Annex IV of Resolution №295 issued by the Government in 2016

REGULATION ON DETERMINING DESIGNATED CONSUMERS, ENERGY SAVING PROGRAM AND PLAN OF DESIGNATED CONSUMERS' AND THEIR PREPARATION METHODOLOGY, AND REPORTING THEIR IMPLEMENTATION

One. General Provisions

1.1. The purpose of this regulation is to regulate relations arising in connection with determining obligation of designated consumers, approving methodology for developing energy conservation program and annual plan and reporting implementation of program and the plan.

1.2. The Law on Energy Conservation, the Law of Energy, and the Law on Renewable Energy, other relevant laws and this regulation must be adhered in conducting the activity provided in clause 1.1 of this regulation.

1.3. Template of documents, guidelines, methodology and forms to be used in energy conservation activity of the designated consumers must be approved by the Energy Conservation Council.

Two. Definitions

2.1. Within this regulation, the following terms must have the following meanings:

2.1.1. "energy audit report" means by signature and stamp endorsed report provided by an energy audit agency or an energy auditor based on an accomplished energy audit on energy consumption of a client;

2.1.2. "energy conservation program" means a document developed in accordance with the audit report prepared by conducting an energy audit on designated consumer's energy consumption and issue recommendations which includes goal objectives, , direction and planning of activities to be implemented for energy saving;

Three. Determination and registration of designated consumers

3.1. The Energy Conservation Council must determine the citizen and entity with an energy consumption more than the threshold set by the Government according to the Article 3.1.8 of the Law on Energy Conservation and inform about this to them.

3.2. Designated consumers must be classified in following way:

3.2.1. Entities and organization operating energy generation, transmission and distribution businesses;

3.2.2. Entities and organization operating businesses within the mining sector (mining and processing) ;

3.2.3. Entities and organization operating businesses within the industrial sector (heavy, light,small and medium);

3.2.4. An organization financed out of the state or local budget;

3.2.5. A citizen or entity operating businesses in service and other sectors;

3.3. Designated consumers' annual energy consumption must be determined and registered based on the following information:

3.3.1. Quantity and percentage of own consumption (auxiliaries power) of energy generation companies, amount and percentage transmission and distribution losses of transmission and distribution companies stated in the official report submitted to the Energy Regulatory Commission;

3.3.2. Other consumers not stated under clause 3.2.1 of this regulation, the quantity of energy consumption provided by the energy supplying organization upon request of the Energy Conservation Council;

3.4. The Government must revise setting the threshold of designated consumers' energy consumption in every 3 years.

3.5. The Energy Conservation Council must officially notify about registering as a designated consumer to a particular citizen or entity who was registered as a designated consumer.

3.6. The Energy Conservation Council must strike off a designated consumer from the registration based on the following reason:

3.6.1. The energy consumption has been reduced below the threshold set by the Government as a result of implementing energy saving measures;

3.6.2. Auditing agency, auditor or a committee appointed by the Energy Conservation Council has concluded that the energy efficiency has reached up to its highest possible level;

3.6.3. A designated consumer was abolished by a decision of an authorized organization or it becomes bankrupted.

3.7. A designated consumer must not be strike off from the registration except the case stated under clause 3.6 of this regulation.

Four. Power of Designated consumer

4.1. The designated consumers must implement following measures:

4.1.1. Appointing the energy conservation manager who must be responsible working in energy saving field within a period of 3 months;

4.1.2. Installing meters in order to determine energy consumption and energy flow (balance);

4.1.3. Must prepare information about production of goods and energy consumption according to the relevant template and forms and deliver to the Energy Conservation Council within a period of 6 months;

4.1.4. Must be responsible ensuring that its energy conservation manager taking exam for issuing an certificate to work as energy auditor and manager within 3 month since the appointment;

4.1.5. Must inform about appointment and dismiss of the energy conservation manager within 14 days to the Energy Conservation Council;

4.1.6. Must provide a working condition and opportunity to the energy conservation manager;

4.1.7. Must have a complete-detailed energy audit within the first 18 months, thereafter for every 3 years;

4.1.8. Must develop energy conservation program and a annual plan for its implementation according to the template and methodology released by the Energy Conservation Council and report about the results of implementation;

4.2. Number of managers may be increased depending on functional feature of the designated consumer and organization and scope of work.

4.3. Designated consumers must obtain required instruction and recommendation from the auditing agency or auditor conducted energy audit during the implementation of energy saving measures.

4.4. A designated consumer may postpone the period state under clause 4.1.7 of this regulation once for a period up to 12 months in case of arising following circumstances:

4.4.1. Its operation has ceased for a temporary period partially and fully due to natural disaster and force majeure;

4.4.2. Its operation has changed considerably or conducting repair, maintenance or implementing expansion;

4.4.3. Planned to transfer its facility, building and equipment to another location within one year since registered as a designated consumer.

Five. Methodology for developing energy saving program and plan

5.1. Energy saving program must be developed based on the followings:

5.1.1. An audit report prepared by conducting energy audit on its energy consumption and recommendation for energy saving issued by the energy auditing agency or auditor;

5.1.2. Business plan and strategic development policy paper of the organization;

5.2. Followings should be included in the energy saving program together with implementation time;

5.2.1. Analysis of energy consumption for producing a unit product;

5.2.2. Objectives and goal of the program determined based on the results of the analysis;

5.2.3. Alternatives for achieving the goal and completing the task;

5.2.4. Preliminary assessment made on each alternative stated under the clause 5.2.3 of this regulation;

5.3. Followings must be taken into consideration in developing the annual plan for implementing the energy saving program.

5.3.1. Technical and economic feasibility and benefits of measures to be implemented in energy saving field;

5.3.2. Financial viability for implementing the energy saving measures;

5.4. It must be included in the energy saving program to conduct a training in order to change habits of employees, increasing awareness of energy saving and value of the energy;

Six. Informing and reporting

6.1. Following documents must be endorsed by the designated consumer and submitted to the Energy Conservation Council within the period stated below:

6.1.1. An annual plan for energy saving within December 1st of the previous year;

6.1.2. Annual report of the energy saving program annual plan within March 1st of the next year;

6.2. Management and energy conservation managers must endorse in the report stated under clause 6.1 of this regulation by signing on it.

6.3. An energy audit report prepared by conducting energy audit on energy consumption of the designated consumer must be submitted to the Energy Conservation Council within 14 days in each case.

Seven. Miscellaneous

7.1. Any disputes arisen in connection with determining designated consumers, implementing energy saving program and plan, and reporting its realization must be resolved by the Energy Conservation Council.

7.2. A “Rule for resolving disputes” under the clause 7.1 of this regulation must be approved by the Energy Conservation Council through complying with the legislation.

7.3. If the decision taken by the Energy Conservation Council according to the clause 6.1 of this regulation is not accepted then it is possible make a claim to Court.