Kyrgyz Republic DH system is represented by the network of CHP and boilers

CHPs and district boilers are the central sources. DH is available from CHP in Bishkek and Osh cities.

Considerable part of heat consumers is supplied by heat distribution companies and boilers on coal, gas, oil and electricity, belonging to “Bishkekteploenergo” utility and “Kyrgyzzhylcommunsoyuz” state enterprise.
DH sector control:

- DH is state monopoly, providing and supplying heat for consumers and maintaining heat network.

- Kyrgyz Republic Ministry of Energy is governing body coordinating DH area and investments.

- State Department on Fuel and Energy Complex regulation under Kyrgyz Republic Ministry of Energy is a regulating body having authority in pricing, controlling DH quality and standards and forming DH policy.

- Kyrgyz Republic government approves all the decisions concerning energy companies management.
DH and hot water supply tariffs are approved by the decree of Executive council of State department on Fuel and Energy Complex regulation under Kyrgyz Republic Ministry of Energy. They are set for the households in the amount of 715 som per 1Gcal heat and 40,1 som per 1Gcal of hot water supply.

The real production cost of 1Gcal of heat is 883,2 som for CHP. Distribution company “Bishkekteploset” has its own cost including purchase and loan payments of 385,58 som per 1Gcal, and as a result the cost of heat will be more than 1268,8 som. For certain heat supply enterprises in the regions production cost consists of individual actual costs for heat production.
Subsidies:

Tariffs set for heat do not correspond to real costs for production, transmission and distribution of heat for end consumers. They are below production cost, the real cost of enterprise. The tariff approved for 2010 does not cover all the necessary costs for heat production and feeding water. Due to this the losses are covered by subsidies coming from revenue of electricity production.

For regional enterprises the difference between the tariff approved by State department on Fuel and Energy Complex regulation under Kyrgyz Republic Ministry of Energy for the households in the amount of 715 som per 1Gcal and the tariff for concrete boiler is subsidized from republican and local budget via “Bishkekteploenergo” utility and “Kyrgyzzhylcommunsoyuz” state enterprise.
Social assistance for low income consumers:

In order to provide sustainable social economic development and also to improve living standards of sight-disabled and hard of hearing people, and providing state support for Kyrgyz society of blind and deaf, the Kyrgyz Republic government envisaged feed-in tariffs for heat.