

**2nd Annual Report
under the Energy Efficiency Directive**

Georgia

Prepared by: Ministry of Economy and Sustainable
Development of Georgia

July 2021

A. Key statistics and indicators

The annual reports referred to in EED Article 24(1) provide a basis for the monitoring of the progress towards national 2020 targets. Contracting Parties shall ensure that the reports include the minimum information provided in table below.

Please note that required reporting items listed in EED are put in table below. The recommended source of data is illustrative and should be shown in brackets (*, **, ***); adequate national sources should be checked /updated if Contracting Party is using other sources of data. Any other explanation regarding specific statistical data should be provided in footnotes below the table.

Estimation of key statistics and indicators in 2019	Value	Unit
Total primary energy consumption (**)	5101.4	ktoe
Total final energy consumption (**)	4592.0	ktoe
Final energy consumption – Transport (**)	1404.1	ktoe
Final Energy consumption – Industry (**)	732.6	ktoe
Final energy consumption – Households (**)	1300.7	ktoe
Final energy consumption – Services (**)	535.5	ktoe
Gross value added by sector – Industry (**)	13208.2	mil. GEL
Gross value added by sector – Services (**)	29929.6	mil. GEL
Disposable income of households (**)	50 940.7	mil.GEL
Gross domestic product (GDP) (**)	49.3	Bln.GEL
Electricity generation from thermal power plants (***)	244.2	ktoe
Electricity generation from combined heat and power (***)	N/A	ktoe
Heat generation from thermal power generation (***)	N/A	ktoe
Heat generation from combined heat and power plants, incl. industrial waste heat (***)	N/A	ktoe
Fuel input for thermal power generation (***)	572.9	ktoe
Total passages transport demand (**)	10353.8	Mln. pkm

Estimation of key statistics and indicators in 2019	Value	Unit
Total freight transport demand (**)	3905.9	Mln.. tkm
Combined transport kilometres (pkm + tkm), in case that separate values for pkm and tkm are not available (**)		
Population (**)	3.7235	millions

Table 1: Key energy statistics data.

(*) *Energy statistics*

(**) *State Statistical office*

(***) *Independent System Operator (ISO), electricity generation companies.*

B. Overview of energy consumption trends

In sectors where energy consumption remains stable or is growing, Contracting Parties shall analyze the reasons for it and attach their appraisal to the estimates.

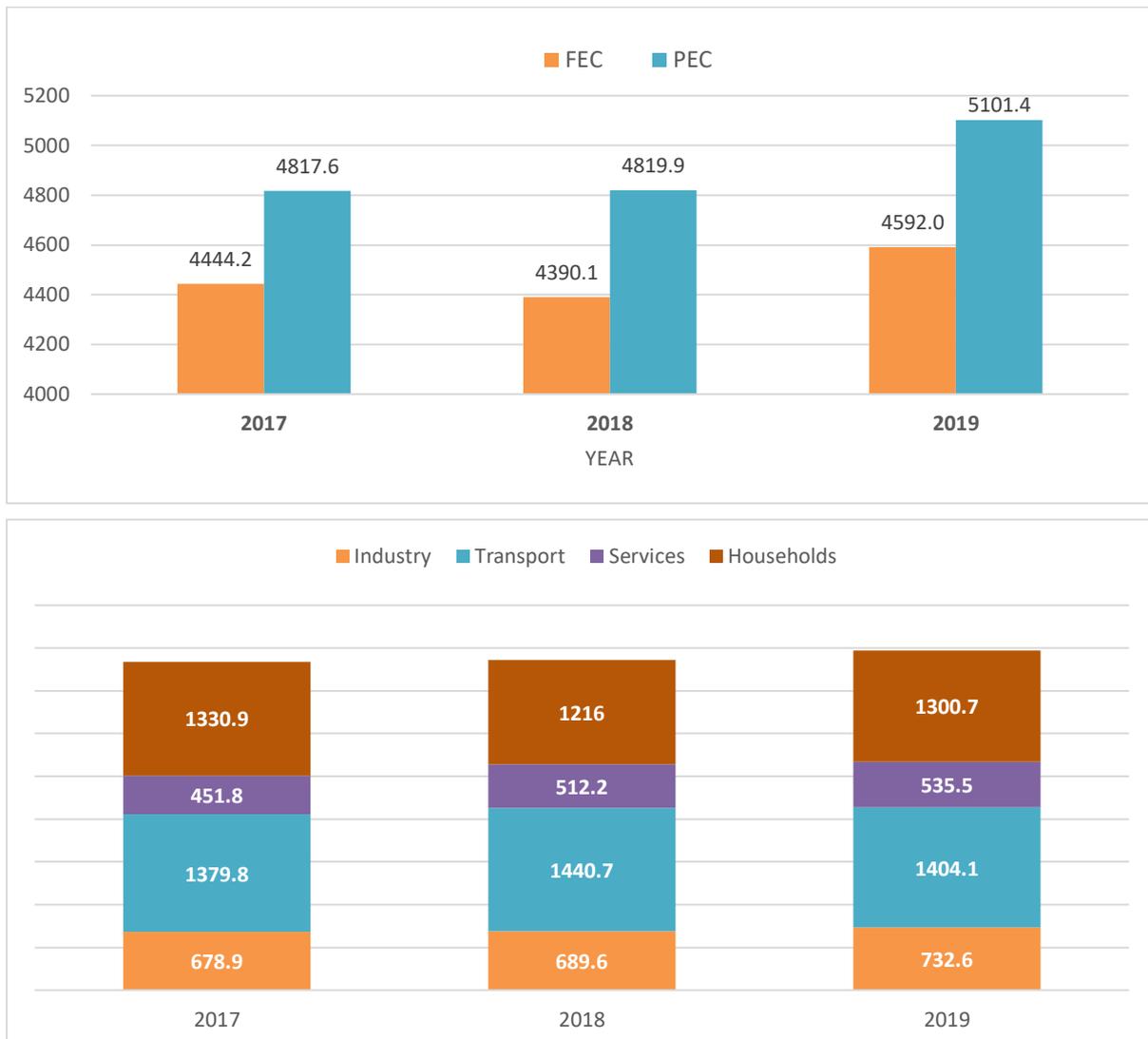


Figure 2: Final and primary energy consumption (Top) and final energy consumption per sectors (Bottom) in 2017 – 2019

The PEC and FEC for 2017 and 2018 were quantitatively similar, with slight variations due to a combination of different factors (Import/Export Tendencies, Electricity Generation variations, Coal Production, etc.), mostly in line with small Disparities observed in the previous years. In 2019 PEC had increased by 9.5%, and FEC has risen by 4% compared to 2018, which was caused mainly by increased imports of Natural Gas and slightly increased imports of Electricity and Oil Products, an overall decrease in all exports and internal production.

As indicated on the chart above, Final Energy consumption had increased in 2019 in all sectors but households, which saw a 2.5% decrease compared to 2018 (1% decrease compared to 2017). Overall,

the most significant increase in 2019 (7% compared to 2018, but 3% decreased compared to 2017) in FEC was in households. This is due to the growing demand for natural gas, following a shift from firewood and increased gasification and a possible increase of overall heated space. On the other hand, the consumption in service and industry sectors had increased by 4% and 6%, respectively, compared to 2018 (18% and 1% respectively compared to 2017).

C. National energy efficiency targets

The first report shall include the national target referred to in EED Article 3(1). In the annual reports referred to in EED Article 24(1) Contracting Parties may also include additional national targets. These may be related in particular to the statistical indicators enumerated in point (A) of this Part or combinations thereof, such as primary or final energy intensity or sectoral energy intensities.

Provide table on energy efficiency targets (most of them are known from the National Energy Efficiency Action Plan and/or Energy Strategy). Please change if other energy units than ktoe are used. Any additional explanations regarding specific target should be provided as footnotes below the table. If the annual redistribution of targets per sector and/or per different articles of EED is available, put the values in the table below. If the annual redistribution of targets is not defined, please provide numbers for 2020 and annual targets for Article 5 starting 2018 and Article 7 cumulative energy savings targets starting in 2017.

TARGETS	2017	2018	2019	2020	2021
EED ARTICLE 3 [ktoe or other unit]					
EED ARTICLE 5 [ktoe or other unit]					
EED ARTICLE 7 [ktoe or other unit]					
PEC [GWh]				57.729	
FEC [GWh]				54.838	
FEC - BUILDINGS [ktoe]					
FEC - INDUSTRY [ktoe]			689.6		
FEC - TRANSPORT [ktoe]			1440.7		
FEC – OTHERS [ktoe]					
PRIMARY ENERGY INTENSITY [toe/mil. international dollars]	127.1	83.1	82.3		
FINAL ENERGY INTENSITY [toe/mil. international dollars]	117.3	91.4	91.4		

Figure 1: Division of targets per sectors and per different articles of EED

In Figure 1, the obligatory fields are marked with smileys, since these values should be anyhow known from the NEEAPs (2021 targets - if available).

Figure 1 represents the targets and their division per sectors/articles and per year. Please note that the table given in Figure 1 describes the targets, while excel table (given in Report – Part 2) reports on annual achievements.

EED article 7 target should be reported as cumulative target, i.e. “cumulated” year-on-year, with overall 2020 target therefore as sum of all targeted savings during the whole implementation period 2017-2020 and 2021(if available).

D. Update of measures implemented in last year

• Legislative measures

From December, 2019 the Law of Georgia on Energy Labelling was enacted.

In May 2020 following laws have been approved by the Parliament of Georgia:

- a) Law on Energy Efficiency developed according to the Energy Efficiency Directive (EED 2012/27/EU)
- b) Law of Energy Efficiency of Buildings developed according to the Energy Performance of Buildings Directive (EBPD 2010/31/EU).

The secondary legislation remains to be adopted, but three by-laws (the rules of the energy performance of buildings certification, the rules of inspection of heating and air conditioning systems, the national methodology for calculating the energy performance of buildings) have been prepared.

The minimum energy performance requirements for buildings or building units and building elements was adopted by the Government of Georgia on July 13, 2021. While revision of draft the normative act on the national methodology for calculating the energy performance of buildings is finalizing and is expected to be approved by September, 2021.

The endorsement procedure of the abovementioned other two draft rules and also, preparation of remaining normative acts will continue within the recently launched EU/KfW funded technical assistance project under the Georgian Energy Sector Reforms Program.

In addition, the National Energy and Climate Plan (NECP) is being developed.

• Non-legislative measures

All other measures which indirectly or directly lead to the achievement of energy savings should be listed.

Energy efficiency renovation of six public buildings (including school, kindergarten and administrative building) finalized in 2019-2020 with the NEFCO E5P funding. Works (design and construction/renovation) for additional five public buildings are ongoing.

E. Central Government buildings (Article 5)

According to the Article 17 (1) (2) of the Law of Georgia on Energy Efficiency the Government of Georgia:

- a) ensures that 1% of the total useful floor area of heated and/or cooled buildings owned and occupied public bodies is renovated each year to meet the minimum energy performance requirements.
- b) ensures introduction of the energy management systems in the buildings and other premises owned and occupied by public bodies.

The requirement to renovate 1% of the total useful floor area shall not apply to:

- a) buildings which have a status of cultural heritage monuments in accordance with legislation in force in so far as compliance with minimum energy performance requirements would unacceptably alter their character or appearance;
- b) buildings owned by the defense forces or public body serving purposes of national/public security, apart from residential quarters or office buildings for the armed forces and other staff employed by national defense authorities;
- c) buildings used as places of worship and for religious activities;

According to the above-mentioned law the requirements set out in section 1 of article 17 of this Law shall apply to the buildings, in use of public bodies, with total useful floor area of more than 500m² till January 1, 2023. From January 1, 2023 the requirements set out in section 1 of article 17 of this Law shall apply to the buildings, in use of public bodies, with total useful floor area of more than 250m².

To implement this obligation (according to the Law of Energy Efficiency), Ministry started preparation of the Registry of the buildings owned and occupied by public administrative bodies, with information on the energy performance and other relevant information related to energy consumption of buildings.

F. Energy efficiency obligations (Article 7)

Analysis of the energy efficiency obligations suited for Georgia will conduct within Component 5 of the program –“Enabling Environment for Sustainable Development in Georgia funded by the Danish Neighborhood Program II (DANEP II)”. The Component 5 - “Experience in energy savings obligations (ESO) scheme improves energy efficiency” envisages development of Energy Savings/Efficiency Obligations (ESO/EEO) Schemes suited for the Georgian context after conducting a proper research.

NOTE:

Data on primary and final energy consumption in 2019 should be inserted in MS Excel Table (see Part 2 Report)!