Georgian National Energy and Water Supply Regulatory Commission

Reforms – In Georgia

9th Workshop of Eastern Partnership NRAs
29 April 2021
Harmonization with the 3rd Energy Package

Transposition year 2019-2020

Electricity Acquis
- Law on Energy and Water Supply

Gas Acquis
- Law on RES
- Energy efficiency legislation

Sustainability

Start of Implementation year – 2021
- By-laws
- Unbundling
- Market development
## Recent Legislative Developments

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<td>Market Concept Design</td>
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<td>TSO and DSO Unbundling rules</td>
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<td>Licensees for market operation (DA and BM)</td>
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<td>RES Support mechanism - FiP</td>
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<td>Security of supply rules</td>
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Electricity Market in Transition

Deregulated Market Segment
- DA, ID, BM, OTC
- Exchange

Regulated Market Segment (PSOs)
- Wholesale Public Supplier
- RES Support

Deregulated Power Plants
- Import

Regulated power plants
- Renewables under Support
- Thermal power plants

Export
- Traders
- Large Consumers
- Free Suppliers
- Universal Suppliers

Up to 2026 year
RES Support Mechanism in Georgia

**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

**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
#WhenBalanceisAchieved

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Deputy chairman of ECRB Electricity WG  
Chairman of ERRA Electricity Market Committee

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