

AZERBAIJAN ECONOMIC REFORMS REVIEW

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## SIMPLIFICATION OF THE PROCEDURE FOR THE POWER SUPPLY TO EXISTING AND FUTURE CONSTRUCTION FACILITIES OF ENTREPRENEURS



In order to improve favourable business and investment environment of the country, increase its attractiveness to local and foreign investors, advance its position in international ratings, optimize the procedure and duration of connecting to power supply grids, provide the services of better quality, convenience and with the application of innovations, and to ensure transparency and customer satisfaction in this field, the President of the Republic of Azerbaijan signed a decree dated 4 April 2017.

In accordance with the Decree, the "Rule on development and provision of technical conditions, design and budget documentation, as well as connection to power supply grid of existing or future construction facilities of the entrepreneurs with power requirement up to 150 kWt (including 150kWt from existing 0.4 kV grid)" was approved.

The Decree stipulates the establishment of the Technical Council to supervise the operations in this field, and also states that a representative from the Ministry of Energy of the Republic of Azerbaijan will head the council. The members of the aforementioned council also include the representatives of the Ministry of Energy of the Republic of Azerbaijan, Baku Transport Agency under the Cabinet of Ministers of the Republic of Azerbaijan, "Azerishiq" Open Joint Stock Company, "Azeravtoyol" Open Joint Stock Company, Sumgayit Department of Passenger Transportation by Automobile under the Head of the Executive Power of Sumgayit City, Ganja Department of Passenger Transportation via by Automobile under the Head of the Executive Power and the local executive powers.

Pursuant to the Decree, applications on and development provision of technical conditions, design and budget documentation, as well as connection to power supply grid of existing or future construction facilities of the entrepreneurs shall be realized through "ASAN Utilities" centres (in the regions where no "ASAN Utilities" is established, through "ASAN Service" centres until the establishment of these centres).

In addition, the Decree constitutes that the operation of the Technical Council shall be organized with the application of modern

information-communication technologies and through application of innovations in accordance with operation principles and standards of "ASAN Service" centres to ensure improvement of the services.

The representatives of Baku Transport Agency under the Cabinet of Ministers of the Republic of Azerbaijan, Sumgayit Department of Passenger Transportation by Automobile under the Head of the Executive Power of Sumgayit City, Ganja Department of Passenger Transportation by Automobile under the Executive Power of Ganja City and local executive authorities are included into the Technical Council at "ASAN Utilities" centres (in the regions where no "ASAN Utilities" is established, through "ASAN Service" centres until the establishment of the centers) established only for the relevant administrative territory.

Directiveson to the Cabinet of Ministers of the Republic of Azerbaijan to prepare a new draft of the Law of the Republic of Azerbaijan "On Electroenergetics" with due consideration of international practice, and to submit the draft law to the President of the Republic of Azerbaijan within nine months' period has also been reflected among other directions in the Decree...

Furthermore, the Decree says stipulates that in order to satisfy increasing demand of population, the Ministry of Finance and the Ministry of Economy of the Republic of Azerbaijan shall prepare and submit to the President of the Republic of Azerbaijan the proposals on construction and financing of three 220 kV substations in Baku under state investment programs in 2018-2020 projects of the state budget of the Republic of Azerbaijan. It is also emphasized that other issues arising from the Decree shall be resolved by the Ministry of Finance of the Republic of Azerbaijan.

Among other things, considering the international practice and the requirements of the Rules approved by this Decree, the Ministry of Finance of the Republic of Azerbaijan together with the Ministry of Energy of the Republic of Azerbaijan is also instructed to prepare, relevant changes to the legislation on simplification of the procedure for development and provision of technical conditions, design and budget documentation, as well as connection to power supply grid of existing or future construction facilities of the entrepreneurs with power requirement over 150 kWt, and on reducing related time and costs, and to submit the proposals to the President of the Republic of Azerbaijan within a three months' period.

In accordance with the Decree, "Azerishig" Open Joint Stock Company is assigned to ensure that data on substations and transformer stations, as well as their idle power and connection capacity (regularly updated) are submitted to the Ministry of Energy of the Republic of Azerbaijan within a month's period, and that such data (regularly updated) is published on its website within two months' period.

In addition to the abovementioned, the Decree stipulates that The State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan as well as the state authorities and bodies described in the document shall provide necessary support, information and documents to the Technical Council upon its request in connection with implementation of duties arising from this

Decree. It is also said that the Ministry of Energy of the Republic of Azerbaijan, the Ministry of Economy of the Republic of Azerbaijan, the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan, "Azerishiq" Open Joint Stock Company, "Azeravtoyol" Open Joint Stock Company, district (city) executive authorities shall resolve other issues arising from the Decree.

