

Georgian National Energy and Water Supply Regulatory Commission



When Balance is Achieved

Reforms – In Georgia

9th Workshop of Eastern Partnership NRAs

29 April 2021

Harmonization with the 3rd Energy Package

Transposition year 2019-2020

Electricity Acquis


Gas Acquis

Sustainability

- Law on Energy and Water Supply

- Law on RES
- Energy efficiency legislation

Start of Implementation year – 2021

- By-laws
 - Unbundling
 - Market development
- 



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Recent Legislative Developments

Normative act	Status	Adopting by
Law on Energy and Water Supply	Adopted in the end of 2019	Parliament
Law on Renewable Energy Sources	Adopted in the end of 2019	Parliament
Law on Energy Efficiency	Adopted in 2020	Parliament
Market Concept Design	Adopted in 2020	Government
Wholesale market rules	Adopted in 2020	GNERC
Retail market rules	Adopted in 2020	GNERC
Market Monitoring rules	Adopted in 2020	GNERC
TSO and DSO Unbundling rules	Adopted in 2020	GNERC
Licensees for market operation (DA and BM)	Adopted in 2020	GNERC
TSO certification	Adopted 2021	GNERC
Rules to define large consumers	Adopted in 2021	GNERC
RES Support mechanism - FiP	Adopted in 2021	Government
Security of supply rules	Adopted in 2020	Government
DSO licensing	In progress	GNERC
National Energy and Climate action plan (NECP)	Under preparation	Government
Public Service Obligation Rules	Under preparation	Government



Electricity Market in Transition

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Deregulated Power Plants



Import



Regulated power plants

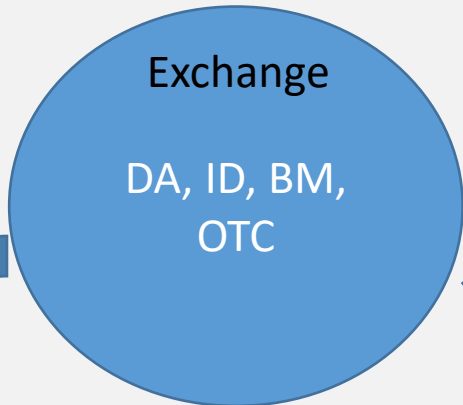


Renewables under Support



Thermal power plants

Deregulated Market Segment



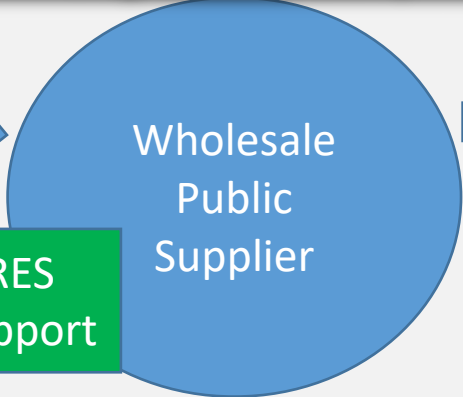
Export

Traders

Large Consumers

Free Suppliers

Regulated Market Segment (PSOs)



Up to 2026 year

Universal Suppliers





RES Support Mechanism in Georgia

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Support scheme

Feed in Premium

- Eligibility – All RES power plants bigger than 5 MW
- Premium up to – 1.5 \$ cent/kwh
- Strike price - 5.5\$ cent/kwh
- Plan to expand on all RES technology

Schemes under PPP law

- Adopted in 2018
- Possibility for public-private partnership
- Streamlined procedures
- Must have positive social-economic CBA
- Direct negotiation possibility for energy projects

Power Purchasing Agreements

- In force since – 2008
- Suspended due to the inconsistency with new market concept
- Under PPAs were constructed up to 500 MW capacity - 41 HPPs and 1 wind plant

Net-metering

- RES Generators up to 500 KW capacity included
- All retail consumers can benefit
- Group connection possibility
- More than 5 MW and up to 300 micro generators



Final Remarks

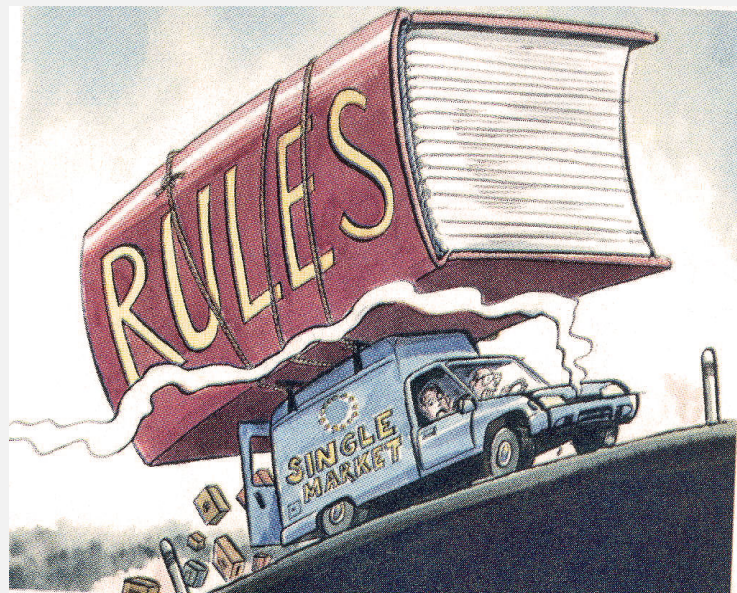
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Challenges:

- No direct connection with EU/EnC markets
- Compliance burden and administrative/legislative efforts
- Transition management and protection of consumers
- Operation Market Under PSO
- Negative influence of COVID19

Benefits:

- Transparent and high quality legislation
- Stable and robust environment
- Investment attractiveness
- Increased competition





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