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RECHARGE - <u>'Phenomenal progress': Uzbekistan on fast track from single turbine to wind</u> <u>hotspot</u> – 24 May 2021



Latest tender award adds further 400MW as deputy energy minister tells Recharge hydrogen and transmission improvements also on agenda

Middle East developers continued their winning renewables run in Uzbekistan, soon after the Central Asian nation unveiled plans for the region's largest onshore wind projects under what its energy minister claimed to Recharge was "phenomenal progress" for a market that only saw its first significant turbine installation in 2017.

Abu Dhabi-based Masdar won the right to build 400MW across two solar plants in Uzbekistan after lodging bids of around \$18/MWh for the projects, it was announced on Friday under the latest round of Uzbek green power tendering.

Masdar has emerged as a key player in the former Soviet Republic's renewables ambitions, which aim to see 25% of electricity coming from renewable sources by 2030, including at least 5GW from tendering of solar projects and 3GW from wind.

Masdar is already developing 100MW of solar in Uzbekistan, and in April tripled to up to 1.5GW an agreement relating to wind power development.

Middle East peer, Saudi Arabia-based ACWA Power, earlier in May signed an agreement of its own to build a 1.5GW wind farm in the former Soviet Republic of around 34 million people.

If built-out to full capacity, the projects would rival the largest onshore wind farms so far in Europe or Asia in a nation that only made its debut in the global wind power family in 2017 with a single 750kW machine.

Sherzod Khodjaev, deputy minister of energy for Uzbekistan, told Recharge the nation's renewables tenders are attracting a wide range of international bidders, with more than 50 companies filing expressions of interest for the latest solar projects. "There is a lot of enthusiasm for investing in Uzbekistan's renewables plans," Khodjaev said.

Other developers successful in Uzbek tenders to date include Total Eren, the renewables subsidiary of the French oil and gas giant.

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However, alongside its renewables plans, Uzbekistan is also still building gas facilities, including a 1.5GW plant planned by ACWA Power. These "are modern efficient plants to replace very old facilities and to reduce waste. At present about 80% of our electricity comes from gas. We will be reducing that sharply, and by 2030 we expect gas consumption in power production to be cut [by about a quarter]", Khodjaev claimed.

The deputy energy minister added: "By 2030, we will have reduced our greenhouse gas emissions by 10% from their 2010 levels. The long-term target, of course, is a carbon neutral economy, as specified by the Paris Agreement.

"But Uzbekistan is growing fast and our population is young. Our plan envisages green growth – using our transition to a climate friendly system to refuel our economy, and this is the plan we are keen to implement. We have already made phenomenal progress, with construction underway at multiple sites across the country."

Khodjaev added: "We believe that the production of hydrogen from renewable energy sources holds great promise for us. Currently, we are just beginning to study how to create the necessary infrastructure for hydrogen energy. A Research Centre for Hydrogen Energy has been created under the Ministry of Energy."

Khodjaev admitted that Uzbekistan's ageing transmission system needs "vast improvements" to support the new-build power plants, with work underway at state grid operator National Electric Grids of Uzbekistan with the backing of the World Bank.