

# Wholesale Electricity Price Projections for Uzbekistan

## **Uzbekistan is becoming one of the best under-the-radar investment countries in Central Asia**

The country's rapidly developing economy calls for the restructuring of Uzbekistan's energy industry. The old and inefficient energy infrastructure has been striving to satisfy continuously growing demand however gas pipelines as well as power lines have already exceeded their service life. This has been reflected in the country's power sector, where the government and policymakers are now undertaking actions and reforms to upgrade the existing electricity generation capacities, while also adding new generation sources.

The draft of a Presidential Resolution on power market reforms was published in 2021, including the establishment of an independent electricity and gas market regulator by the end of 2021. The main aim of the draft is to form a competitive wholesale energy market, where not only bilateral agreements, but also day-ahead and intraday trading is available.

Uzbekistan's generation capacity mainly consists of gas-fired power plants, supplied with vast domestic reserves, but also some hydro capacities contribute to the power mix. The Ministry of Energy of Uzbekistan has set a target of achieving a 25% share of electricity generation from renewable sources of energy (including hydro) by 2030 and has accordingly introduced the Law on the Use of Renewable Energy Sources giving tax exemptions to RES use. Together with the funding support of the World Bank, International Finance Corporation, European Bank for Reconstruction and Development as well as the Asian Development Bank, collaboration on and implementation of large-scale renewable energy projects is taking place.

The country's renewable energy potential has attracted the interest of many foreign investors, who have already shown their commitment to developing several solar and wind projects through public-private partnerships.

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# Our Offering

## AFRY Independent Market Report

- Presents our annual projections for wholesale electricity prices out to 2060 for our three internally consistent scenarios (High, Central and Low). These scenarios incorporate total energy system decarbonisation trajectories across the European electricity, heat and transport sectors.
- Considers the main drivers of electricity prices in each scenario, including:
  - the evolution of generation capacity mix;
  - carbon and commodity prices; and
  - developments in technology costs and electrification.
- Delivers in-depth market intelligence, including insights into:
  - government policy and regulation;
  - renewable subsidy support schemes; and
  - the EU Emissions Trading Scheme (with pass-through assumptions for the Uzbek market).
- Based on highly detailed modelling from our suite of worldwide commodity models, including coverage of the heat and transport sectors.

## Quarterly updates

- Projections updated on a quarterly basis, ensuring all the latest regulatory and market developments are reflected.
- Quarterly projections are accompanied by a Quarterly Update Note, which summarises the major changes and drivers in prices.

Key data for AFRY projections is provided in a usable Excel format annually, with quarterly updates available.

## Half-day workshop

- Provides the opportunity to discuss the market, our modelling and price developments.

## Webinar

- Access to webinars held on a quarterly basis presenting the latest results of our modelling.

## Subscriber support

- Prompt access to our experts who have a wealth of experience and constantly follow market developments.

## Our reports and projections are:

- **Independent.** Our reputation is built on providing an impartial view.
- **Trusted.** The 'AFRY curves' are the definitive benchmark for the power sector.
- **Bankable.** Relied on by the financing community for over 25 years.



## Our Uzbek market experts



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# Additional Services

## Transaction support services

*M&A advisory including commercial, market, regulatory and technical due diligence*

## Bespoke scenarios and sensitivities

*Customisation for client-led assumptions e.g. fuel prices, decarbonisation goals,...*

## Climate change modelling

*Bespoke simulations of physical and transitional risk for assets and/or portfolios for 2, 4 and 6 degree pathways*

## Model offerings

*BID3 and Pegasus models and datasets are available for purchase*

## Other AFRY Independent Market Reports available

*Our expansion is client-led: if you're interested in any other market, please contact us for options*

## Capture prices

*Available for all markets and technologies*

## AFRY Analytics Capture

*A cloud-based digital tool to calculate asset-specific capture price projections*

## Imbalance projections

*Projections of the costs of imbalance for wind and solar farms*

## Ancillary service projections

*Reserve product value projections for flexible generation and storage*

