

RENEWABLE ENERGY SECTOR IN UZBEKISTAN

1. Market Entry	2
2. Licenses and Permits	3
3. Regulatory Requirements.....	6
4. Unusual Practice	7
5. Sanctions	7
6. Shutdown and Decommissioning.....	7

Main regulatory acts

Among other regulatory acts, the following are the main regulations in solar energy in hierarchical order:

- Customs Code of the Republic of Uzbekistan;
- Tax Code of the Republic of Uzbekistan;
- Law of the Republic of Uzbekistan on the Use of Renewable Energy Sources dated 21.05.2019 No.539;
- Law of the Republic of Uzbekistan on Electric Power Industry dated 07.08.2024 No.939;
- Law of the Republic of Uzbekistan on Licensing, Permitting, and Notification Procedures dated 14.07.2021 No.701;
- Resolution the President of the Republic of Uzbekistan on Accelerated Measures to Improve the Energy Efficiency of Economic and Social Sectors, the Introduction of Energy-Saving Technologies and the Development of Renewable Energy Sources dated 22.08.2019 No.4422;
- Resolution the President of the Republic of Uzbekistan on Measures to Further Streamline Foreign Economic Activity and Improve the System of Customs and Tariff Regulation of the Republic of Uzbekistan dated 29.06.2018 No.3818;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on Approval of the Unified Regulation on the Procedure for Licensing Certain Types of Activities through a Special Electronic System dated 21.02.2022 No.80;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on the Approval of a Single Regulation on the Procedure for Issuing Individual Documents of a Permissive Nature through a Special Electronic System dated 22.02.2022 No.86;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on Approval of the Rules for the Use of Electric and Thermal Energy dated 22.08.2009 No.245;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on Measures to Maintain State Records of Renewable Energy Installations and the Energy Produced by Them dated 23.07.2020 No.452;
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan on Approval of Customs Collection Rates dated 09.11.2020 No.700;
- Resolution Cabinet of Ministers of the Republic of Uzbekistan on the Approval of the Unified Administrative Building Regulations in the Field of Construction dated 20.04.2022 No.200.

1. Market Entry

Renewable energy production market is free of natural monopolies and entities with dominant position.

The regulator of the field is the Agency for the Development and Regulation of the Energy Market of the Republic of Uzbekistan.

As of 20 December 2024, the market of renewable energy is free of monopolies. But in the electric power industry, the market is predominantly controlled by 42 state-owned companies that hold a dominant position.

The most favorable forms of the legal entities for renewable energy projects include limited liability companies (LLC) and joint stock companies (JSC). In general, the legislation permits foreign investors to be shareholders of those companies.

Registration of the legal entities is carried out according to the general provisions of the state registration of legal entities.

2. Licenses and Permits

In Uzbekistan, main regulatory acts for granting licenses, permits, requirements and conditions are regulated by (1) the Law of the Republic of Uzbekistan on Licensing, Licensing and Notification Procedures, (2) the Resolution Cabinet of Ministers of the Republic of Uzbekistan on Approval of the Unified Regulation on the Procedure for Licensing Certain Types of Activities through a Special Electronic System, and (3) Resolution Cabinet of Ministers of the Republic of Uzbekistan on the Approval of a Single Regulation on the Procedure for Issuing Individual Documents of a Permissive Nature through a Special Electronic System.

To undertake business with renewable energy in Uzbekistan, it is required to obtain the following licenses depending on the type of activity with the energy.

- License to carry out the production of electric energy;
- License to carry out the transmission of electric energy;
- License to carry out the distribution of electric energy;
- License for the deployment of electric energy storage;
- License to carry out electricity supply;
- License to operate as a central buyer;
- License to operate as an operator of the electric energy market;
- License to carry out electric energy trading.

Additionally, an electricity producer operating multiple power plants must obtain a separate license for each power plant.

2.1. Requirements

Since the legal framework of the electric power industry was recently adopted, the complete list of requirements for obtaining each license has not yet been come implemented. The implementation is expected in 2025. Hence, at the moment, it is required to have with the following, but the list is non-exhaustive:

- Possession of technical, economic, and financial capabilities, and human resources, to perform tasks, exercise rights, and fulfill obligations associated with each type of licensed activity in the field of electric power;
- Ability to implement measures necessary to ensure the quality of provided services;
- Capability to provide social services.

2.2. Documents

For the submission to the licenses above, the applicant shall furnish the following non-exhaustive list of documents to the regulator:

- documents confirming the ownership or right to use electric power facilities necessary for the implementation of relevant activities in the field of electric power, or documents confirming an agreement on the maintenance or repair of these facilities. At the same time, the applicant substantiates that contracts for ownership, use or maintenance of the relevant electric power facility are valid for a minimum period established by the regulator;
- a permit for the commissioning of electric power facilities (see 2.4.2);

- documents confirming compliance with technical regulations when connected to an electric network, if any type of activity provides for the connection of electrical devices to an electric network;
- a list of the applicant's fixed assets and an audit report on the availability of assets necessary for the implementation of the relevant type of activity in the field of electric power industry;
- documents confirming the current or proposed organizational structure and staffing, or, if there is a contract for the provision of relevant professional services, documents confirming that the applicant has hired a sufficient number of employees covering all professional areas for the relevant activity;
- the composition of shareholders.

2.3. State fees

To obtain one of the mentioned licenses, state duty for issuance of a license in the amount of 30 BCV¹ (roughly 872 USD) shall be paid.

2.4. Additional licenses and permits

2.4.1. License for the design, construction and operation of high-risk facilities and potentially hazardous industrial objects

As production of renewable energy involves high-risk constructions, a license for the design, construction and operation of high-risk facilities and potentially hazardous industrial objects may be required by the regulator before commissioning the power plants and energy storages.

As a reference, hazardous production facilities include enterprises or their workshops, sites, sites, as well as other production facilities where:

- 1) the following hazardous substances are used, produced, processed, formed, stored, transported, destroyed:
 - substances capable of forming an explosive and flammable environment;
 - harmful substances related to the degree of impact on a living organism to hazard classes I, II and III (extremely dangerous, highly dangerous and moderately dangerous), in accordance with approved standards;
 - explosives, which, under certain types of external influence, are capable of a very rapid self-propagating chemical transformation with the release of heat and the formation of gases;
 - production waste containing substances in concentrations hazardous to human health and the environment;
- 2) equipment is used that operates at a pressure of more than 0.07 megapascal or at a temperature exceeding the boiling point of the working fluid at normal atmospheric pressure;
- 3) permanently installed lifting mechanisms, escalators, cable cars, funiculars are used;
- 4) melts of ferrous and non-ferrous metals and alloys based on these melts are obtained;
- 5) mining, extraction and processing of minerals, as well as work in underground conditions.

2.4.1.1. Filing requirements

The following documents should be submitted to the Ministry of Construction, Housing, and Communal Services of the Republic of Uzbekistan (licensing body):

- application; the following information shall be specified in the application: name and organizational legal form of the legal entity, its postal address, place of activity, name of the servicing bank and bank account, telephone number, tax identification number (TIN), e-mail address (if any), selection of subtypes of the license, reason for filling out the application (obtaining new license, re-registration), consent of the license applicant to comply with the license requirements and conditions (qualifications);

¹ Basic Calculated Value is a measure used to calculate various financial indicators in Uzbekistan. 1 BCV is 375,000 UZS.

- the list of employees involved in the design, construction, and use of high-risk facilities and potentially hazardous productions, indicating their positions, educational qualifications, and work experience in this specialty, and the list of the main facilities in which these employees participated in the design;
- document verifying ownership or other property rights to protective equipment and any necessary tools or machinery required for the design, construction, and operation of high-risk facilities or potentially hazardous industrial objects;
- at least one employee, employed on a full-time at applicant, must hold a valid certificate in the relevant specialty;
- contract and a policy for mandatory civil liability insurance covering harm to life, health, property of third parties, and the environment in the event of an accident involving high-risk facilities or potentially hazardous industries.

2.4.1.2. Qualifications

The applicant for the license should meet the following requirements:

- compliance with the requirements of urban planning, labor protection, nature protection, legislation on underground resources, relevant state standards, norms and rules of urban planning;
- on the staff of the applicant, there must be at least 10 specialist with relevant special professional education, at least 3 years of work experience in licensable activities for the positions of chief engineer, chief power engineer, head of the production and technical department, foreman, installer, safety specialist, and internal inspector and electrician, environmental specialist, and others with higher or secondary specialized vocational education; there must be engineering equipment, networks and systems.
- at least one specialist must have a relevant certificate in the field and a certificate confirming they have passed the knowledge assessment on the Rules for the Technical Operation of Electrical Equipment and the Safety Rules for Operating Electrical Equipment.

Non-compliance with the aforementioned requirements shall be ground for refusing to issue the license.

2.4.1.3. Fees

To apply for the license, the payments for the service in the amount of 1 BCV (roughly 29 USD) and the state duty for license issuance amounting to 10 BCV (roughly 290 USD) shall be made.

2.4.2. Permit for commissioning of buildings and other facilities whose construction (or reconstruction) has been completed

Considering that the commissioning of electric power facilities requires a *permit commissioning of buildings and other facilities whose construction (or reconstruction) has been completed*, the following document shall be submitted to Inspection for control in the field of construction under the Ministry of Construction of the Republic of Uzbekistan (permitting body):

- act of acceptance of a completed construction project, signed by the contractor and the client;
- declaration of conformity issued by the contractor;
- compliance report confirming that the completed work adheres to the approved urban planning documentation, issued by those responsible for architectural and technical supervision.

2.4.2.1. Qualifications

The following are the requirements and conditions for obtaining permit:

- compliance of acceptance and commissioning with the requirements of urban planning documentation;
- structural strength, stability, and reliability of buildings and structures;
- fire safety, health protection, environmental safety, and operational safety of buildings and structures;
- accessibility of buildings, structures, and public spaces for persons with disabilities;

- energy efficiency of buildings and their protection against noise;
- use of renewable and energy-efficient construction materials in buildings and structures.

2.4.2.2. Fees

The service fee to consider the application amounts to 30% of BCV (roughly 8 USD).

3. Regulatory Requirements

3.1. Taxation

The taxation in Uzbekistan is governed primarily by the Tax Code of the Republic of Uzbekistan. The following taxes are payable by the companies in renewable energy industry:

N o	Tax	Rate
1.	Income tax	15 %
2.	VAT	12 %
3.	Personal income tax	12 % as part of payroll 10 % on dividends of residents and non-residents
4.	Social tax	12 % as part of payroll
5.	Property tax	1.5 %; Note: producers of renewable energy with a nominal capacity of 0.1 MW or more exempted from the tax for 10 years
6.	Land tax	depends on rating per location; Note: producers of renewable energy with a nominal capacity of 0.1 MW or more exempted from the tax for 10 years
7.	Tax for the use of water resources	per cubic meter

In addition, the operator of an electric energy storage system is exempt from paying property tax for the installation of equipment for storing electric energy (with a nominal capacity of 0.1 MW or more) and from paying land tax on plots occupied by this equipment for period of ten years from the date of their commissioning.

3.2. Customs

Legal framework of customs include (1) the Customs Code of the Republic of Uzbekistan, (2) Resolution the President of the Republic of Uzbekistan on Measures to Further Streamline Foreign Economic Activity and Improve the System of Customs and Tariff Regulation of the Republic of Uzbekistan, and (3) the Decision of the Cabinet of Ministers of the Republic of Uzbekistan on Approval of Customs Collection Rates.

As a matter of fact, legal entities may be granted tax and customs duty benefits when importing renewable energy installations, the use of which significantly increases the efficiency of using renewable energy sources. However, presently the tax and customs payments have not changed for the importers of renewable energy installations, except the goods for power efficiency installations provided [here](#).

In general, when importing goods or services following fees are payable:

N o	Fee	Rate
1.	Customs duty	vary from 0% to 30% of the goods' price; the detailed information of rates can be found here
2.	VAT	12 %
3.	Excise tax	not applicable to renewable energy appliances
4.	Customs duties	depends on type of import and hours spent on clearance by the customs authority; the detailed information on rates can be found here

3.3. Corporate restructuring and changes of shareholders

In case of corporate restructuring of the legal entity in energy sector or its part (including changes in the organizational and legal form, changes in the share in the authorized fund (capital) or division of the licensee) or changes in the shareholder, the license required to continue the relevant activity in the electricity field reissued in the name of this legal successor of the licensee with the attachment of relevant documents confirming the specified changes in the within five working days after the re-registration of the legal successor, and an application for renewal of the license is submitted.

The reorganization of the licensee or the direct or indirect acquisition of more than 25 percent of the licensee's voting shares is carried out with the consent of the regulator.

3.4. Information disclosure

Producers of renewable energy shall disclose information on the volumes of electricity produced.

4. Unusual Practice

4.1. Green energy certificates

Producers of renewable energy can obtain Green Energy Certificates (GECs), which they may sell to legal entities obligated to comply with green energy usage standards. One GEC confirms the generation of 1 MW of electricity using renewable energy sources. It is established that GECs can be transferred to other persons both together with the sale of green energy and independently from such a sale.

The Ministry of Economy and Finance of the Republic of Uzbekistan (Issuer) is the body responsible for maintaining the GEC system, in particular, registration of green energy generation facilities, issuance to generation facilities and keeping records of the movement of green energy certificates.

4.2. Renewable energy project based on public-private partnership

Renewable energy projects in Uzbekistan are carried out based on public-private partnerships (PPP) that is evidenced by the report of the Ministry of Energy of the Republic of Uzbekistan.

Mainly, PPP is governed, among others, governed by the Law of the Republic of Uzbekistan on PPP.

For a reference, a public partner enters into a public-private partnership agreement with a private partner determined by the results of a tender or direct negotiations. Tenders can be one-stage and two-stage. A one-stage tender is being held for a public-private partnership project in the equivalent of up to 1m. USD inclusive. If the cost of the energy project exceeds 1m. USD, the tender shall be two-stage.

Presently accomplished PPP project can be found [here](#).

5. Sanctions

Engaging in activities without a license, using forged documents to obtain a license, or violating legal regulations related to the electric energy market may result in sanctions of up to 300 BCV (roughly 8,754 USD) for a legal entity.

6. Shutdown and Decommissioning

Producers (power plants with an installed capacity of 5 MW or more connected to the unified power system) must notify the system operator and the regulator at least twelve months prior to the temporary shutdown or decommissioning of a power plant or any part thereof.

In certain cases, the regulator, based on an assessment conducted by the relevant system operator and the unified system operator regarding the impact of the temporarily disconnected or decommissioned facility on the unified power system, may grant permission for its temporary disconnection or provide a reasoned refusal.