

State Agency for Energy of the Kyrgyz Republic

A package of information on the history of legislation and legal matters of SEA

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Legislation regulating the energy sector

1. Law on Electric Energy of 01/28/1997
2. Law on Energy of 10/30/1996
3. Law on Oil and Gas of 06/08/1998
4. Law on Natural and Allowed Monopolies in the Kyrgyz Republic of 10/08/1999
5. Law on Energy Conservation of 07/07/1998
6. Law on The Compensation of the damage from the construction of the Toktogul Hydro Power Station and the Reservoir on the territory of the Toktogul district of Jalal-Abad region of 09/12/ 1998
7. Law on The Special Status of the Cascade of the Toktogul Hydro Power Stations and the National High Voltage Electric Transmission Line of 01/21/2002
8. Law on Licensing of 03/03/1997
9. Code of the Kyrgyz Republic on Administrative Liability of 08/04/1998
10. Rules of the Electric Energy Market approved by the regulation of Kyrgyz Government on 04/06/2000

Latest legislative documents

1. Regulation on The State Agency for Energy of the Kyrgyz Republic, approved by the Kyrgyz Government on April 26, 2001 (at present a new regulation has been developed following the functional analysis in SEA. The new regulation is being reviewed by the Government).
- 2.Regulation on Licensing separate kinds of businesses was approved by the Government on May 31, 2001, #260 (work is being done to amend it).
- 4.Contract on providing services to the population in electric energy supply, approved by the Executive Counsel of SEA on July 27, 1998 (at present a new contract was developed and it goes through the state registration).
- 5.Rules of using electric energy and Contract on the supply of electric energy to non-residential consumers were approved by the Executive Counsel of SEA on August 4, 1998 (new rules are being developed now).
- 6.Agreements on the supply of heating and natural gas were approved by the Executive Counsel of SEA in 1998 (new agreements were developed and they now go through the state registration). The rules on the use of gas were developed and are now being agreed on.
7. Draft Law on Amending and expanding the law on Energy.
8. Draft Law on Amending and expanding the law of the Kyrgyz Republic on Natural and Allowed Monopolies in the Kyrgyz Republic.

Requirements to the normative legal act (NLA)

The draft must include:

1. Document explaining the need in the act and giving its essence; it gives the list of bodies and organizations participating in its development and those that have recognized it.
2. The text of the draft in Kyrgyz and Russian languages.
3. Financial and economic feasibility, statistics, prognosis of possible social, economic, legal and other consequences of the act and other relevant data.

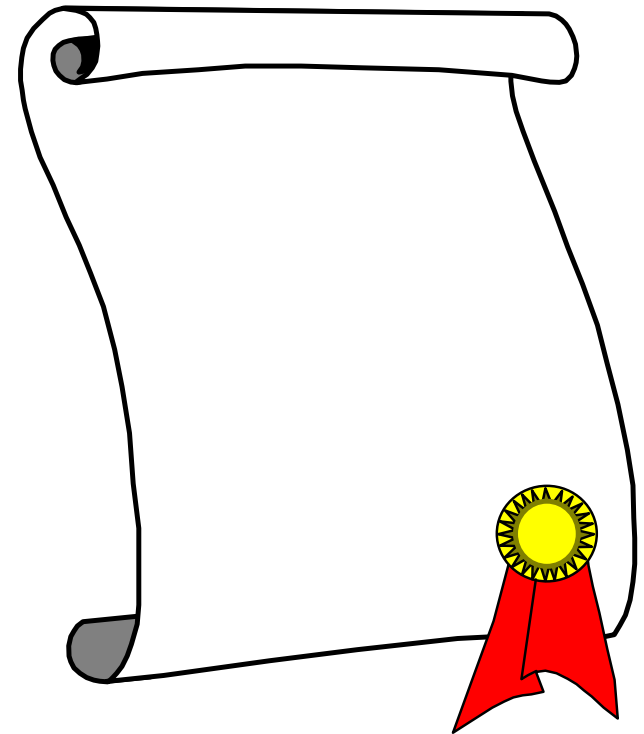
NLA includes:

Indication of the form of the act (law, decree, regulation or other);
Indication of the body/agency proposing the act;
Title indicating the subject of regulation, date, place and its registration number;
Signatures of persons authorized to sign the relevant normative acts.

The Structure NLA includes:

(Regulation of the Government on Approving Rules of Preparing the State Registration of NLA of August 7, 1998)

- Preamble (introduction)
- Normative orders arranged as paragraphs
- Chapters (in case the volume of MLA is significant)
- Extracts from the laws of the Kyrgyz republic, edicts and orders of the President, regulations and orders of the Government
- Diagrams, charts tables arranged as annexes and the corresponding paragraphs must refer to these annexes.



7 principles used in developing normative acts drafts to strengthen legislation

Principles:

1. The legislation is developed by technically acceptable method.
2. The legislation is in agreement with the constitution and legal basis.

Explanation:

- Technically acceptable legislation includes the following:
- Correct format, numbering, paragraphs that are in agreement with the standards.
- All terms are defined and are further used in accordance with this definition.
- Edited for punctuation
- The second principle means that new normative acts do not contradict the current laws.
- New laws or normative legal acts must follow on the existing laws to facilitate the achievements of common goals



3. Harmonization of the legislation with international standards

4. Conversion of policy into law

- Harmonization includes more than developing law drafts that contain provisions required by international conventions. First of all, this process includes political support of key institutions.
- The draft law must include detailed information on
 - 1) political goals
 - 2) how these political goals will be implemented.

■ 5. Realism and effectiveness of law

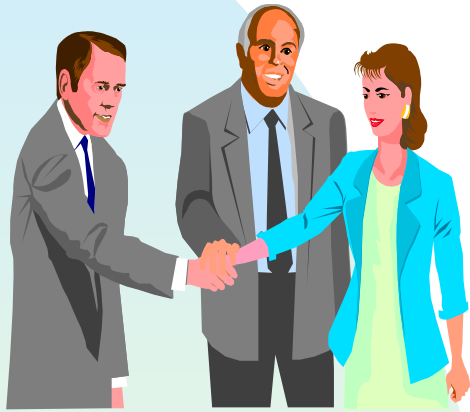
■ 6. Openness and consultations in the legislative process

■ 7. The use of significant potential of legal expertise

- To ensure the fifth principle
 - 1) analysis is carried out with due attention to financial requirements and opportunities
 - 2) the impact on targeted groups is considered
 - 3) the administrative potential is considered

The main task is to analyze the consequences of draft laws (this is often lacking).
- Today the steps are taken to promote open legislation using such forms as public hearing, round tables, and contacts with NGOs.
- This principle requires holding continuous legal training programs, developing the potential of professional associations and concrete mechanisms to involve their expertise in the process of legislation. (it is not fully utilized because of lack of financing; it is mainly backed by international organizations)

Plan of actions of the department up to 2005



■ Major activities in 2002-2005 in energy sector

Creating the electric energy market

- -adoption by Parliament the amendments proposed by the Agency to the laws on Electric Energy, On Natural and Allowed Monopolies, on Amendments to the Code of the Kyrgyz Republic on administrative violations, Law on Electric Energy Market. (2002-2003).
- -strengthening the coordination role of the Agency in the Council of electric energy sector
- Developing new normative legal acts related to energy utilities in new market conditions,
- Drafts documents eliminating duplication of functions of SEA and anti-monopoly body,
- Draft documents related to decisions on export-import of electric energy and approval of departmental normative legal acts regulating utilities and consumers.(2002-2005)
- Developing and approving new contracts on services to provide electric energy and heating (2003)

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Issues requiring attention

1. Lobbying of draft laws in Parliament. Step up contacts with the Kyrgyz Parliament to promote legislation in energy sector.
2. Regulating mechanisms of export-import of electric energy.
3. Regulating divided energy sector in the transition period.
5. Creating energy conservation fund.
6. Concession agreements for privatized programs.

Contacts with the public

- Developing conception of interest among the population to attract attention to energy problems and their resolution.
- Providing analytical reports, explanations which help the population realize the imperative of their participation on regional and national level.
- Building dialog with NGOs and non-commercial public organizations and government to attract public into participation in making decisions related to energy (participation in developing national energy strategy, normative acts of interest to consumers, etc.).