

# Country Presentation Mongolia

- **Programs to Investment**
- **Key Challenges**
- **Priority list of Projects**

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# Programs to Encourage Investments

What are the programs of the government to encourage investments **in general** and in the energy sector in particular?

- **Program 1- Concession Law, 2010**

The law creates the necessary institutional framework for private sector participation with the aim of improving the efficiency of the energy sector, facilitating the development of renewable energy, accelerating the commercialization of energy companies and gradually privatizing them.

# Programs to Encourage Investments

What are the programs of the government to encourage investments **in general** and in the energy sector in particular?

- **Program 2- Investment law , 2013**

The objective of this law is to protect the legal rights and interests of investors in the territory of Mongolia, to establish a common legislative guarantee for investment, to encourage investment, to stabilize the tax environment, to determine the rights and obligations of investors.

# Programs to Encourage Investments

What are the programs of the government to encourage investments in general and **in the energy sector** in particular?

- **Program 3- Amendment of “Law on Energy” – June 2015**

Purpose of amendment: Enhance legal environment for investors in energy sector of Mongolia

- Interagency Relationship
  - Obligation of National Dispatching Center
- Independent Power Producer and its regulations
- Power Purchase Agreement and its regulations
- Interrelationship between supplier and consumer
  - Obligation

# Programs to Encourage Investments

What are the programs of the government to encourage investments in general and **in the energy sector** in particular?

- **Program 4- State Policy on Energy – June 2015**

Government Policy for energy sector development for 2015-2030:

Strategic goal 4: Transfer the state dominated energy sector into private based competitive market

- 3.2.4.1 Establishing a tariff and pricing system with real cost and appropriate level of profit to ensure the financial stability of the energy sector;
- 3.2.4.2 Providing investment stability of the energy sector and increased participation of private sector;
- 3.2.4.3 Creating a legal environment for the energy sector with regulated and competitive market principle.

# Key Challenges

What are the key challenges in attracting investments and how is the government addressing these?

Challenges	Solution/Initiatives
<b>Challenge 1</b> Tariffs is below than cost recovery in power sector	price indexation and gradual increases in prices and tariffs
<b>Challenge 2</b> Domestic power demand is relatively low	Develop connectivity with neighboring countries and export oriented projects.
<b>Challenge 3</b> There is still uncertainty in Investment Environment	improve the legal environment in power sector

# Priority List of Projects

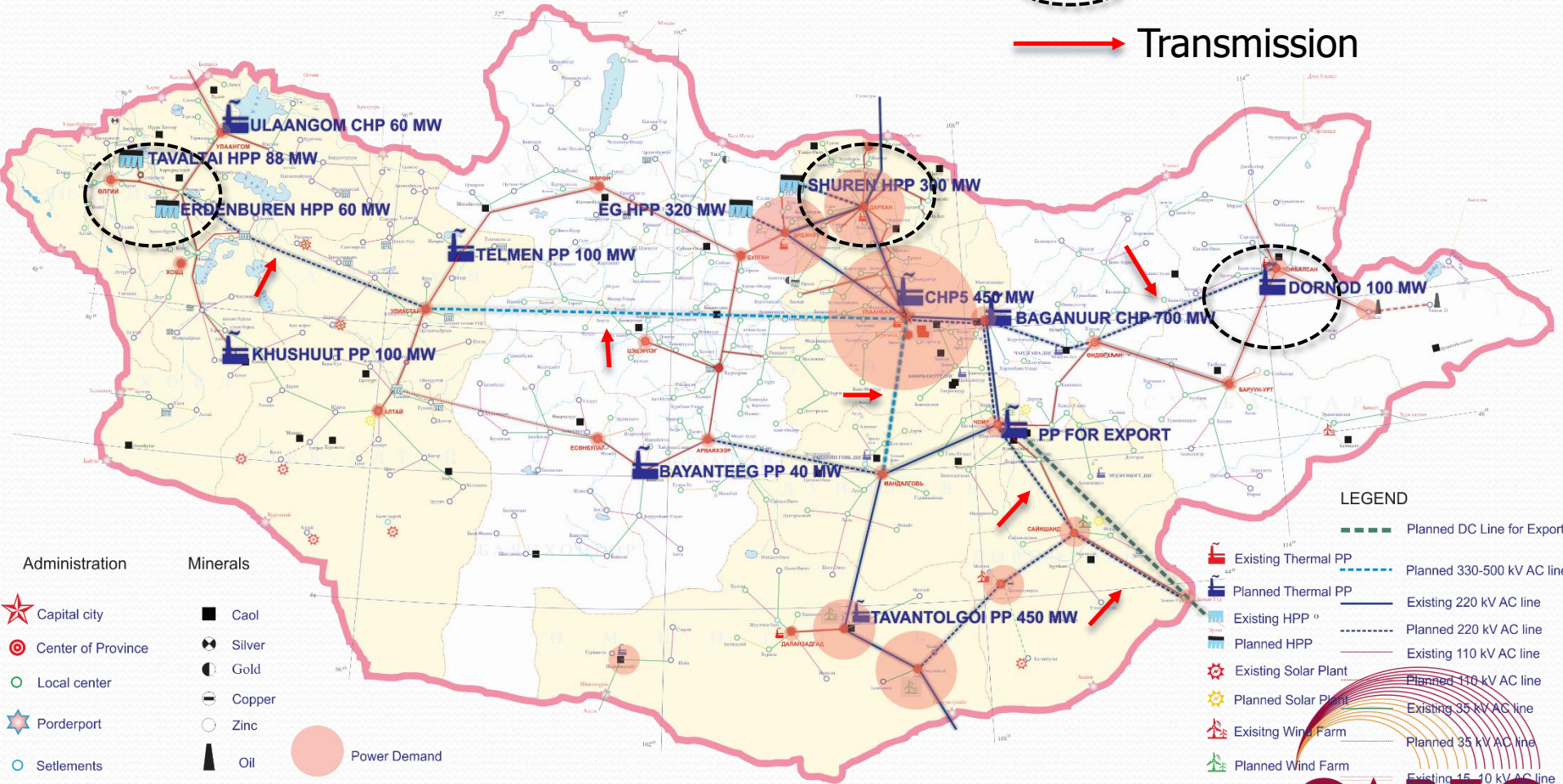
## Energy Projects in the Power sector

### POTENTIAL POWER PROJECTS IN GOVERNMENT POLICY 2015-2030

PWC Recommended Projects

○ Generation

→ Transmission



#### LEGEND

- Planned DC Line for Export
- Planned 330-500 kV AC line
- Existing Thermal PP
- Planned Thermal PP
- Existing HPP
- Planned HPP
- Existing Solar Plant
- Planned Solar Plant
- Existing Wind Farm
- Planned Wind Farm
- Existing 220 kV AC line
- Planned 220 kV AC line
- Existing 110 kV AC line
- Planned 110 kV AC line
- Existing 35 kV AC line
- Planned 35 kV AC line
- Existing 15-10 kV AC line

#### Administration

#### Minerals

- Capital city
- Center of Province
- Local center
- Porderport
- Settlements
- Coal
- Silver
- Gold
- Copper
- Zinc
- Oil
- Power Demand

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**THANK YOU FOR ATTANTION**

Islamabad, 18 July 2016

