

INVESTOR GUIDE

How to Obtain a Renewable Energy License in Mongolia

A step-by-step guide for investors developing solar,
wind, hydro and battery storage projects

6 steps

Core process

5 MW+

ERC threshold

4.85–7.8¢

2026 auction
tariffs



What you will learn from this guide

- 1 How a foreign investor sets up a company in Mongolia and becomes eligible for an energy license
- 2 Where and how to obtain grid connection technical conditions
- 3 How to take part in project tenders and auctions
- 4 What documents the construction and generation licenses require
- 5 Which rules apply to small and self-consumption generators
- 6 Whom to contact, and where

The two main licenses

To build a power plant and sell electricity to the grid, you need a **license** from the **Energy Regulatory Commission (ERC)** or from an aimag/capital city regulatory council.

Energy facility construction license

IN PLAIN TERMS

The right to **build and install** the plant

LEGAL BASIS

LoE Art. 20; LoRE Art. 6.1

WHEN TO OBTAIN

Before construction starts

ISSUED BY

ERC for facilities **above 5 MW** (with Ministry of Energy approval); otherwise the aimag/capital regulatory council



Electricity generation license

IN PLAIN TERMS

The right to **generate and supply** electricity to the grid

LEGAL BASIS

LoE Art. 13.1; LoRE Art. 7.1

WHEN TO OBTAIN

After the plant is built and commissioned

ISSUED BY

ERC or the aimag/capital regulatory council

LoE — Law on Energy · LoRE — Law on Renewable Energy

Four rules to remember

01 A foreign company cannot hold the license directly

Licenses go only to legal entities **registered and paying taxes in Mongolia**. So the first step is to set up a Mongolian subsidiary.

02 Large grid projects are awarded competitively

Grid-connected solar and wind projects are selected by the Ministry of Energy through a **tender or auction**. The lowest tariff bid wins.

03 A construction license is not a right to generate

Once the plant is built, you must obtain a **separate electricity generation license**.

04 A license is not a permit for everything

Land, environmental assessment, cultural heritage, fire safety and the start of construction each need **their own permit or clearance**.

First, identify your project type

Which licenses and rules apply depends on the project's **capacity**, whether it **connects to the grid**, and whether it **sells electricity or uses it only for its own needs**.



Large grid-connected solar or wind plant selling electricity

Ministry of Energy **tender or auction**, followed by ERC licenses (with or without battery)

Ministry of Energy, ERC, National Dispatching Center (NDC)



Small consumer generator on the distribution grid

Regulation on supplying consumer generation to the distribution grid (individuals up to **20 kW**)

Distribution license holder



Off-grid generator for own use only

No license required if the conditions are met (LoE Art. 12.5)

Details on slides 18–19

Six steps for a grid-connected project



WHAT TAKES THE MOST TIME



Grid technical conditions, land rights and environmental assessment — plus legalizing and translating documents issued abroad. Finish your company preparations **before the tender is announced**.

STEP 1 / 6

Set up a company in Mongolia

The foreign company sets up a **subsidiary** in Mongolia (usually an LLC). All licenses and contracts will be held in the company's name.

WHERE

General Authority for State Registration

TIME

~10 working days (~1 month incl. preparation)

FEE

MNT 750,000



Foreign-invested company

25%+

shareholding held by a foreign investor



\$100,000+

minimum investment per foreign investor

If a foreign investor holds **more than 25%** of the shares, each foreign investor must invest **at least USD 100,000**. Such a company is called a “foreign-invested company”.

TIP · Apostille

Documents issued abroad must be **apostilled** and given a certified Mongolian translation. This can take several weeks, so start it first.

You will need these again

The company charter and the **detailed registry extract** showing the founders are required again for the license application.

STEP 1 · SET UP A COMPANY IN MONGOLIA



What to prepare — checklist

- ☐ Registration application, forms and company name reservation
- ☐ Resolution to establish the company (minutes of meeting if 2+ founders)
- ☐ Proof of a registered address in Mongolia (ownership certificate or lease agreement)
- ☐ Passport copies of shareholders, ultimate beneficial owners and the CEO
- ☐ Receipt for the state stamp duty
- ☐ Company charter; shareholders' agreement if 2+ shareholders
- ☐ Bank document proving the investment
- ☐ Power of attorney if registering through a representative

After registration

- 1 Register for tax** to obtain an electronic certificate of no tax arrears — required for licenses and tenders.
- 2 Register for social insurance** and open a bank account.
- 3 Report any change in company details** to the state registry within **15 working days**.

Develop the project and secure grid conditions

Define the site, capacity, technology (solar, wind, hydro, battery), annual output, offtake financing. Decide early **whether you connect to the grid and sell electricity** — it determines which rules apply.

WHERE
NPTG SOJSC / distribution grid

KEY OUTPUT
Technical conditions

FEASIBILITY REVIEW
Ministry of Energy STC



Grid connection technical conditions

- 1 Apply to the **National Power Transmission Grid (NPTG) SOJSC** or the regional distribution grid to confirm the connection point (substation, line) and line capacity.
- 2 Coordinate protection, metering and dispatch requirements with the **National Dispatching Center (NDC)**.
- 3 The result is the official **“Technical Conditions”** document — **mandatory** for the license application.

Feasibility study

Covers the resource assessment (solar irradiation, wind speed, water flow), process diagram, main equipment specifications (panels, turbines, inverters, transformers, batteries) and the financial model (IRR, NPV, payback). Reviewed by the Ministry of Energy's **Science and Technology Council (STC)**.

What to check when developing the project

	Cost up to the connection point	The generator bears the cost of transmitting power from the plant to the connection point (LoRE Art. 7.2.2).
	Line and substation capacity	Grid constraints may force you to reduce capacity or build an additional substation.
	Land and route	Plan the substation, connection line route and easement needs early.
	Resource data	Without reliable measurement data, lenders and the tender committee may not accept the feasibility study.



Tip: check the validity period of the technical conditions and use the **valid version** in your feasibility study and tender documents.

Take part in the tender or auction

Grid-connected solar and wind projects (including battery storage) are selected by the Ministry of Energy. Foreign entities may take part **in partnership with a Mongolian legal entity.**

WHERE

Ministry of Energy (energy.gov.mn)

RULES

**Minister of Energy Order A/116,
22 May 2026**

DEPOSIT

USD 5,000 per MW



Auction sequence

- 1 **Announcement** — the Ministry publishes its project list and announces the auction **at least 40 days** and the invitation **at least 21 days** in advance.
- 2 **Registration** — confirmed within 3 working days of submitting documents.
- 3 **Deposit** — USD 5,000 per MW for solar, wind and battery projects, paid the day before the auction.
- 4 **Bidding** — bidders lower the tariff per kWh (minimum decrement 0.05 US cents). The auction closes after 5 minutes without a new bid.
- 5 **Results** — winners are notified within 1 working day and granted the right to sign the contract within 5 working days.

ATTENTION



The new procedure tightens **anti-corruption, AML, counter-terrorist financing and sanctions** screening. Prepare information on your ultimate beneficial owners and partners in advance.

First auction results

Winning tariffs per kWh for the **solar + battery** projects in five aimags approved by Government resolution of 29 April 2026:

Khentii, Kherlen soum 20 MW solar + 15 MW/40 MWh battery		7.8¢
Uvurkhangai, Kharkhorin soum 50 MW solar + 30 MW/100 MWh battery		5.75¢
Dundgovi, Saintsagaan soum 50 MW solar + 30 MW/100 MWh battery		4.85¢ • lowest
Bulgan, Orkhon soum 50 MW solar + 30 MW/100 MWh battery		5.95¢
Govisumber, Sumber soum 50 MW solar + 30 MW/100 MWh battery		6.65¢

¢ = US cents. The new procedure replaced Order A/217 of September 2025, removed the old 6 kV threshold and added battery storage.

STEP 4 / 6

Land, environment and other permits

Resolve these and have the documents ready **before** applying for the construction license.

WHERE

Aimag/soum Governor, MECC

TIME

Project-specific

KEY OUTPUT

Land certificate, EIA conclusion



What to resolve



Land rights — land possession certificate granted for energy use by Governor's decree, plot on the cadastral map



General environmental impact assessment — by MECC; if required, a detailed assessment and management plan



Cultural heritage clearance — no monuments or archaeological finds on the site



Fire safety clearance — from the local unit of the National Emergency Management Agency



Water use (especially hydropower) — permit, hydrogeological and water studies



Local community — present the project to the Governor and residents

STEP 4 · LAND AND ENVIRONMENT



Who is responsible for what

Land possession and use rights

Aimag, capital city, soum and district Governors; land administration office

Environmental assessment

Ministry of Environment and Climate Change; database: **eic.mn**

Cultural heritage

Authority in charge of cultural heritage

Fire safety

National Emergency Management Agency, local emergency department

Construction design, expert review, construction start permit

Authority in charge of construction; licensed design and installation companies



Tip: LoRE Art. 9.2.1 requires a land possession certificate **granted for siting the generator**. If the land is not designated for energy use, change its designated purpose first.

STEP 5 / 6

Construction license

Apply through the ERC's **E-license** system or by official letter. Facilities of 5 MW less apply to the aimag/capital regulator council.

WHERE

ERC — license.erc.mn

ABOVE 5 MW

With Ministry of Energy approval

LEGAL BASIS

LoE Art. 12, 20; LoRE Art. 6.1, 9



Three document packages

4

Corporate documents

6

Technical and project documents

6

Land, environmental and financial documents

Corporate documents

- ☐ **License application** — on the ERC's approved form, signed by the CEO and stamped
- ☐ **State registration certificate** — with the detailed registry extract showing the founders
- ☐ **Company charter** — certified copy
- ☐ **Tax certificate** — confirming no overdue tax

STEP 5 · CONSTRUCTION LICENSE

Technical and other documents — checklist

Technical and project documents

- ☐ **Feasibility study** — reviewed by the Ministry of Energy's STC
- ☐ **Grid connection technical conditions** — from NPTG SOJSC or the distribution grid company
- ☐ **Process diagram and equipment specifications** — catalogues for panels, turbines, inverters, transformers, batteries
- ☐ **Standards certificate** — confirmation that equipment meets international or national standards (LoRE 9.2.4)
- ☐ **Battery storage** recycling or disposal plan for end of service life (LoRE 9.2.2)
- ☐ **For hydropower** — soil, vegetation, geology, hydrogeology, climate and water surveys (LoRE 9.2.3)

Land, environmental and financial documents

- ☐ Copy of the land possession certificate (notarized if sent by post) and cadastral map
- ☐ EIA conclusion; detailed assessment report if required
- ☐ Cultural heritage and fire safety clearances
- ☐ **Proof of financing** — equity: bank balance and audited statements; debt: Loan Agreement / Letter of Intent
- ☐ **Business plan and financial model** — sales, profitability, payback
- ☐ **Engineering and technical staff** — diplomas, professional certificates, track record



Organize the documents into a bound file and **number every page**. The ERC reviews a complete application within the statutory period and decides at a Commission meeting. Confirm the full list with the ERC in advance.

Commissioning and the generation license

After acceptance by the state commission and grid connection testing, obtain **electricity generation license**. The construction license holder may also be the generator (LoRE 6.2).

ISSUED BY

ERC / regulatory council

LEGAL BASIS

LoE Art. 13.1; LoRE Art. 7.1

CONTRACT

PPA with the NDC



Power purchase agreement (PPA)

- 1 The generator signs the agreement with the **National Dispatching Center (NDC)** based on the ERC-approved model (LoRE 10.1).
- 2 For auction projects, the tariff, term and conditions **follow the selection results**.
- 3 Grid connection, metering and dispatch agreements are signed with the network operator.

Tariff, per kWh

≤ 12¢

Solar — legal price cap

≤ 8.5¢

Wind — legal price cap

4.85–7.8¢

First 2026 auction results

Today, tariffs for large projects are set **by auction**.

STEP 6 · DURING OPERATION



Obligations during operation



Follow **NDC dispatch instructions** and carry out metering and settlement regularly



Implement and report on the **environmental management plan**



Submit **license-condition compliance reports** through the E-license system



Renew the license **before it expires**



ATTENTION

Breaching license conditions or failing to report on time may be grounds for **suspending or revoking** the license.

SMALL PROJECTS



Small and self-consumption generators

Not every renewable project needs an ERC license or an auction. These rules apply to **small projects**:

20 kW

Individual consumer generator

Up to 20 kW; must not exceed own consumption limit

Apply to: distribution license holder

50%

Legal entity consumer generator

Up to 50% of the capacity stated in the technical conditions

Apply to: distribution license holder

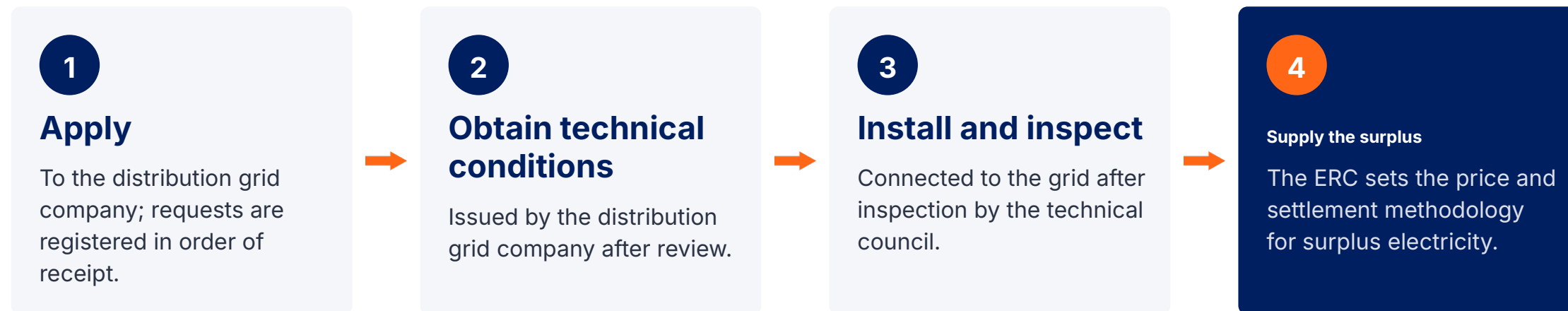
≤ 1.5 MW

Own use only, not grid-connected

No license required if it causes no harm to the environment or the public (up to 1.5 MW according to the ERC)

Apply to: not required

Connecting a consumer generator



Basis: "Regulation on Supplying Electricity Generated by Consumers' Renewable Energy Generators to the Distribution Grid", approved by Minister of Energy Order No. 159 of 2020 and amended by Order A/190 of 2024.

COMMON MISTAKES AND TIPS

Mistake → How to avoid it

- | | |
|---|---|
| 01 The auction is announced before company registration and tax certificate are ready | → Set up the company fully before looking for projects. |
| 02 Preparing under the old procedure (A/217, 6 kV) | → Check the new 2026 procedure (Order A/116) and the invitation terms. |
| 03 <small>Not budgeting for the line and substation up to the connection point</small> | → Get technical conditions early and include the cost in your financial model. |
| 04 Land not designated for energy use | → Check the certificate is granted for siting the generator . |
| 05 Starting work as soon as the construction license is issued | → Resolve environmental, land and construction start permits first . |
| 06 Incomplete beneficial ownership information | → Prepare AML and sanctions screening documents in advance . |
| 07 Late reporting | → Set reminders in the E-license system and report before the deadline . |

General advice



01

Bring in local experts early

Work early with a **lawyer and engineer** experienced in Mongolia's energy sector.



02

Get answers in writing

When in doubt, ask the **ERC or the Ministry of Energy** in writing — written answers are more reliable.



03

Check the current rules

The selection procedure was updated in 2025 and 2026. Check the **current version** on legalinfo.mn and energy.gov.mn.

Questions and answers

Can a foreign company obtain an energy license in Mongolia?

Yes — but through a subsidiary established and paying taxes in Mongolia.

Can I build a solar plant on a site of my choice and sell the electricity?

Large grid-connected projects are selected through Ministry of Energy **tenders and auctions**. Check the announced projects and invitation terms first.

Above what capacity do I apply to the ERC?

The ERC issues construction licenses for facilities **above 5 MW** with Ministry of Energy approval. Others are issued by aimag/capital regulatory councils.

Who buys the electricity?

Under LoRE Art. 10.1, you sign the ERC-approved model agreement with the **National Dispatching Center**.

Questions and answers

Q

Is the tariff set in US dollars?

The law sets price caps in US dollars, and bids in the 2026 auction were submitted in **US cents**. Confirm each project's tariff terms in the invitation and contract.

Q

Do I need a permit to install solar panels at home?

If connecting to the grid, obtain **technical conditions** from the distribution grid company (individuals up to 20 kW). If off-grid and for own use only, no license is required.

Q

Can I generate electricity once I have the construction license?

No. After commissioning, you must obtain a separate generation license.

Energy sector institutions

ENERGY LICENSES, TARIFFS

Energy Regulatory Commission (ERC)

Email info@erc.gov.mn

Web erc.gov.mn · license.erc.mn

TENDERS, AUCTIONS, FEASIBILITY STUDIES

Ministry of Energy

Email info@energy.gov.mn

Address Government Building XIV

Web energy.gov.mn

TRANSMISSION GRID CONNECTION

National Power Transmission Grid SOJSC

Email info@transco.mn

DISPATCH, PPA

National Dispatching Center

Web ndc.energy.mn

Environment, registration and investment

ADVICE FOR FOREIGN INVESTORS

Investment and Trade Agency

Phone 7700-1717 · 7555-1717

Email info@ita.gov.mn

Address Government Building XI

Web investmongolia.gov.mn

ENVIRONMENTAL ASSESSMENT

Ministry of Environment and Climate Change

Web eic.mn

COMPANY REGISTRATION

General Authority for State Registration

Web burtgel.gov.mn · e-business.mn

TAX REGISTRATION, CERTIFICATES

Mongolian Tax Administration

Web mta.gov.mn · etax.mta.mn

Phone numbers may change — please check the organization's website before calling.

Implementing Agency of the
Government of Mongolia
Investment and Trade Agency

LAWS, RULES AND WEBSITES

Always check official sources

Laws and regulations change, so check the current version before making
decisions.

Inquiries for foreign investors:

One-Stop Service Center

7555-1717 · 7700-1717



Links

Official legal database	legalinfo.mn
Law on Energy	legalinfo.mn/mn/detail/60
Law on Renewable Energy	legalinfo.mn/mn/detail/465
Law on Permits and Notifications	legalinfo.mn · lawId=16530780109311
Consumer generation regulation	legalinfo.mn · lawId=211259
Ministry of Energy — rules, tenders	energy.gov.mn
ERC — license information	erc.gov.mn/mn/license
ERC — E-license system	license.erc.mn
Environmental information database	eic.mn
Invest Mongolia — company setup guide	investmongolia.gov.mn/legal-guide
State registration	burtgel.gov.mn