Implementation of Economic and Financial Strategies in Energy Network Enterprises

Panjiyeva Nigora Normakhmatovna
Master student of Termiz University of Economics and Service

Received 4th May 2023, Accepted 6th Jun 2023, Online 17th Jul 2023

Abstract: One of the important conditions for the development of modern Uzbekistan is the economic stability of the country, which is largely related to the achievement of energy security. In the Strategy of Actions on five priority directions of development of the Republic of Uzbekistan in 2017-2021, development and liberalization of the economy is envisaged as one of the important directions of the country's development. A strong energy policy creates a basis for increasing the competitiveness of the national economy. In this regard, structural changes, modernization and diversification processes continue in the leading sector of the economy such as fuel and energy.

Keywords: Ministry of Energy, electric and thermal energy, "Uzbekenergo" JSC, renewable energy sources, atomic energy, SCADA, ERP.

The Ministry of Energy carries out state regulation of the processes of production, transmission, distribution and consumption of electric and thermal energy, coal, as well as oil and gas extraction, their processing, transportation, distribution, sale and use. The Ministry of Energy has a number of tasks:

- coordination of the energy sector;
- conclusion of agreements on product distribution and control of their execution;
- attraction of private capital to the extraction and production processes of energy sources;
- Development of PPP (public-private partnership);
- improvement of the tariff policy in order to create a competitive business environment, increase and diversify the production of energy sources;
- introduction of modern corporate management in the energy sector, including taking into account the proposal of the World Bank to optimize production processes.

At the initiative of the President of the country, in order to reform the energy sector, a radical restructuring was carried out in "Uzbekenergo" JSC.

On the basis of "Uzbekenergo" JSC, three joint-stock companies were established: "Heating power stations", "National power grids of Uzbekistan" and "Regional power grids". The purpose of this reorganization is to move to modern methods of organization of production, transportation, distribution and sale of electricity.
The adoption of the laws of the Republic of Uzbekistan "On the use of renewable energy sources" and "On public-private partnership" in May 2019 is an important step in the country's electric power sector, and it is a legal basis for accelerating the implementation of projects in the field of renewable energy sources. It creates.

The Ministry of Energy has developed a concept for the development of renewable energy sources in the Republic of Uzbekistan in 2019-2023.

The Ministry of Energy together with interested ministries and agencies with the technical support of international financial institutions (World Bank, Asian Development Bank) developed the concept of providing the country with fuel and energy in 2020-2030.

Together with the international consultant - "MottMacDonald" (Great Britain), a master plan (MasterPlan) was developed for the long-term development of electricity in Uzbekistan, including the field of renewable energy sources.

Also, the most important process of large-scale reorganization of the oil and gas system has begun. In this regard, first of all, excluding "Uztransgaz", whose shares were taken out of "Uzbekneftgaz" and transferred to the state, excess gaps in the management system were reduced by merging joint companies into "Uzbekneftgaz".

What kind of work is being done in the Ministry of Energy today?

Development of the fuel and energy supply strategy of Uzbekistan in 2020-2030 and the comprehensive digitization program of electric power in 2019-2021, which provides for the automation of enterprise resource planning (ERP) and dispatch control and data collection (SCADA) processes.

One of the main priorities for the development of the electric power sector in Uzbekistan is the development of production facilities in such areas as thermal power plants (PPP), nuclear power, renewable energy sources (QTEM), attracting foreign direct investment.

Another important project in the country - "Introduction of the automated system of accounting and control of electric energy (ASKUE)" and "Automated system of accounting and control of natural gas" is being implemented rapidly. In particular, by the first quarter of 2021, more than 7 million consumers will be equipped with modern electricity meters, and by the first half of 2021, more than 3.5 million consumers will be installed with natural gas meters.

In accordance with the recently adopted law, work is underway to implement a number of investment projects under the terms of public-private partnership (PPP).

The Ministry of Energy is also implementing measures aimed at continuous promotion of energy saving, introduction of appropriate technologies and increasing public awareness of the importance of energy saving.

According to "Ozenergoinspektsiya" specialists, today every house has the opportunity to save 400 kWh of electricity per year on average. If each family saves 400 kWh of electricity, then the amount of electricity saved in the country is 1.8 billion kWh. The electricity saved in this way is enough to provide, for example, Jizzakh or Syrdarya regions with electricity throughout the year.

Ministry of Energy: Ten-year plans until 2030

Currently, the production capacity of the republic in the field of electric energy exceeds 14.1 thousand MW.
The main part of these production capacities, or 85.8%, is contributed by thermal power plants. By 2030, the total electricity capacity in peak hours has increased to 20,000 MW from 11,000 MW in the autumn-winter period of 2018-2019. In this way, by 2030, the country will have to increase its energy capacity by about 1.8 times.

In accordance with the program for the implementation of large investment projects in the field of electric energy for 2019-2030, in 2030, new and modernized production capacities with a capacity of 15.6 GW will be put into operation in thermal power plants alone.

At the same time, decommissioning of physically obsolete production capacity and equipment with a capacity of 6.4 GW in thermal power stations is expected. Thus, by 2030, their installed capacity will reach 78,900 MW (that is, an increase of 6,800 MW).

Today, the Ministry of Energy is working on large investment projects in order to increase the production capacity of the energy system until 2030. In particular, construction of modern power units with a total capacity of about 10 GW (Syrdarya, Navoi, Tolimarjon, Takhiatosh, Toraqorgon thermal power stations, etc.).

Construction of hydroelectric power plants with a total capacity of 1.9 GW and NPP with a total capacity of 2.4 GW.

Construction of power plants using renewable energy sources, increasing the total share of solar and wind power plants to 21%.

Construction of maneuverable generation capacity on the basis of gas turbine installations or aviation gas turbines with a total capacity of approximately 3 GW.

All these efforts serve to ensure energy security and rapid development of Uzbekistan.

Functions maintains a unified energy policy aimed at ensuring the country's energy security, meeting the ever-increasing needs of the economy and the population for energy resources;

In the field of energy, state regulation and clear delimitation of the functions of economic activity, improvement of the legal and institutional basis of social and public-private partnership, development of clear market mechanisms for the implementation of tariff policy, and on this basis promotes the principles of a healthy competitive environment;

Creates conditions for actively attracting investments, primarily foreign direct investments, in the construction of infrastructure objects, as well as in the modernization of branch enterprises, technical and technological re-equipment;

Conducting state policy in the field of energy saving and reducing energy consumption in economic sectors, encouraging the introduction of resource- and energy-saving advanced technologies in economic sectors and the household sector, widely developing alternative energy sources;

Widely implements modern means of automation of technological processes, accounting systems of volumes of extraction, supply and consumption of energy resources in enterprises of the energy network;

It introduces modern methods and targeted indicators (quality management, indicative planning) aimed at optimizing the management system of network enterprises, their structures and departments, and achieving specific results.

Tasks:
Development and implementation of a unified state policy in the fuel and energy sector aimed at ensuring the energy security of the Republic of Uzbekistan, stable supply of fuel and energy resources to economic sectors and the country's population, wide promotion and development of renewable energy sources;

Implementation of state regulation of electric and thermal energy, production, supply, distribution and consumption of coal, as well as extraction, processing, transportation, distribution, sale and use of oil, gas and products from their processing;

implementation of unified legal and technical regulations in the energy sector of the Republic;

Creating a balanced system of strategic planning and development of the fuel and energy complex and increasing and diversifying the production of energy resources, short-, medium- and long-term integral forecasts of the production, supply and consumption of all types of energy resources, as well as targeted programs for the comprehensive development of the energy network development;

Increasing the investment attractiveness of the fuel and energy sector due to the development of public-private partnership, improvement of the tariff policy encouraging the formation of favorable competition and business environment in the energy resources market;

Coordinating the implementation of investment projects in the fuel and energy sector, actively involving private capital in the extraction and production processes of energy resources, establishing cooperation with international financial institutions, donor countries, companies, banks and other structures;

Assisting in the introduction of modern methods of corporate management, advanced information and communication technologies and automated systems of management, accounting and control in the energy sector, on this basis, increasing the efficiency of management in the energy sector and reducing production costs, ensuring the transparency of the financial and economic activities of energy sector organizations;

Encouraging the introduction of innovative technologies into the production processes of oil and gas and electric power industry organizations, saving energy resources and increasing the level of energy efficiency;

Organization of systematic work on training, upgrading and retraining of engineering and technical and management personnel in the field of energy.

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