

## Energy storage applications uzbekistan

Saudi Arabian developer ACWA Power has signed a binding implementation agreement with the Ministry of Energy (MoE) of Uzbekistan to develop up to 2 GWh of standalone battery energy storage system (BESS) capacity across the country.

The agreement was formally signed on the sidelines of the United Nations Climate Change Conference (COP29) in Baku, Azerbaijan, following a memorandum of understanding (MoU) signed between the parties in May 2024.

Under the agreement, ACWA Power receives contractual priority for 2 GWh of new BESS capacity in Uzbekistan, allowing the company to offer competitive tariffs. The agreement is valid for two years and may be extended by mutual consent. Both parties will collaborate on feasibility studies to identify optimal locations for BESS projects.

ACWA Power is already the largest investor in Uzbekistan's energy sector, with over 13 GW of projects under development. "Today, we reiterate our support for the country's energy transition through advanced battery storage solutions. The agreement not only strengthens our leadership in energy storage technologies but also demonstrates our commitment to delivering reliable and sustainable energy solutions across Central Asia," said Raad Al Saady, vice chairman and managing director of ACWA Power.

The announcement comes against the backdrop of Saudi Arabia signing an implementation program to strengthen cooperation in the field of renewable energy with the Republics of Azerbaijan, Kazakhstan, and Uzbekistan. The deal signed earlier on the sidelines of COP29 aims to pave the way to regional grid interconnection projects in a bid to enhance energy infrastructure efficiency and promote integration of renewable energy into the national grids of the partner nations.

While still in the starting blocks, the rollout of battery storage in Uzbekistan has picked up pace this year. In May, Nur Bukhara Solar PV LLC FE, a project company owned by Masdar, set out to build a 63 MW battery energy storage system alongside a 250 MW solar plant in the Alat district of the Bukhara region, billed as Uzbekistan's first big BESS project.

Most major announcements, however, came from the Saudi Arabian developer itself. Earlier this year, ACWA Power initiated the construction of the Beruniy Wind IPP project, which includes a 200 MW wind power plant and a 100 MW BESS located in the Beruniy Region.

It also landed financing for the Tashkent Riverside project, which includes a 200 MW solar plant and a 500 MWh BESS, and secured funding from International Finance Corporation for the construction of a 1 GW solar plant, 668 MW battery system, and 500 km of transmission lines in Uzbekistan.

ACWA Power also agreed with Japan's Sumitomo Corp to develop 2.5 GW of renewable energy projects with 968 MW of battery storage in Uzbekistan, representing a combined investment of \$4.2 billion.

Nur Bukhara Solar PV LLC FE, a project company owned by Masdar, will deliver the 63 MW battery energy storage system alongside a 250 MW solar plant in the Alat district of the Bukhara region of south-central Uzbekistan. The project company has signed a 25-year power purchase agreement with the National Electric Grid of Uzbekistan and a 10-year operation term for the storage system.

The World Bank Group, the Government of Uzbekistan, and Masdar have signed a financial package for the construction and operation of the project. It includes a \$53 million loan from the International Finance Corporation (IFC) and loans for up to \$106 million from the Asian Development Bank (ADB), Dutch Entrepreneurial Development Bank, and Japan International Cooperation Agency.

The package also includes granted concessional senior loans of \$20 million each from the Canada-IFC Blended Climate Finance Program and ADB-managed Leading Asia's Private Sector Infrastructure Fund, while The World Bank is providing a guarantee of up to \$12 million to support the government's payment obligations under the project.

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