

The Regulation on preparation and issuance of technical specifications, *project design* documentations to get electricity power (or capacity) for existing and projected construction facilities of entrepreneurs with a required capacity of total power up to 150 kW (from existing 0,4 kW distribution network, including 150 kW), as well as the connecting to the power supply network

Approved under the Decree dated April 4, 2017 of

The President of the Republic of Azerbaijan

1. General provisions

1.1. The present Regulation identifies the procedures and requirements for preparation and issuance of technical conditions, project design documentations to get electricity power (or capacity) for existing and projected construction facilities of entrepreneurs (hereinafter “the facilities”) with a required capacity of total power up to 150 kW (from existing 0,4 kW distribution network, including 150 kW), as well as connecting to the power supply network.

1.1-1. Procedures and requirements on preparation and issuance of technical specifications, project design documentations, as well as connection to power supply network to enable budget organizations, public legal entities established on behalf of state, legal entities with shares (stocks) controlled by state and active consumers to receive power (or capacity) for existing or planned construction facilities (hereinafter – construction facility) with a required capacity up to 150 kW (from existing 0.4 kV network, including also 150 KW) shall be determined by this Regulation.

1.2. Main concepts used in this Regulation shall have the following meanings:

1.2.1. Technical Council – a collegial body operating at small and medium business houses (hereinafter – SME houses) and “ASAN Utility” Centers (at “ASAN Service” Centers in those regions where “ASAN Utility” has not been established yet) (hereinafter “the centers”) to ensure preparation and issuance of technical specifications, project design documentations, as well as the connection to the power supply network to enable businesses to receive power (or capacity) for construction facilities with a required capacity up to 150 kW (from existing 0.4 kV network, including also 150 KW), as specified by the Presidential Decree No. 1313, dated 4 April, 2017;

1.2.2. entrepreneur – legal and physical persons who, independently, aim at deriving profit from the use of property, production and (or) sale of goods, fulfilment of works or provision of services;

1.2.3. technical specifications - a technical document containing engineering and technical parameters which provide the basis for the preparation of project design documentations for the connection to the power supply network (hereinafter – PSN) of the construction facility designed to supply electrical power;

1.2.4. power supply entity (hereinafter – PSE) – a legal entity acting under license and providing the population and other consumers with electricity power supply;

1.2.5. customer – an entrepreneur who has ownership or proprietary rights on the construction facility to be connected to the PSN or the land plot where the construction facility is (will be) located;

1.2.6. construction facility - buildings or installations created in the process of construction activities;

1.2.7. connection fee – a unified sum fixed by the Cabinet of the Ministers of the Republic of Azerbaijan under the Clause 1.11 of this Regulation for the preparation of project design documentation, strengthening of PSN, implementation of construction and installation works, physical connection of electrical appliances to PSN (including the cost spent on goods and materials used);

1.2.8. balance ownership boundary – a separation point determining the balance ownership of electrical devices between the PSE and the customer;

1.2.9. connection deed – a document certifying the connection of the construction facilities of customer to the PSN;

1.2.10. connection point – a site of physical connection to PSN as specified by the Clause 3.1 of this Regulation;

1.2.11. active consumer - legal or physical person generating electrical power from traditional, alternative and renewable energy sources along with consuming electrical power;

1.2.12. existing 0.4 kV network - an electrical grid with a 0.4 kV transformer installed at a distance of no more than 400 meters from the site where the construction facility is (will be) located.

1.3. Each customer shall have the right under this Regulation to connect to the PSN.

1.4. The connection of the construction facility of customer to the power supply network shall be ensured to be provided through the following two phases, not being later than 20 (twenty) days in total:

1.4.1. Application of the customer at SME houses or centers, payment of connection fee, preparation of technical specifications, project design documentations ~~and submitting (sending) them to the customer;~~

1.4.2. ~~Payment for the cost of project design documents,~~ implementation of construction & installation activities and physical connection to PSN, supply of electricity to construction facilities, submission of technical specifications and design documents, signing of connection act (in two copies) and power purchase and sale agreement (in two copies) between PSE and customer;

~~1.4.3. Supply of power to the construction facility;~~

1.5. The flow of time periods stipulated by this Regulation shall be calculated from the date of application by the customer;

1.6. The request for connection of customer's construction facility cannot be refused due to the reasons not provided for in this Regulation.

1.7. No payment shall be made for the preparation and issuance of the technical specifications.

~~1.8. Technical specifications shall be given for a period of 1 (one) year. Where a power purchase and sale agreement is not signed between the customer and PSE during this period, the technical specifications shall be deemed invalid.~~

1.9. Where an entrepreneur requires additional power for the construction facility (provided that the additional power, if supplied, shall not be more than 150 kW in total), in view of the available technical specifications issued, new technical specifications shall be issued in accordance with this Regulation. The Customer shall pay a connection fee in accordance with the additional power when new technical specifications for the purchase of additional power is issued.

1.10. Where the customer lost technical specifications and project design documents issued by the SME houses or centers, he / she must apply the centers to get the duplicate of those documents. Duplicates of these documents must be issued to the customer free of charge at the day of application.

1.11. The amount of the connection fee shall be fixed by the Cabinet of Ministers of the Azerbaijan Republic separately and in differentiated form in proportion to the electrical power required by entrepreneur for the construction facilities designated for agricultural and industrial purposes, as well as providing commercial, public catering, household and other types of services. Connection fee shall be fixed in different amounts where the connection of the construction facility to PSN is required within 20 (twenty) days and less.

2. Application for, preparation and issuance of technical specifications and project design documentations

2.1. To obtain the technical specifications and project design documents, the customer shall submit an application, as specified by the Articles 29 and 30 of the Law of the Republic of Azerbaijan on "Administrative Enforcement", to the Technical Council at SME houses or centers available in the territory where the construction facility is (will be) located. Secretariat functions in connection with the receipt and registration of applications, as well as review and issuance of documents by Technical Council shall be carried out by a representative of the PSN, who is a member of the Technical Council.

2.1-1. The Customer shall pay the connection fee to the bank account of the PSE in accordance with the required electricity power, when applying for issuance of the technical specifications and project design documentations pursuant to the Clause 2.1 of this Regulation.

2.2. The application shall contain the following information:

2.2.1. TIN of a customer;

2.2.2. the address (location) of the construction facility of the customer to be connected to the PSN or of the land plot where the construction facility is (will be) located;

2.2.3. power and quality indicators of required electrical energy (active and reactive power of electrical installations, reliability category);

2.2.4. customer's mailing and e-mail (if available) addresses.

2.3. The application must include a copy of the document certifying the ownership or other proprietary rights of the customer to the construction facility to be connected to the PSN or land plot where the construction facility is (will be) located and the document certifying the payment of the connection fee.

~~2.4. 2,5 (two manat and fifty qepik) Manat (VAT included) shall be paid for each 1 (one) kW of power for issuance of project design documents by the Technical Council.~~

2.5. Customer cannot be required to submit information and documents not provided for in the Regulation.

2.6. According to the Article 31 of the Law of the Republic of Azerbaijan "On Administrative Enforcement" and the second sentence of Article 2.1 of this Regulation, the representative of PSE, who is a member of the Technical Council, shall receive and register the application and its attached documents submitted by customer in person through the SME houses or centers or via electronic means.

2.7. The compliance of these documents with the requirements of the paragraphs 2.2 and 2.3 of this Regulation shall be checked during the registration. Where deficiencies of which solution is possible and does not give any ground for refusal, are discovered, information on the necessity of solution of these deficiencies shall be immediately reported to the customer and the legal consequences of non-compliance with the formal requirements shall be explained.

2.8. The Customer shall eliminate those deficiencies at least 10 (ten) days from the date of receipt of the information. In this case, the flow time period specified in paragraph 1.4 of this Regulation shall be suspended. The flow of time shall be restored after the request of the customer to inform about the elimination of the deficiencies.

2.9. Where the Customer fails to eliminate the discovered deficiencies in the documents within the period specified in Clause 2.8 of this Regulation, the Technical Council shall leave the application undecided and submit information thereabout to customer within 2 (two) days through SME houses or centers or by registered mail while also sending to the e-

mail address indicated in the application. Should the Technical Council conclude to leave the application unconsidered, the connection fee paid by the customer must be refunded by PSE within 1 (one) day, and the rule acquisition of the fund shall be reflected in the information presented or sent to the customer.

2.10. Upon acceptance by the Technical Council of the documents referred to in Article 2.6 of this Regulation, in accordance with the properties of the area where the power lines will pass through, opinion of bodies, as well as owners of motorways, local executive authorities and other statutorily required institutions of which consent to construction of power lines is required, shall be received. To this end, the Technical Council shall, within one (1) day from the date of receipt of the documents referred to in Article 2.6 of this Regulation, identify together with the member institutions the source of power ~~with necessary capacity~~ located at the nearest distance to the construction site, the optimal road from that source to the construction site for supply of electrical power and institutions of which opinion is required for laying electrical lines over that road.

2.11. According to Paragraph 2.10 of this Rule, the Technical Council on the same day applies to the agencies whose consent for the selected route for transmission of electricity to the construction site is required. These agencies shall respond to the application and submitted documents by the Technical Council not later than three (3) days. In the case of the comments made by those agencies, the technical requirements related with approval of the route shall considered in the project design documentation and the funds required for the execution of the works shall be indicated separately. In the absence of response during that period, the matter is considered to be agreed.

2.11. According to Paragraph 2.10 of this Rule, the Technical Council on the same day applies to the agencies whose consent for the selected route for transmission of electricity to the construction site is required. These agencies shall respond to the application and submitted documents by the Technical Council not later than three (3) days. In the case of the comments made by those agencies, the technical requirements related with approval of the route shall considered in the project design documentation and the funds required for the execution of the works shall be indicated separately. In the absence of response during that period, the matter is considered to be agreed.

2.12. The Technical Council on the day of receiving the consent from competent authorities, applies with relevant documents to the PSE for preparation of technical specifications and project design documentations. PSE shall prepare technical specifications and project design documents within 6 (six) days to ensure that the customer receives electricity (power). ~~The power source available at the closest distance to the construction facility of entrepreneur must be identified when technical specifications and project design documentations are prepared.~~ Involvement of entrepreneur is not considered during the review of the construction facility as part of the documents preparation process.

2.13. The technical specifications and project design documentations prepared by the PSE shall be provided (sent) to the customer for information. The customer shall not be liable for the fulfillment of the requirements on connection provided for in the technical specifications.

~~2.14. Once the PSE issues the technical specifications and project design documentations to the Technical Council, the representative of PSE, who is a member of the Technical Council, shall submit them on the same day to customer via the centers or by registered mail and send them to the e-mail address, if it is indicated in the application of the customer.~~

2.15. Technical specifications shall be issued uniformly as indicated in the Appendix 1 of this Regulation.

2.16. The technical specifications shall be issued in view of the requirements and the area planning documentation set out in the Article 11 of the Urban Planning and Construction Code of the Republic of Azerbaijan.

2.17. In accordance with the requirements of urban planning and construction regulations within the construction permitting process, the technical specifications for the construction facility shall be issued upon the application of the customer to the relevant local executive authority pursuant to the requirements of this Regulation. These technical specifications shall be given for the period provided for in Article 77.1 of the Construction and Urban Planning Code of the Republic of Azerbaijan. Where a power purchase and sale agreement is not signed between the customer and PSE during this period, the technical specifications shall be deemed invalid.

2.18. The request sent by the relevant local executive authority via the SME houses or centers shall be accompanied with a copy of the customer's application, layout plan of the construction site, a copy of the document confirming the ownership or other proprietary right of the customer on the land plot allocated for the construction object, documents on demand requirements for engineering and communication support for operation of the object and copies of the design for construction of the object.

2.19. The representative of the PSE at the SME houses and centers may not refuse from receiving the request of the relevant local executive authority and the customer's application, and the relevant local executive authority may not refuse to accept the customer's application.

2.20. The connection to PSN of the construction facility to be constructed by customer, shall be carried out in accordance with this Rule based on the application the customer upon the issuance of permit for the construction pursuant to the Urban Planning and Construction Code of the Republic of Azerbaijan.

3. Execution of construction and installation works and physical connection to PSN

3.1. PSE shall carry out construction and installation works and lay power lines from the construction facility or the land plot where the construction facility will be located (from the place to be determined by the PSE) to the point of connection to the PSN. In this case, the customer shall not pay any fees other than the connection fee provided for in subsection 1.2.7 of this Regulation.

3.2. The point of connection must be at the substation, transformer point, power line, distribution booth located at the nearest distance to the construction site.

3.3. Connection of the construction facility to PSN or laying electricity lines and implementation of construction–installation works, as part of the process of connection to PSN, in the land plot where the construction facility will be located (as determined by PSE) shall be carried out within 10 (ten) days as per the technical specifications issued in accordance with the Section 2 of this Regulation. Upon the completion of the planned works, documents provided for in the paragraph 1.4.2. shall be submitted to customer.

3.4. The electricity power metering device must be installed at the border (entry) of land plot where the customer's construction site is located, at the end of the supply cable, on the spot where the PSE representative can inspect it without any obstacle.

3.5. Supply, installation and replacement of metering devices for customer shall be regulated as specified by the Cabinet of Ministers of the Republic of Azerbaijan.

3.6. The balance ownership boundary of electrical devices between the PSE and customer shall be determined by the location of the power metering device and the connection deed.

3.7. The limit of responsibility between the PSE and the customer for the utilization of electrical equipment shall be determined by the balance ownership boundary.

3.8. PSE may not refuse signing the power purchase and sale agreement if the connection act has been signed.

3.9. Connection act executed between PSE and customer shall be prepared uniformly as provided for in the Annex 2 of this Regulation.

4. ~~Supply of electricity power to the construction facility~~

~~4.1. Upon the completion of works provided for in the Section 3 of this Regulation, the completed works shall be reviewed within 2 (two) days with the participation of the representatives of the customer and PSE, and as the result of this inspection, a connection act and power purchase and sale agreement shall be signed on the same day between PSE and customer (in two copies), and PSE shall ensure the supply of power.~~

~~4.2. PSE cannot refuse signing the power purchase and sale agreement, if the connection act has been signed.~~

~~4.3. Where it is discovered during the inspection held in connection with the issuance of commissioning deed that the works provided for in the paragraph 3.1 of this Regulation have not been carried out in accordance with the technical specifications and project design documents, a well-grounded answer with due reference to discovered shortcomings should be submitted within 2 (two) days to the customer and the entity which performed construction and installation works and laid electricity lines.~~

~~4.4. The connection act signed between PSE and customer shall be drafted uniformly (in standard form) as indicated in the Annex 2 of this Regulation.~~

~~4.5. Where the company, which laid the electricity lines and carried out construction and installation works does not agree with the indicated shortcomings, it shall have the right to apply the Technical Council. In this case, the Technical Council shall inspect within 1 (one) day the area of construction and installation works to review the shortcomings, which caused dispute, and make a decision on the issue.~~

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