

## **Introductory speech by Akim of Almaty Akhmetzhan Yesimov at Clean Cities Transportation Workshop**

**Dear Ladies and Gentlemen!**

I am glad to welcome you today at this Clean Cities Transportation Workshop. I will take advantage, of this opportunity to express appreciation to the staff of the U.S. Department of Energy and the U.S. Diplomatic Mission in our country for organizing this event in our city, and also to thank the invited experts, heads of companies and all participants present at today's meeting.

We fully support the theme and goals of this workshop focused on introducing of Natural Gas Vehicles in Kazakhstan. This is very vital for our city.

As you know, Almaty is the biggest city in the country. It is a major transport and industrial center. And with every year the metropolis develops more, and this, naturally, creates an additional burden to the city's ecology.

I would like to mention some statistics which characterize condition of the environment.

The annual volume of emissions of harmful substances into the air of the city equals about **232,000 tons**. The biggest part of these emissions comes from vehicles, followed by heating facilities, and private sector houses, with the least part generated by industrial enterprises.

**Industrial enterprises produce 3,000 tons.**

This is a relatively small volume, which we plan to reduce by means of equipping enterprises with modern dust and pollution control equipment and moving them to a specially established industrial zone in the Alatau district.

**Then we have private sector housing which produces 16,000 tons of emission.**

Here we also carry a large portion of our work. The existing gas supply network is 57 km in length which provides more than 20,000 private sector houses with gas. We set forth a goal in cooperation with Kaztransgas Company to fully complete installation of gas service for private sector houses within the next 2 years.

**The next sources of increased emissions are heat and power station 1 (HPS-1) and heat and power station 2 (HPS-2), which produce 23,000 tons.**

We were able to reach reduction of harmful emissions for 2,600 tons from stationary sources of pollution, i.e. HPS and boiler stations.

Beginning with the **2011-2012** heating season, **HPS-1 will be fully transferred to gas.** We are cooperating closely with Samruk-Energo Company in order to transfer HPS-2 to gas as well. Thus, we can minimize emissions from heating facilities.

But most of all – more than 80% of emissions comes from vehicles. As of today, more than 500,000 vehicles are registered in Almaty and around 200,000 vehicles come to the city from other regions. This is a very heavy burden for the city's ecology. **The biggest share in the volume of emissions to air relates namely to vehicles. This is 190,000 out of the total 232,000 tons.**

Therefore, we mainly focus on resolving the problem of vehicles as the most “dirty” source of pollution from the ecological point of view.

What is done in this respect?

First, we strengthened control over the quality of automobile fuel, pollution norms, and vehicle technical inspection.

Second, transport infrastructure was improved significantly to allow a reduction in the city's load. During last 3 years, we have built 7 new interchanges, a tunnel, and the first stage of the East bypass highway.

All of these measures have allowed us to reduce the air basin pollution statistics from **12.9% in 2009 to 11.7% in 2010. In February of this year, this parameter was equal to 9.8%.**

This year these efforts will surely be continued. We plan to fully complete the East bypass highway and start construction of several more transport interchanges and six reversal lanes. This is done so that vehicles entering the city pass these reversal lanes, leave their cargo and passengers, and return to their regions without coming to the center of the city. These six reversal sites should be built this year. According to Kazgidromet, each road junction reduces emissions by 11% at these crossroads. Therefore, construction of transport junctions is important

for us. Also control over toxicity norms and vehicle fuel quality will be strengthened.

All of these measures are good, but we also need more cardinal, effective measures for improving the ecology of our city. This will be facilitated by launch of the first subway in our country. The first line consists of 7 stations. Recently, last week, we launched construction of the second stage of this line, which connects housing estates with the center and allows more unburdening of the city. We have full confidence that we will commission the metro in December by the 20<sup>th</sup> anniversary of the independence.

**We plan to increase the share of modern electric transport in the total volume of passenger transport. 200 modern trolleybuses will be procured through an EBRD loan.** Implementation of a widescale project to establish a system of light rail transport (LRT) will start under public-private partnership.

**Special attention will be given to the conversion of vehicles to natural gas.**

The first step in this direction is already taken. A municipal bus fleet has been established in the city. **Two**

**hundred CNG buses have already been procured**, out of which around 50 buses provide services on the city routes. All these buses work only on compressed natural gas. The impact is obvious here.

**I call on the leadership of all private bus fleets to convert buses to natural gas.** If you procure new buses – procure compressed natural gas buses or it will be necessary to start converting your buses. During distribution of the routes, preference will be given to fleets with compressed natural gas buses.

During distribution of the routes, the Akimat will give preference to those companies that use natural gas as fuel.

This type of transport is not only ecological but also economically beneficial. For legal entities using natural gas vehicles, the rate of payment for harmful emissions is two times lower than for diesel vehicles, and 1.5 times lower than for petrol vehicles.

**Frankly speaking, we set forth an ambitious task on converting all vehicles to natural gas.** Last year we divided social entrepreneur corporation (SEC)

“Zhetysu” and today we have SEC “Almaty”. One of the goals of this SEC is work on transfer of vehicles to namely this type of fuel.

For this purpose a project was developed by JSC NC SEC “Almaty”, which provides for the **transfer of 100,000 private vehicles to natural gas over several years.**

For this, a microcredit organization was established that will provide loans to everybody who wishes to convert his own vehicle to natural gas. The calculations have been established. For example, for a Russian car, the term of repayment is from 7 to 9 months, for imports from further abroad, it is up to 1 year. This is beneficial for owners of cars. SEC “Almaty” has resources for this purpose. The task of the first stage is to transfer 100,000 cars in the city Almaty to natural gas.

**Another important direction of JSC SEC “Almaty” work is to construct gas fuel stations under the principles of public-private partnership (PPP).**

A pilot project on construction and operation of the first gas fuel station on the municipal bus fleet’s territory was already implemented in the city jointly with

“KazTransGas” and “British Gas” companies. There is the prospect that a whole network of gas fuel stations will be established.

Yesterday, we received related offers. Fuel stations are beneficial business and if we will transfer to natural gas then natural gas fuel stations also will be a beneficial business. I call on all business structures to work with SEC “Almaty”. We will allocate land for this purpose. SEC “Almaty” – this is a national company and in accordance with this status it will enter with land into PPP for construction of natural gas fuel stations. I believe this will be beneficial business.

Issues related to ecology are the most important for Almaty, for improving the quality of life and environment for our residents. In this respect this workshop is very actual and interesting for us, for all participants. This is a good place to discuss important problems, exchange opinions and strengthen cooperation. I wish success in the workshop work!