



Fuel switching in Kazakhstan

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- **Gas consumption increased** from 9 bcm in 2010 to 13.1 bcm in 2016

Challenges

- Underdeveloped gas network infrastructure
- High sulphur associated gas
- Import dependency
- State regulation of prices
- Concerns with availability of gas due to export commitments
- High cost of connection to households

Opportunities

- Extension of distribution pipeline system
- Recognition of environmental problems
- “Bridge fuel” for intermittent renewables
- Environmental regulation

Construction of gas pipeline to Astana

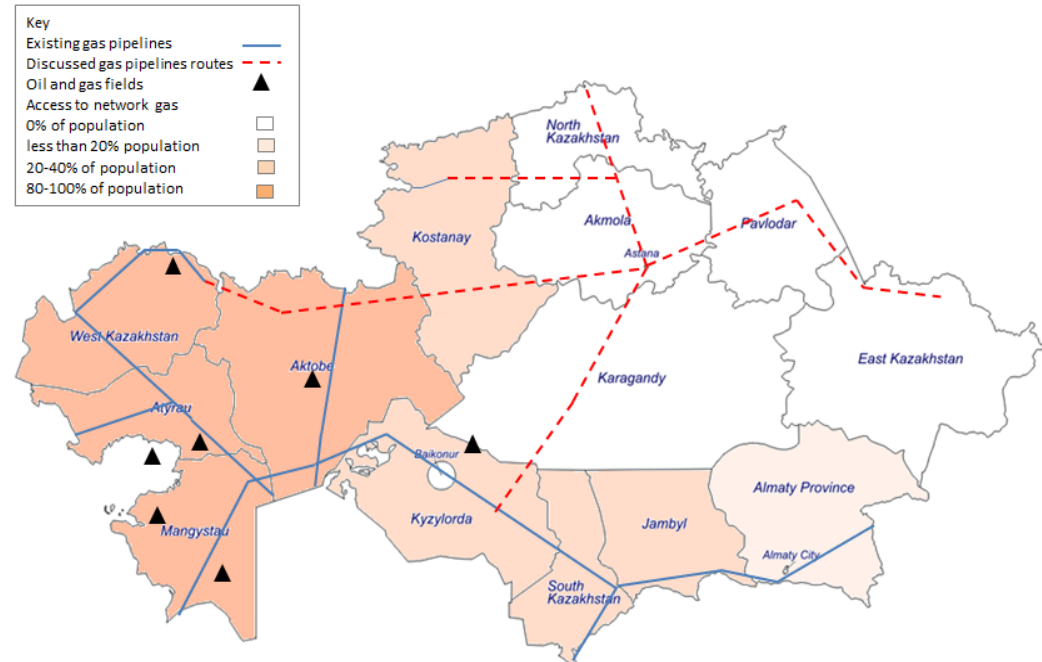
In March 2018 President of Kazakhstan N. Nazarbayev instructed to build a gas pipeline to Astana within 1-1.5 years

CAPEX ≈ in total 2.5 bln euro

Responsible: state owned companies
Samruk-Kazyna, KazMunayGas,
KazTransGas

Funding source: under discussion,
state owned companies and
international financial institutions

Changes to gas tariffs are planned



- **LPG consumption grew from about 270 kt in 2014 to 620kt in 2016**
- 3683 LPG-consuming vehicles
- Since 2017, deliveries of 320 kt LNG from Yeaketerinburg to Astana

Challenges

- **Regulated LPG price in the domestic market**
 - Price fluctuations, LPG deficits
- 3/4 of produced LPG is exported
- **No incentives for fuelling stations and for consumers**

Opportunities

Price gap

- Diesel price \$10.4 per MMBtu
- Natural gas price \$1.5 per MMBtu

Recognition of environmental problems

Development of gas network

