



1ST ENERGY INVESTMENT FORUM

24 OCTOBER 2016 • ISLAMABAD, PAKISTAN

1-ый ИНВЕСТИЦИОННЫЙ ФОРУМ ПО ЭНЕРГЕТИКЕ

24 ОКТЯБРЯ 2016 г. - ИСЛАМАБАД, ПАКИСТАН

GOVERNMENT OF MONGOLIA MINISTRY OF ENERGY

INVESTMENT PROMOTION THRUSTS & PRIORITY ENERGY PROJECTS

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International Conventions on Foreign Investment

- Member of WTO since 1997
- Seoul Convention of Multilateral Investment Guarantee
- Washington Convention on the Settlement of Investment Disputes
- Foreign Investment Protection and Promotion agreements with 43 countries
- Tax treaties with 24 countries
- Mongolia-Japan Economic Partnership Agreement

Key Legislations

- Energy Law of Mongolia
 - Independent Power Producer – private or foreign investor agreed to supply or export electricity by agreed tariff during agreed period
 - Electricity transmission lines for export purposes can be owned by private or foreign investor
- Renewable Energy Law of Mongolia
 - Encouraging tariff” /gap between feeding tariff and consumer’s tariff /
 - Wind power generation – 0.08-0.095 USD per 1 kWh
 - Water – 0.045-0.06 USD
 - PV (solar) – 0.15 – 0.18 USD
- Concession Law of Mongolia
 - Concession agreements for energy sector projects approved by the Government of Mongolia
- Investment Law of Mongolia
 - Exemption from customs duty and application of “Zero” VAT rate for imported machineries and equipment during the construction work of power plant
 - Land Lease and Use right for up to 60 years extension possibility up to 40 years
 - Tax stabilization from 5 up to 18 years depending on the size and region. The tax stabilization include Income tax, VAT, Customs duty and Royalty

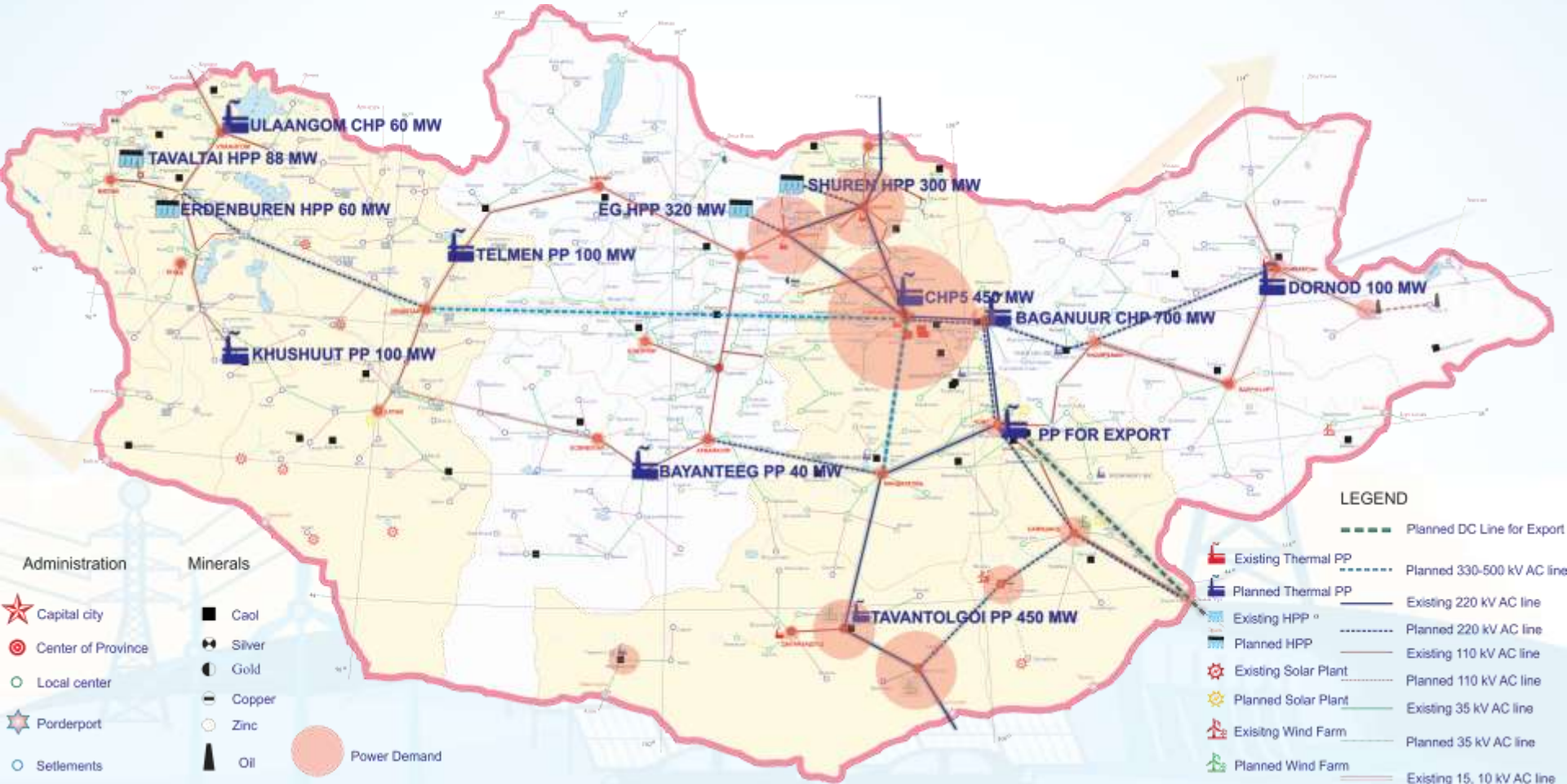
“State Policy on Energy” 2015-2030

Indicators	2014 он /Base year/	1 st stage /by 2023 /	2 nd stage /by 2030/
Reserve Capacity for Electricity Generation	-10%	10 % ≤	20% ≤
Reserve Capacity for Heat Generation in Cities	3%	10 %≤	15 % ≤
Profit Share on Tariff Structure in Central Region	-16.22 %	0%	5%
Own Use of CHP's	14.4 %	11.2%	9.14 %
Transmission & Distribution Loss /excluding Oyutolgoi/	13.7%	10.8%	7.8%
Share of Renewables on total Installed Capacity for Domestic Supply	7.62%	20%	30%
Greenhouse Gas Emission per 1 Gcal Power Generation	0.52 ton CO ₂ equivalent	0.49 ton CO ₂ equivalent	0.47 ton CO ₂ equivalent
Reduction of Building Heat Loss	0%	20%	40%
Technological Achievements that have to be utilized in Energy Sector	CFB	Sub Critical Coal Bed Methane, Battery Energy Storage, Pumped Storage	Super Critical, Ultra S/Critical, Hydrogen, Concentrated Solar Plant

Government Action Program 2016-2020

- Approved by Parliament of Mongolia on September 2016
- Capacity expansion of existing power system in Mongolia
- Promotion of export of electricity projects
- Renewable energy generation
- Expansion of power transmission and distribution network to support rural development
- Establishment of power and heating system in rural centers
- Introduction of new and innovative technologies improving energy efficiency and loss reduction
- Reduction of air pollution and encouragement of gas exploration, extraction and use

POTENTIAL POWER PROJECTS FOR DOMESTIC SUPPLY



Power Sector Main Objectives /Power Plant, Hydro, Renewables /

#	Objective	Action	Investment	
			Budget, million USD	Source
1	Extend installed capacity of existing Combined Heat and Power Plants	Extend Capacity of CHP Plant #3 in Ulaanbaatar by 250 MW	300	Government soft loan
2		Extend Capacity of Choibalsan CHP Plant by 50 MW	90	Government soft loan
3		Extend Capacity of Erdenet CHP Plant by 35 MW	54	Government soft loan
4	Build new Power plants in central region	Tavantolgoi 450 MW Power Plant Project	2000	Private Investment IPP
5		New Power Plant in Central region Project	2000	Private Investment Concession
6	Increase share of Renewable generation	Eg 315 MW Hydro Power Plant	824	Government soft loan
7		Khovd 260 MW Hydro Power Plant	824	Private Investment Concession
8		Implement Solar Plant Projects, Sum-30 MW	60	Private Sector
9		Implement Wind Farm Projects, Sum-100 MW	250	Private Sector
10		Develop Solar heating in district heating in rural towns	20	State budget and Private Sector



Power Sector Main Objectives /Transmission lines, District heating, Efficiency /

#	Objective	Action	Investment	
			Budget, million USD	Source
11	Extend power transmission network	Baganuur-Choir 220 kV 178 km OHTL and extension of the substations	40	Government soft loan
12		Baganuur-Undurkhaan 220 kV 202 km OHTL and substations	53	Government soft loan
13		Choir-Sainshand 220 kV 216 km OHTL and substations	55	Government soft loan
14	Renew heat supply systems in province centers	Build new Heat Plant with centralized heating system in 10 province center	130	Government soft loan
15		Rehabilitate district heating system in Darkhan city	2000	Government soft loan
16		Improve efficiency if CHP#4 Plant of Ulaanbaatar	46	Government soft loan
17	Enhance efficiency and introduce advanced technology	Expand SCADA system in Central Transmission System	8	State budget and Company
18		Domesticate new voltage level in electricity distribution networks	20	Private sector and Company
19		Built Semi-coke oven based on CHP#2 Plant in UB	15	State budget and Company
20		Install 3 MW Heat Pump system based on cooling tower heat source of CHP#3 Plant in UB	11	Private sector and Company



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THANK YOU

MINISTRY OF ENERGY

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