

FIRST RENEWABLES AUCTION TO BE HELD

Auctions selecting renewable energy producers are introduced by Law, dated 31 May effective 14 July 2021, *On Use of Renewables to Generate Electricity*.

The European Bank for Reconstruction and Development (EBRD) [reports](#) of launching the first renewables auction, which is for a 100-megawatt solar power plant in Qobustan. Auction bidders must produce electricity exceeding the capacity limit set by the Cabinet of Ministers (absent such limit set by the Cabinet, the capacity of 100 megawatt is set by the Ministry of Energy). The auction must also determine the guaranteed tariff to be applied in the electricity sale and purchase agreement to be made with the winner.

Per the requirement of the Ministry, only companies (apparently, both local and foreign), excluding sole proprietors, are invited to participate in the auction. According to the *Rules of Selecting Producers from Renewables*, the participants will be required to pass a qualification assessment that considers, among others, financial position, experience with similar projects, as well as extents of utilizing, upon the implementation and operation, of domestic labor and produce.

BILL OF ARTIFICIAL ISLANDS

During the plenary sessions of the Parliament on 19 and 23 April 2024, discussions were held over the Bill, *On Developing Artificial Land Plots in Part of Caspian Sea (Lake) Belonging to Republic of Azerbaijan*. Upon the final approval at the third reading, the Bill will be enacted upon promulgation. The expected date of the final reading is not known.

As per the draft, artificial land plots (artificial islands) can be developed in the part of the Caspian Sea under the jurisdiction of the Republic. While not dealt with in the Bill, such part, as far as seabed is concerned is yet to be agreed with Iran and Turkmenistan and, as far as water surface is concerned, is to be agreed among all Caspian littoral states.

Artificial islands can be situated on territories distinct from or adjacent to the coastal strip, an island, or another artificial island, and are set aside from water fund land. Restrictions under the Land Code on the conduct of construction on the coastal strip would not apply in the case of developments adjacent to the strip. Developing islands that impede maritime navigation is prohibited.

Islands can be developed by any persons, including the Republic. Any developers, other than the Republic, must obtain the right to so develop under the Law.

To obtain the right, a developer must apply to the State Committee for Urban Planning and Architecture with a detailed site plan. The development of an island would require the specialized environmental impact assessment document under Law No. 1175-VQ, *On Environmental Impact Assessments*.

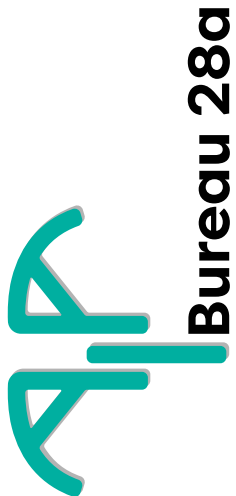
Upon its review, the Committee submits its opinion on the development to the Cabinet of Ministers. The concept of an artificial island is approved by the Cabinet of Ministers. An island, including any commercial and other infrastructure as a part of its approved plan, must be

developed within eight years of the approval with the first two years allocated for the developer to obtain any necessary construction and other permits.

Upon commissioning, an artificial island is designated as land per the requirements of the Land Code. Ownership of the island will belong to the Republic and the island cannot be privatized.

The developer would hold a preferential right to lease land plots on an island. The right does not extend to land for infrastructure for the provision of public services.

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*Information does not, and is not intended to, constitute legal advice

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