a license to carry out the activities of the central buyer, the applicant must fully comply with the independence requirements established by this Law.

Upon request of the Energy Market Regulator, the applicant shall provide evidence of compliance with all licensing requirements, including the submission of relevant documents and information.

A complete list of documents required to obtain a license shall be published on the official website of the Energy Market Regulator.

Article 51. Licensing

In the licensing process, the Energy Market Regulator shall act transparently, impartially, and without discrimination.

The licensing process shall not affect the issuance of licenses and permits by other government agencies.

Unless otherwise provided by law, licenses shall be issued by the Energy Market Regulator without limitation of their validity period.

The Energy Market Regulator may refuse to issue a license in the following cases:

- the applicant has not submitted all required documents in full;

- the applicant does not possess the necessary additional licenses or permits required by law to carry out certain activities;

- the applicant, on its own initiative or by a court decision, is in the process of liquidation;

- the applicant's previous license to carry out any type of activity in the electric power sector was revoked due to reasons attributable to the applicant or its successor within the last five years prior to the submission of the new application;

- the applicant is recognized as holding a dominant position in the electric power generation sector;

- in other cases specified in the provisions governing the licensing procedures.

Annual periodic license fees shall be established for the following types of activities and their subtypes:

- production of electric energy;

- transmission of electric energy;

- distribution of electric energy;

- storage of electric energy;

- supply of electric energy;

- performance of the functions of the central buyer;

- trade of electric energy.

The amounts of annual periodic license fees shall be established in accordance with the procedure approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 52. Rights and Obligations of Licensees

Licensees shall exercise their rights and obligations in accordance with this Law and the provisions governing the licensing procedures.

Licensees shall not suspend, terminate, limit, or expand licensed activities in the electric power sector without the prior written consent of the Energy Market Regulator, except in the following cases:

- when services provided by the counterparty have not been paid for;
- when suspension, termination, or limitation of relevant type of activities is required for technical or safety reasons in accordance with this Law or licensing requirements and conditions stipulated in the provisions governing the licensing procedures.

Licensees shall notify the Energy Market Regulator of any changes to the documents or information submitted during the license application process.

Licensees shall regularly disclose information on their activities to the Energy Market Regulator and other authorized state bodies as stipulated by this Law and in accordance with the reporting rules established by the Energy Market Regulator.

In accordance with the rules of the competitive wholesale and retail electricity markets, as well as licensing conditions, licensees shall have the following obligations regarding the provision of social services:

- organizing and delivering services in accordance with consumer needs and requirements;

- ensuring a reliable, convenient, and efficient electricity supply through the widespread application of the principles of fair competition and non-discrimination towards all power enterprises;

- coordinating electricity volumes, pricing, and related commercial conditions based on market supply and demand.

When carrying out licensed activities, all electric power enterprises shall take into account the following:

- safety of electricity supply;
- quality of electricity supply as established by contract or regulatory standards;
- compliance with tariff regulation requirements;
- environmental protection, promotion of energy efficiency, and conservation;
- protection of human health, life, and property;
- protection of consumer interests.

Article 53. Amendments to License Conditions

If amendments are made to this Law or other legislative acts that affect license conditions, the Energy Market Regulator shall introduce corresponding amendments to the license conditions to ensure compliance with the updated legal framework.

The Energy Market Regulator shall amend the license conditions and provide a justification for such amendments if, based on the results of an assessment conducted in coordination with the relevant licensee, it is determined that changes to the license conditions are necessary to:

- ensure the security of the electric power system;

maintain the reliable supply of electric power to consumers.

Article 54. Consequences of Reorganization of the Licensee or Changes in Its Charter Fund (Authorized Capital)

In the event of the reorganization of the licensee or any part thereof—including changes in the organizational and legal form, changes in the share of the authorized capital, or division of the licensee—or changes in shareholders, the license required to continue the relevant activity in the electric power sector shall be reissued in the name of the successor entity. The successor shall submit an application for the reissuance of the license along with relevant supporting documents confirming the specified changes within five working days after the re-registration of the successor.

The reorganization of the licensee or the direct or indirect acquisition of more than 25 percent of the voting shares of the licensee shall be subject to the prior consent of the Energy Market Regulator.

The Energy Market Regulator may refuse to grant consent to a reorganization or to the direct or indirect acquisition of shares if such actions may result in:

- non-compliance with the licensing requirements and conditions established by law;

- the existence of grounds for license refusal as specified in Part Four of Article 51 of this Law;

- a serious threat to the safe operation of the electric power sector or the reliability of electricity supply to consumers.

If the Energy Market Regulator refuses to grant consent to the acquisition of shares in accordance with this article, the buyer shall not have the right to exercise shareholder rights in relation to the licensee.

The successor of the licensee may exercise shareholder rights concerning the license only after obtaining the consent of the Energy Market Regulator in accordance with the provisions of this article.

Article 55. Consequences of Violating Legislation, Licensing Requirements, and Conditions by Licensees

In the event that a licensee violates this Law, the licensing requirements and conditions established by legislation, or the rules set by the Energy Market Regulator, the Energy Market Regulator shall have the right to take the following measures:

- require the licensee to fulfill its obligations and rectify the violations within the established timeframes, with a warning regarding the potential imposition of fines;

- impose fines in accordance with the procedure prescribed by law;

- amend the license conditions or suspend the license if the licensee fails to eliminate the violation despite the imposition of fines, as determined by the decision of the Energy Market Regulator.

The Energy Market Regulator shall have the right to suspend a license in the following cases:

if the licensee operates a power plant or other electric power facility in a manner that poses a serious threat to the security of electricity supply, public health and safety, the safe operation of the facility, or the environment;

if the licensee fails to comply with licensing requirements and conditions within the timeframe established by the Energy Market Regulator;

if the license was issued based on false or misleading information or obtained in another way in violation of the law.

The Energy Market Regulator may apply the penalties stipulated in this article to operators of facilities producing electric energy that are not required to hold a production license under this Law.

Licensees shall continue their activities to ensure the security of energy supplies until the completion of the procedures provided in this article and other legislative acts.

If an individual or legal entity conducts activities in the electric power sector without the required license, the Energy Market Regulator shall take measures to terminate such activities and impose financial sanctions in accordance with the procedure established in Article 57 of this Law.

Chapter 8. Liability for Violation of Electric Power Sector Legislation

Article 56. General Provisions on Liability for Violation of Electric Power Sector Legislation

The Energy Market Regulator may impose penalties as provided by this Law and other legislative acts on the following persons:

any individual or legal entity that has violated the provisions of this Law or the rules and requirements established by the Energy Market Regulator;

any licensee, if grounds for liability exist in accordance with the provisions of this Law.

The Energy Market Regulator shall hold responsible parties accountable in accordance with the applicable legislation.

Article 57. Application of Financial Sanctions for Violations of Electric Power Sector Legislation

Financial sanctions, in accordance with the law, shall be applied to market participants for engaging in activities without a license, obtaining a license through the use of forged documents, or violating the rules established by legislation related to the energy market.

Financial sanctions shall be imposed for the following offenses:

violation of the principles and requirements of independence established by this Law;

failure to fulfill obligations related to the sale and purchase of electricity;

carrying out activities without a license or obtaining a license using falsified documents;

failure to comply with requirements for maintaining separate accounting records and the execution of financial statements;

providing inaccurate or misleading information to the Energy Market Regulator;

obstructing connection to the transmission or distribution system in violation of this Law, grid codes, or other legislative acts;

conducting activities in violation of this Law, licensing requirements and conditions, decisions of the Energy Market Regulator, or other legislative acts;

violation of safety requirements in the power sector;

unauthorized connection to the power supply system without a connection agreement.

The amount of financial sanctions shall be determined based on the following factors:

the degree of threat posed by the disruption to power supply and the duration of the disruption;

the amount of material damage caused as a result of the disruption and the financial benefit gained from the violation;

the financial condition of the violating organization;

the negative impact of the disruption on the functioning of the energy market;

the degree of involvement in the disruption;

any previous violations by the offender;

actions taken by the licensee to voluntarily eliminate the violation before the start of an inspection by the Energy Market Regulator;

actions taken to support measures established by the Energy Market Regulator to eliminate the disruption.

The amount of fines imposed on individuals shall be determined in compliance with conditions established by law.

Financial sanctions shall be applied through judicial proceedings, except in cases where the business entity admits guilt in the violation and voluntarily pays the financial sanction.

Funds collected from financial sanctions imposed under this article shall be transferred to the State Budget of the Republic of Uzbekistan.

Chapter 9. Security of Electricity Supply and Emergency Management in the Electric Power Sector

Article 58. Organization of Security of Electricity Supply and Emergency Management in the Electric Power Sector

The specially authorized state body shall be responsible for ensuring the security of electricity supply and emergency management in the power sector of the Republic of Uzbekistan.

The specially authorized state body shall:

develop a strategy outlining measures to be taken in the event of emergency situations in the power sector;

make decisions on the implementation of measures in response to emergencies in the electric power sector;

regulate the rights and obligations of electric power enterprises, market participants, and users by making decisions to ensure compliance with electricity supply security requirements.

The specially authorized state body, in collaboration with the Energy Market Regulator, shall make the decisions referred to in paragraph 2 of this Article, taking into account:

- their effectiveness and impact on consumers and the environment;
- the potential impact on the operation of the competitive wholesale and retail markets;
- compliance with the principle of proportionality.

Based on the annual reports submitted by the transmission system operator and the distribution system operator, the specially authorized state body shall prepare an annual report on the current state of energy supply and future needs.

Article 59. Measures to Ensure the Security of Electricity Supply

The specially authorized state body, in cooperation with the Energy Market Regulator and the transmission system operator, shall ensure the security of electricity supply and develop and implement an emergency management system in the electric power sector. To achieve this, the following areas shall be improved:

- reliable provision of consumers with safe and stable electric energy throughout the Republic of Uzbekistan;

- formation and effective functioning of a competitive wholesale and retail energy market;

- ensuring the efficiency of energy transmission and distribution systems, including regular maintenance, renewal, construction, and reconstruction where necessary;

- development of relevant technical documentation in accordance with approved technological regulations;

- attraction of capital investments in transmission and distribution systems to meet the growing demand for electric energy;

- promotion of energy production from renewable energy sources and the cogeneration of electric and thermal energy;

- creation of sufficient transmission and reserve capacity to ensure the stable operation of the electric power sector;

- maintaining a balance between energy demand and generation capacity;

- improving energy efficiency through the introduction of new technologies and stimulation of energy-saving measures;

- promotion of measures to encourage energy savings.

Measures to ensure the security of electricity supply shall be:

- reasonable and non-discriminatory with respect to consumers of the Republic of Uzbekistan;

- considerate of their economic and social impact, particularly the potential effects on tariffs and prices for electricity;

designed to avoid distortions in competition and pricing conditions in the wholesale and retail electricity market, and must not allow creation of excessive obstacles for participants or new participants in the electricity market.

To maintain the stability, security, and reliability of the electric power sector, including balancing energy demand and supply, the specially authorized state body, in agreement with the Energy Market Regulator and the transmission system operator, may impose an obligation on one or more producers to maintain their generation capacity. The conditions for maintaining and managing power plant capacity under this provision shall be carried out in accordance with the rules for the use of electric networks.

Technical and safety rules that are mandatory for electric power facilities and related equipment, as well as requirements for technical inspections related to electricity supply security, shall be regulated by technical regulations approved in the established manner.

The list of facilities that have priority in electricity supply during emergency situations shall be approved and communicated to the public by the specially authorized state body based on their strategic importance.

Article 60. Emergency Situations in the Electric Power Sector

An emergency situation in the power sector refers to an unforeseen event beyond the control of electric power enterprises that disrupts or threatens the processes of generation, transmission, distribution, storage, supply, and trade of electric energy. Such situations may also pose a threat to the overall safety of the electric power sector, the reliability of the system, or the continuity of electricity supply to consumers.

An emergency situation in the power sector shall be declared by the specially authorized state body.

Protective measures and procedures to be applied during emergency situations in the power sector shall be adopted by the specially authorized state body, in coordination with:

- the Energy Market Regulator;
- the transmission system operator;
- the distribution system operator;
- other relevant authorized bodies that may be affected by the emergency.

All measures applied during the event of emergency situations in the power industry are temporary in nature and are taken to eliminate threats to the physical safety of the population, power facilities and equipment. These measures are limited to the necessary actions required to minimize interference with the operation of the power supply system.

The provisions of this Chapter shall be applied without prejudice to the requirements of the Law of the Republic of Uzbekistan "On the Protection of the Population and Territories from Emergencies of Natural and Man-Made Nature".

Article 61. Temporary suspension or restriction of electricity supply

Temporary suspension or restriction of electricity supply to consumers in the Republic of Uzbekistan shall be carried out to protect public interests, including in the event of emergency situations in the electric grid, to maintain the balance of the unified power system, or for technical maintenance of the electricity supply system. Temporary suspension or restriction of electricity supply without prior notice to consumers is carried out to prevent accidents or if it is necessary to eliminate accidents. In such cases, operators of the relevant system shall immediately notify consumers of such failures or restrictions, their impact on electricity supply, and the expected duration.

Temporary suspension or restriction of electricity supply for scheduled maintenance work in transmission or distribution systems shall be carried out in accordance with the schedule adopted by the operators of the relevant system. Maintenance schedules shall be published by the operators of the relevant system and suppliers on their official websites. The operators of the relevant system shall notify consumers in advance of scheduled maintenance work within the timeframes established by the rules for the use of electrical networks.

If the consumer fails to eliminate the violations or negative impacts that may lead to accidents or failures in the electricity supply system or adversely affect the safety and reliability of the system, within five days after receiving a written notice from the operator of the relevant system, the transmission system operator and distribution system operators may terminate the electricity supply to such consumers, except for consumers receiving electricity under a special procedure.

If the authorized representatives of the operator of the relevant system, after a prior written warning to the consumer, are not granted access to the premises of the consumer for the installation, maintenance, or testing of the electricity meter, and this violation is not rectified within five days from the date of receipt of notice from the operator of the relevant system, the operator of the relevant system may terminate electricity supply to such consumers.

The conditions for temporary suspension or restriction of electricity supply through transmission and distribution systems shall be determined by the rules for the use of electrical networks. This article shall apply without prejudice to cases of temporary suspension of electricity supplies to consumers due to non-fulfillment of contractual obligations related to the transmission, distribution, or supply of electricity.

Article 62. Requirements in the field of ecology, environmental protection, and climate change

All participants in the energy market are obliged to comply with the requirements of legislative acts related to ecology, environmental protection, and climate change.

Chapter 10. Final provisions

Article 63. Dispute resolution by the Energy Market Regulator

The Energy Market Regulator, within its powers, shall consider disputes and complaints:

- between consumers and suppliers;
- related to connection to the unified power system;
- related to the implementation of a licensed type of activity;
- related to third-party access to transmission networks;
- related to the compliance of the operators of the relevant system with the requirements of quality indicators;
- related to connection to the system or provision of access to the system;
- related to suspension, termination and restriction of electricity supply;
- related to violation of the rules for the use of electric grids;
- between power enterprises, related to violation of the procedure for applying regulated tariffs and payments.

The Energy Market Regulator shall approve detailed rules establishing the procedure for resolving disputes in accordance with this Law and other legislative acts.

Any party to the dispute has the right to apply directly to the court for the protection of its violated or disputed rights or interests protected by law.

The Energy Market Regulator shall accept and consider complaints from counterparties and dispute reports submitted by market participants, issue comprehensive instructions and make appropriate decisions in order to resolve such disputes.

In cases where the parties to a dispute decide to go to court during its consideration by the Energy Market Regulator, the Energy Market Regulator shall assist them in this process.

Article 64. Transitional provisions for the electricity market

Until the full establishment of a competitive wholesale energy market, the central buyer shall act as the operator of the energy market.

After the full establishment of the energy market in accordance with the rules of the energy market, the central buyer shall cease to exercise the rights and obligations stipulated by Article 31 of this Law (except for the rights and obligations under long-term transactions for the purchase of electricity). In this case, in order to carry out activities on trading in electricity, the central buyer shall obtain a license from the Energy Market Regulator in accordance with the established procedure.

The rights and obligations arising from all contracts (transactions) for the purchase and sale of energy concluded prior to the registration of the central buyer in the Unified State Register of Entrepreneurial Entities shall be transferred to the central buyer. In this case, when obligations are transferred to the central buyer, it is prohibited to make demands on the other party for compensation by the parties to the transactions for losses that may arise, partial or complete cancellation of transactions, early fulfillment of obligations.

Within three months from the date of official publication of this Law, the central buyer shall submit standard contracts provided for by this Law to ensure

approval by the Energy Market Regulator. The rules of the energy market shall apply to legal relations established by the central purchaser after their adoption.

After approval of the rules of the energy market, the central buyer shall, within three months, conclude contracts with producers and suppliers who have the appropriate licenses.

A specially authorized state body shall develop and approve the first procurement plan no later than three months from the date of official publication of this Law.

The transmission system operator and the distribution system operator shall develop standard contracts for transmission and distribution system services within three months from the date of official publication of this Law. These standard contracts shall apply to the legal relations established by the operators of the relevant system after their approval in accordance with this Law.

The energy market regulator shall ensure approval of the methodology for establishing regulated tariffs and charges within twelve months from the date of entry into force of this Law.

The provisions related to the implementation by the energy market regulator of the function of establishing regulated tariffs and charges shall be put into effect in the manner and within the timeframes determined by the market concept.

The energy market regulator shall ensure approval of standard contracts within three months from the date of entry into force of this Law.

Any party engaged in activities subject to licensing is obliged to take measures to obtain a license within three months from the date of entry into force of this Law.

If a license for the transmission or distribution of electric energy is issued for the first time to a central purchaser, transmission system operator or distribution system operator after the entry into force of this Law, the licensee shall ensure that the requirements for the distribution of tasks provided for in this Law are met.

Until the entry into force of the electricity market rules, the function of continuous, safe and reliable supply of electricity to all consumers in the retail market is assigned to the designated supplier.

Article 65. Introduction of additions and recognition of certain legislative acts of the Republic of Uzbekistan as invalid

To make additions to the following legislative acts of the Republic of Uzbekistan:

1. To amend the Law of the Republic of Uzbekistan dated July 14, 2021 No.701 **"On licensing, permitting and notification procedures"** (Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2021, No. 7, Art. 661; 2022, No. 4, Art. 340, No. 5, Art. 465; 2023, No. 2, Art. 103, No. 3, Art. 185, No. 7, Art. 533, No. 9, Art. 710, No. 11, Art. Art. 921, 923; 2024, No. 1, Articles 5, 7, No. 2, Articles 105, 112) the following additions:

1) **Article 1** shall be supplemented with **part five** of the following content:

“Licensing procedures related to the powers of the Agency for the Development and Regulation of the Energy Market of the Republic of Uzbekistan

in accordance with Appendix No. 1 to this Law shall be carried out in the manner established by legislative acts regulating relations in the relevant areas of activity”;

2) **Appendix No. 1** shall be supplemented with **items 52–59** of the following content:

52.	License for the implementation of activities for the generation of energy	Generation of energy by means of hydroelectric power plants, including the operation of pumped storage systems;	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
		activities related to the generation of energy by means of thermal power plants or HPC;	
		activity of generation energy from wind energy;	
		activity of generation of energy from solar energy;	
		activity of generation of energy through the processing of waste or biogas;	
		activity on generation of energy from hydrogen;	
		the activity of generation energy by means of a nuclear power plant;	
		the activity of generation energy through other types of stations.	
53.	License for the implementation of activities for the transmission of energy	Activities related to the transmission of energy.	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
54.	License for the implementation of activities in the distribution of energy	Activities related to the distribution of energy.	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
55.	License for the implementation of activities for the storage of energy	The activity of storing energy using compressed air;	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
		the activity of storing energy using the force of gravity;	
		the activity of storing energy in a battery;	

		the activity of storing energy by other means.	
56.	License for carrying out activities in the field of electricity supply	Electricity supply activities.	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
57.	License for the operation of a central purchasing agent	Activities of the central buyer agent.	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
58.	License for the operation of an energy market operator	Activities of the energy market operator.	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan
59.	License for the implementation of activities in the field of trade in energy	energy trading activities; Activities related to the export and import of energy.	Agency for Development and Regulation of the Energy Market of the Republic of Uzbekistan

3) **Section I of Appendix No. 4** shall be supplemented with **items 45–52** of the following content:

45.	License for the implementation of activities for the generation of energy	300
46.	License for the implementation of activities for the transmission of energy	300
47.	License for the implementation of activities in the distribution of energy	300
48.	License for the implementation of activities for the storage of energy	300
49.	License for carrying out activities in the field of electricity supply	300
50.	License for the operation of a central buyer agent	300
51.	License for the operation of an energy market operator	300
52.	License for the implementation of activities in the field of trade in energy	300

2. **Appendix** to the Law of the Republic of Uzbekistan dated January 6, 2020 No. ZRU-600 **"On State Duty"** (Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2020, No. 1, Art. 1, No. 3, Art. 201, No. 5, Art. 298, No. 10, Art. 593, No. 12, Art. 691; 2021, No. 1, Art. 13, Appendix to No. 4, No. 7, Art. 661, No. 8, Art. Art. 800, 803, No. 10, Art. 968; 2022, No. 2, Art. 76, No. 3, Art. Art. 214, 216, No. 4, art. 340, No. 5, art. 463, 464, 467, No. 12, art. 1186; 2023, No. 2, art. 103, No. 3, Art. 186, No. 4, Art. 265, 269, No. 6, art. 444, 445, No. 7, art. 538, No. 9, Art. 710; 2024, No. 1, art. 5, 6, 7, No. 2, art. 101, 105, 107, 108, 111, 112) add paragraph 51 with the following content:

51. State duty paid for licensing types of activities in the electricity market		
	Energy generation activities	– 30 times the BRV size
	Energy transmission activities	– 30 times the BRV size
	Energy distribution activities	– 30 times the BRV size
	Energy storage activities	– 30 times the BRV size
	Electricity supply activities	– 30 times the BRV size
	Activities of the central buyer	– 30 times the BRV size
	Activities of the energy market operator	– 30 times the BRV size
	Energy trading activities	– 30 times the BRV size

To declare invalid:

- 1) Law of the Republic of Uzbekistan dated September 30, 2009 No.225 **"On Electric Power Industry"** (Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2009, No. 9, Article 339);
- 2) **Article 44** of the Law of the Republic of Uzbekistan dated April 30, 2013 No. ZRU-352 **"On Amendments and Additions to Certain Legislative Acts of the Republic of Uzbekistan"** (Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2013, No. 4, Article 98);
- 3) **Article 195** of the Law of the Republic of Uzbekistan dated April 21, 2021 No. ZRU-683 **"On Amendments to Certain Legislative Acts of the Republic of Uzbekistan"** (Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2021, Appendix to No. 4);
- 4) **Clause 10 of Article 28** of the Law of the Republic of Uzbekistan dated November 3, 2022 No. ZRU-800 **"On Standardization"** (Bulletin of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, 2022, No. 11, Article 1061).

Article 66. Ensuring the implementation, dissemination, and explanation of the essence and meaning of this Law

The Ministry of Energy of the Republic of Uzbekistan, the Agency for the Development and Regulation of the Energy Market of the Republic of Uzbekistan and other interested organizations shall ensure the implementation, dissemination to the executors, and explanation to the population of the essence and meaning of this Law.

Article 67. Bringing legislation into line with this Law

The Cabinet of Ministers of the Republic of Uzbekistan:

bring government decisions into line with this Law;

within three months from the date of official publication of this Law, develop and approve the rules for a competitive wholesale and retail market, taking into account the requirements of Article 13 of this Law;

within three months from the date of official publication of this Law, develop and approve the rules for the use of distribution networks, taking into account the requirements of Article 15 of this Law;

within three months from the date of official publication of this Law, develop and approve the commercial rules of the central buyer, taking into account the requirements of Article 16 of this Law;

ensure the revision and repeal by the republican executive bodies their normative legal acts that contradict this Law.

Article 68. Entry into force of this Law

This Law shall enter into force upon the expiration of three months from the date of its official publication.

**President
of the Republic of Uzbekistan**

Sh. Mirziyoyev