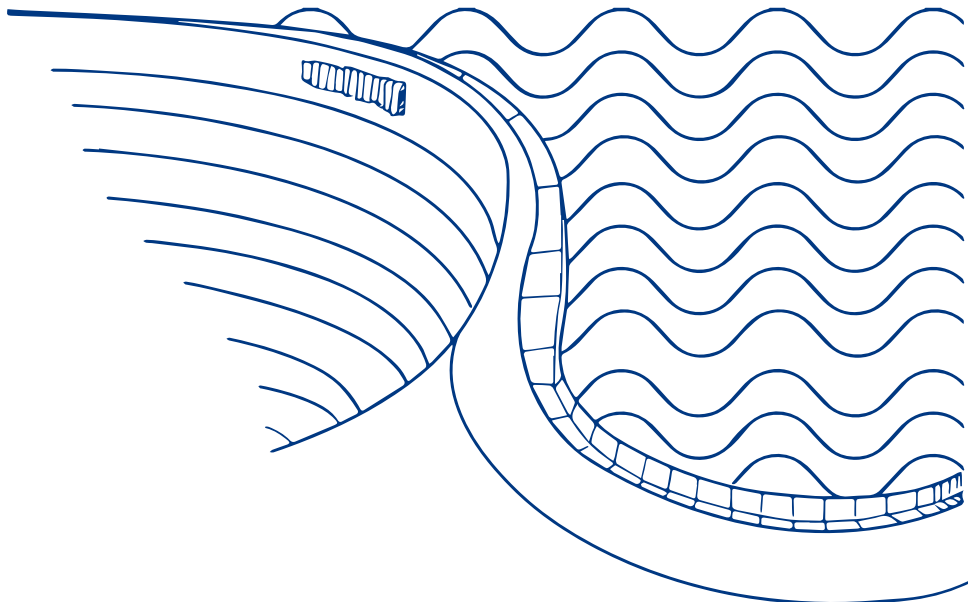


# Georgia

## Annual Implementation Report


















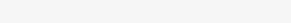
1 November 2022





# Georgia

## SUMMARY IMPLEMENTATION

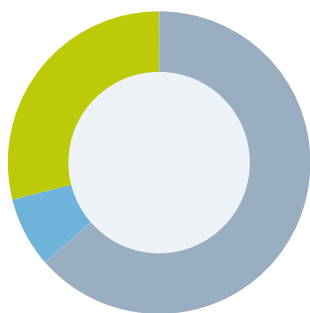
SUMMARY INDICATORS	IMPLEMENTATION STATUS	2022 HIGHLIGHTS
 Electricity	 65%	<p>The opening of the day-ahead, balancing and ancillary services markets has been postponed for the fourth time to 31 March 2023 and the opening of the intraday market to 30 June 2023. After two unsuccessful attempts, the transmission system operator is still not certified.</p>
 Gas	 31%	<p>Georgia made progress in developing a security of supply framework and preparing the foundation for the launch of the natural gas exchange.</p>
 Oil	 13%	<p>No progress occurred during the reporting period, and implementation remains at a low level. Lack of storage facilities is the main open issue.</p>
 Renewable Energy	 39%	<p>No substantial progress has occurred in Georgia in the reporting period, however, amendments to the Renewables Law, which are being drafted, should enable first auctions for renewable energy projects to start.</p>
 Energy Efficiency	 53%	<p>Georgia has achieved the national 2020 energy efficiency target, and during the reporting period submitted the Annual Progress Report and adopted several by-laws to implement the Energy Efficiency Law.</p>
 Environment	 64%	<p>Georgia has a good track record in the area of environment and is a frontrunner in the field of environmental liability.</p>
 Climate	 63%	<p>Georgia continued finalizing its draft NECP and its Long-term Strategy in the reporting period. The development of the draft climate law should continue in order to ensure the transposition of the Governance Regulation.</p>
 National Authorities	 49%	<p>GNERC demonstrates profound technical expertise and independent execution of responsibilities. Any action regarding the enforcement of the competition and State aid acquis in the energy sectors is missing.</p>
 Statistics	 97%	<p>GEOSTAT continues to prove its commitment to the completeness of energy and price statistics in Georgia, responding to the new requirements and improving the efficiency of its work.</p>

# State of Energy Sector Reforms

Georgia made some level of progress in the implementation of the electricity and gas acquis but experienced several setbacks, failing to unbundle its electricity and gas transmission system operators and advance the development of competitive organized electricity and gas markets. The country stagnated when it comes to renewables reforms.

Save for nature protection, Georgia continued its good performance in the area of environment. Its energy efficiency track record improved.

Georgia is in the early stages of preparation for the transposition of the 2021 Clean Energy Package. It has transposed the main elements of the Risk-preparedness Regulation.

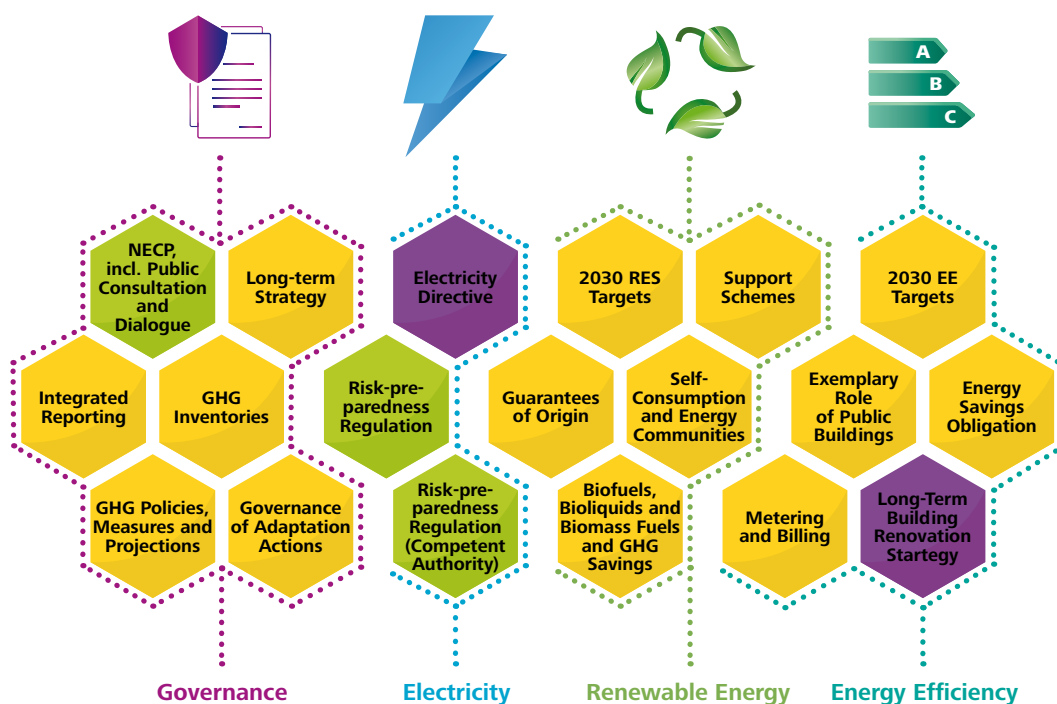


2020 Primary fuel mix in Georgia [ktoe]

- Solid fossil fuels
- Hydro
- Other renewables

Source: EUROSTAT

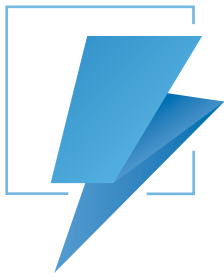
## Decarbonisation readiness - 2021 Clean Energy Package transposition



	Regulation (EU) 2018/1999	Directive (EU) 2019/944 and Regulation (EU) 2019/941	Directive (EU) 2018/2001	Directive (EU) 2018/2002
--	---------------------------	--	--------------------------	--------------------------

**Transposition status:**

- Planning / no steps taken
- Drafting process
- Final draft / approval process
- Approved and published



## ELECTRICITY IMPLEMENTATION

### UNBUNDLING

58% ↓

After two unsuccessful attempts, the transmission system operator JSC Georgian State Electrosystem (GSE) is still not certified. In July 2022, the Georgian National Energy and Water Supply Regulatory Commission (GNERC) issued a final negative decision as the separation of control between state authorities over energy companies remained unresolved. This is in breach of Energy Community law.

Both distribution system operators, Energo Pro and Telasi, are unbundled. The distribution companies appointed compliance officers in the reporting period following the approval of GN-ERC.

### ACCESS TO THE SYSTEM

68% ↑

The connection fees and network tariffs are transparent and published.

GSE prepared a new transmission network code, implementing also the Connection Codes. The chapters related to metering and management of cross-border capacity are still to be completed and the code is to be resubmitted to the regulator for approval by the end of December 2022.

Despite the transposition of the Transparency Regulation, only limited data is published on the ENTSO-E Transparency Platform.

### WHOLESALE MARKET

66% ↑

The deregulation of HPPs below 65 MW was completed by 1 May 2022 as scheduled under the Electricity Market Concept Model. The next step is to deregulate HPPs below 75 MW from 1 May 2024 based on the latest concept amendments.

In May 2022, the Georgian Energy Exchange was granted a license from GNERC to operate the day-ahead and intraday markets and GSE was licensed to operate the balancing and ancillary services markets. A dry-run of the day-ahead and balancing markets is ongoing. GNERC approved the Rules for the Bilateral Contract Market and revised the Rules for Balancing and Ancillary Services Market in July 2022 to address shortcomings and gaps identified.

Nevertheless, the Government took a decision to postpone the opening of the day-ahead, balancing and ancillary services markets for the fourth time to 31 March 2023 and the opening of the intraday market to 30 June 2023. To prevent further delays, the ministry, in consultation with the Secretariat, drafted a roadmap reflecting the most relevant measures to be undertaken until 31 March 2023. This roadmap has not been adopted to date.

Major progress was made by the transposition and implementation of the Regulation on Integrity and Transparency of the Wholesale Energy Market (REMIT).

### RETAIL MARKET

65% ||

The retail market is to be deregulated according to the schedule annexed to the Electricity Market Concept Model. Customers connected to 35 - 110 KV and 6 - 10 KV with no less than 1 million kwh per month will be subject to regulated tariffs until 31 March 2024 and all other customers will be deregulated (except small enterprises and households) until 1 July 2026. A supplier switching platform is ready and will be launched once the market is open from 1 April 2023.

The concept of vulnerable customers is broadly defined by the primary legislation, but the relevant secondary legislation is still to be developed. The protection of certain consumer groups is addressed in several governmental resolutions and secondary legal acts. In November 2021, the Government approved measures to define vulnerable customers as foreseen by the Law of Georgia on Energy and Water Supply, however, without specifying any new or consolidating existing measures.

### REGIONAL INTEGRATION

n.a

Georgia has not transposed the TEN-E Regulation. The national competent authority has not been established. The regulatory agency adopted the Rule for Appraisal of Investments in the Electricity and Natural Gas Sectors. It is still to publish the methodology and criteria used to evaluate investments in electricity and gas infrastructure projects, primarily related to the Projects of Mutual Interest (PMI).

The adoption of the TEN-E Regulation would potentially accelerate the realization of the Black Sea submarine cable project which aims to connect the South Caucasus region directly to

South-East Europe via a sub-marine cable crossing the Black Sea. The project application was selected in the list of projects to be potentially included in the ENTSO-E TYNDP 2022.

Georgia is not interconnected with other Contracting Parties or EU Member States. Thus, no regional integration at the Energy Community level is taking place at present. Until Georgia has a physical interconnection with the EU or the Energy Community electricity markets, a derogation from cross-border cooperation rules applies. At this stage, there is no coordinated capacity allocation of cross-border capacities with neighbouring countries, except bilateral cross-border capacity allocation on the interconnectors with Türkiye. Nevertheless, rules for management of cross-border electricity flows and capacity allocation were drafted as part of the transmission grid code. Agreements with neighbouring transmission system operators and development of the framework for market-based mechanisms for cross-border exchange are still to be signed by 31 March 2023.

## SECURITY OF SUPPLY

94%

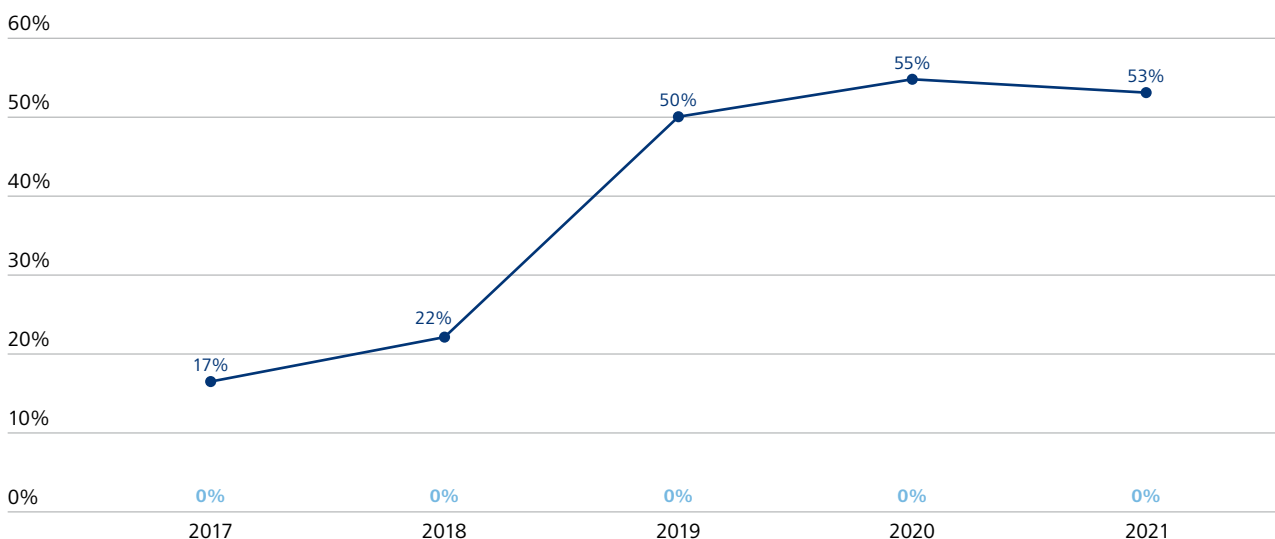
Georgia transposed the majority of provisions of Regulation (EU) 2019/941 in its Electricity Security of Supply Rules. The draft Risk Preparedness Plan was prepared under the EU4Energy Governance project.

The Law on Information Security partially transposes NIS Directive (EU) 2016/1148 and the key provisions of Directive 2008/114/EC in the context of critical information and communication infrastructures. The Law defines security criteria for the public and private entities, including energy. The Digital Governance Agency (DGA) defines cybersecurity standards for critical information systems. DGA and GNERC have started a process of critical information system identification.

## RECOMMENDATIONS / PRIORITIES

Georgia continues to reform the electricity sector, however, progress is modest and more efforts are needed to complete certification of GSE, and to ensure opening of the day-ahead market on 1 April 2023.

### Retail Market Opening



Supply to active eligible customers in % for Georgia

Supply to active eligible customers in % for the Energy Community (weighted average %)

Source: Ministry of Economy and Sustainable Development, compiled by the Energy Community Secretariat



# Georgia Gas

## GAS IMPLEMENTATION

### UNBUNDLING

20% ||

The state-owned transmission system operator, Georgian Gas Transportation Company (GGTC), is not yet unbundled nor certified. The incumbent gas transmission system operator, GGTC, re-applied for certification to the regulator GNERC in February 2022 under the independent system operator model. However, it was unsuccessful as Georgia failed to ensure separation between public bodies controlling competitive and network-related activities. This resulted in GNERC's refusal to certify GGTC in July 2022 in line with the Third Energy Package. Despite some progress achieved in complying with unbundling requirements such as the establishment of a daughter company of the incumbent supplier and importer GOGC, the Georgian Natural Gas Transmission Network Owner (NGTNO), and the signing of a lease agreement between NGTNO and GGTC, Georgia is still in breach of the gas acquis. Unbundling plans of distribution system operators were submitted to the energy regulator GNERC, however, they were not approved.

### ACCESS TO THE SYSTEM

30% ↑

The Natural Gas Network Rules adopted in 2018 ensure transparent and non-discriminatory third party access. The introduction of an entry-exit tariff methodology is not in place yet. Georgia is exempt from performing capacity allocation on the interconnection points and interoperability and data exchange rules. However, third party access to the national network is not affected by that exemption.

Georgia transposed the Balancing Network Code but GNERC opted to implement the code 24 months after its transposition, as permitted by the acquis. Natural Gas Distribution Network Rules are in place.

### WHOLESALE MARKET

36% ↓

An organized wholesale natural gas market does not exist yet in Georgia. Transactions are carried out through bilateral contracts. The Georgian Gas Exchange, established in 2021, is planned to be merged with the Georgian Energy Exchange dealing with electricity exchange operation and development. In practice, the exchange is inactive. There is no virtual trading point in Georgia. The foreseen launch of the natural gas exchange by the end of 2022 under the Natural Gas Market Concept Design has been delayed. SOCAR affiliated companies are holding dominant positions in the wholesale market, resulting in the market being highly concentrated. The commercial sector, although under unregulated prices, suffers from non-transparent price formation which affects its competitiveness.

### RETAIL MARKET

20% ↑

Households and thermal power plants are supplied under regulated prices and heavily subsidized by the state-owned company, GOGC, leading to cross-subsidization and affecting the proper allocation of its revenues and costs. The public service obligation mechanism for retail suppliers was drafted but remains to be adopted. Prices are deregulated for the commercial sector including industry and small enterprises. GNERC approved the Natural Gas Retail Market Rules, which address the protection of certain consumer groups together with other governmental resolutions. However, a clear definition of vulnerable customers in the meaning of the law and an efficient mechanism for their protection are still missing.

### INTERCONNECTIVITY, REGIONAL INTEGRATION

42% ↓

As Georgia is only connected with third countries, it is exempt from the application of the Energy Community gas acquis at interconnection points.

### SECURITY OF SUPPLY

60%

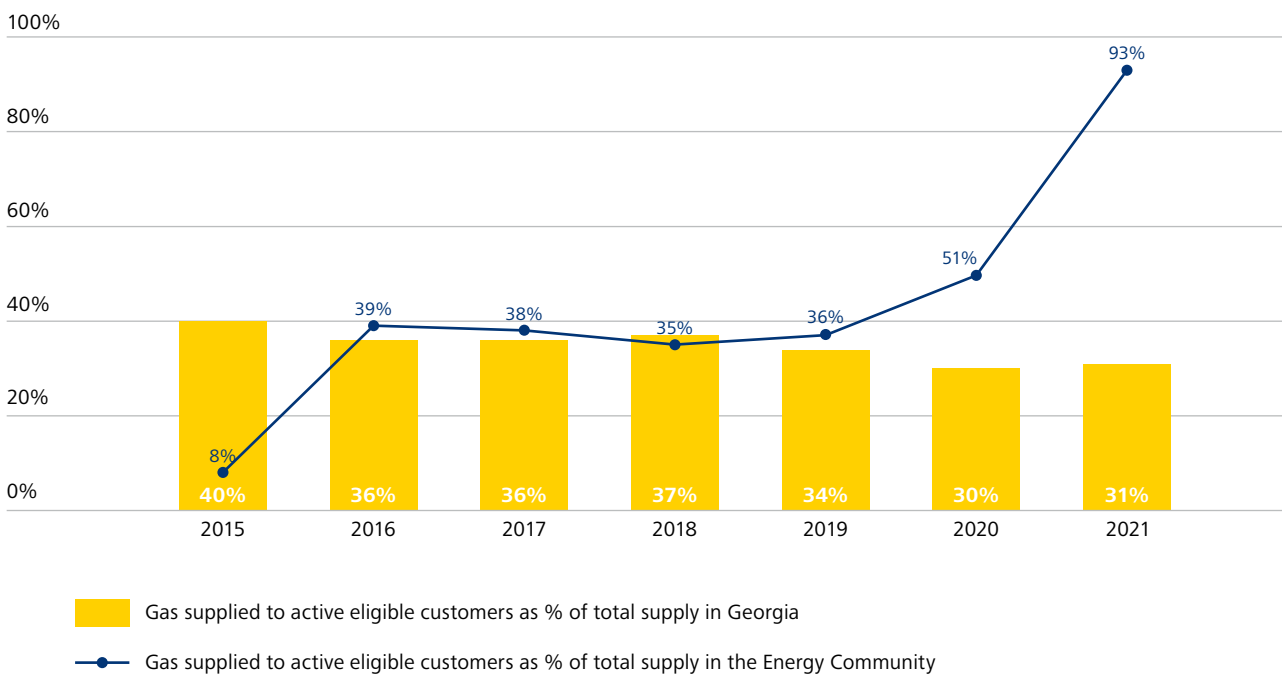
Georgia transposed Directive 2004/67/EC and is expected to transpose Regulation (EU) 2017/1938 by adopting the Rules on Security of Natural Gas Supply in the course of 2022. The country does not have gas storage.

## RECOMMENDATIONS / PRIORITIES

Georgia must unbundle and certify its gas transmission system operator. It needs to adopt entry-exit transmission tariffs compliant with the Tariffs Network Code.

Georgia needs to speed up the process of developing a competitive organized gas market. The proper rules and secondary legal acts for this are still pending, including in the areas of vulnerable customers and security of supply, as required by the Energy Community acquis.

### Retail Market Opening



Note: The weighted average level of market opening in the Energy Community was calculated assuming the full opening of gas retail market in Ukraine for the whole 2021. However the full retail market opening took place on 1st May 2021.

Source: Ministry of Economy and Sustainable Development, compiled by the Energy Community Secretariat

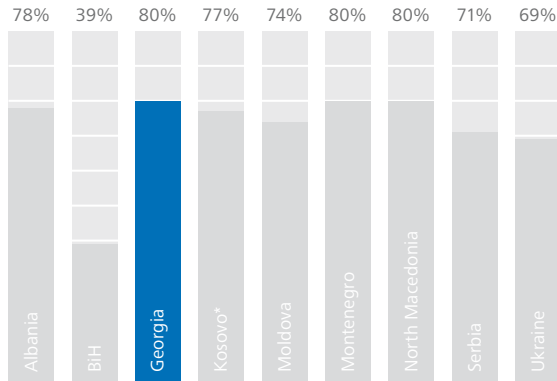


# Georgia

## National Authorities



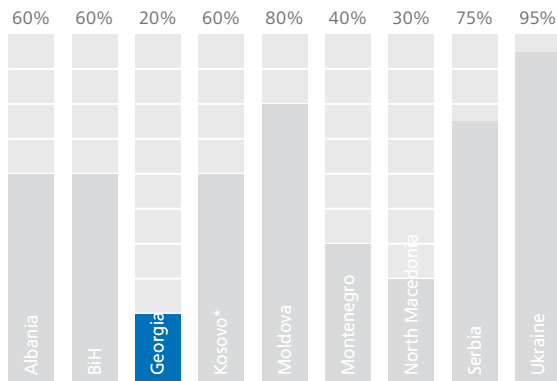
### Regulatory Authority



The Georgian National Energy and Water Supply Regulatory Commission (GNERC) transposed the REMIT Regulation into the national market rules and adopted criteria based on which derogations from the Electricity Network Codes can be granted. GNERC has prepared rules for future opening of the day-ahead market and balancing rules and monitors market testing by the market operator. According to the decision of GNERC, the final adoption of the rules for market opening, such as the transmission code, still require assessment by GNERC. GNERC representatives continue to actively contribute to ECRB activities and discussions/activities on potential electricity transmission capacity allocation with Türkiye.



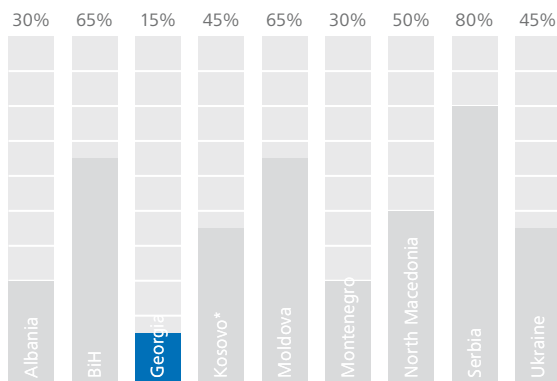
### Competition Authority



While the Competition Agency is responsible for the enforcement of competition law in general, the regulatory authority, GNERC, is responsible for its enforcement in the electricity and natural gas sectors. GNERC has never pursued a case based on infringements of competition law. In the absence of any action regarding the enforcement of the competition acquis in the energy sectors, Georgia fails to comply with its obligations under the Treaty.



### State Aid Authority



The current Law on Competition is not aligned with the State aid acquis. In particular, it does not contain an obligation to notify aid before it is granted; fails to grant the power to render negative decisions and order recovery; and contains broader grounds of compatibility. The enforcement of the State aid acquis in the energy sector is lacking since neither the Competition Agency nor GNERC consider themselves to be competent; Georgia, therefore, does not live up to its obligations under the Treaty.





# Georgia Oil

## OIL IMPLEMENTATION

### OIL STOCKHOLDING OBLIGATIONS 0% ||

No progress was achieved during this reporting period.

The draft Oil Stockholding Act was not adopted. The availability of storage capacities for emergency oil stocks remains a key concern.

The Government has requested a five-year extension of the full implementation deadline.

### RECOMMENDATIONS / PRIORITIES

The Oil Stockholding Act should be adopted as priority.

The national fuel quality monitoring system should be established within 2023.

### FUEL SPECIFICATIONS 50% ↓

The sulphur content limit on diesel remained the same during the reporting period, 50 ppm. As of January 2023, the 10 ppm limit, which was previously postponed by the Government, will finally apply. There are no specifications relating to gas oil used for non-road mobile machinery. A national fuel quality monitoring system that includes sampling and analyses of fuels is not established.



# Georgia Renewable Energy

## RENEWABLE ENERGY IMPLEMENTATION

### NATIONAL RENEWABLE ENERGY ACTION PLAN

25% ||

Due to its late accession to the Energy Community, Georgia adopted the NREAP only at the end of 2019. The document contains measures to promote renewable energy; however, there is no 2020 target.

### QUALITY OF SUPPORT SCHEME

50% ||

The feed-in premium scheme, which was previously limited to hydro, was amended in January 2021 to cover all renewable power plants with installed capacity higher than 5 MW. Existing hydro producers, supported through guaranteed power purchase agreements, are exempt from balancing responsibility. At the moment, the Government is developing a new support scheme for renewable energy projects based on market principles.

### GRID INTEGRATION

72% ||

Guaranteed priority access for renewable energy producers is envisaged by the law. Procedures and deadlines for connection to the transmission grid are defined in the grid code. Connection costs to the distribution grid depend on an offer from the distribution system operator. As this leaves room for interpretation, the regulator is working on the establishment of connection fees.

### ADMINISTRATIVE PROCEDURES AND GUARANTEES OF ORIGIN

49% ||

No progress was made to simplify administrative procedures and establish a one-stop shop in the reporting period. Georgia joined the Energy Community initiative to establish a regional system for guarantees of origin. The national electronic registry for guarantees of origin in Georgia was created and can be utilized as soon as Georgian State Electrosystem (GSE), as the designated issuing body, signs a direct agreement with the service provider. As preparation for the agreement, GSE is finalizing rules on use of the registry. On 23 December 2021, the Georgian National Energy and Water Supply Regulatory Commission (GNERC) adopted Rules for Issuance of a Certificate of Origin for Electricity Received from Renewable Sources.

### RENEWABLE ENERGY IN TRANSPORT

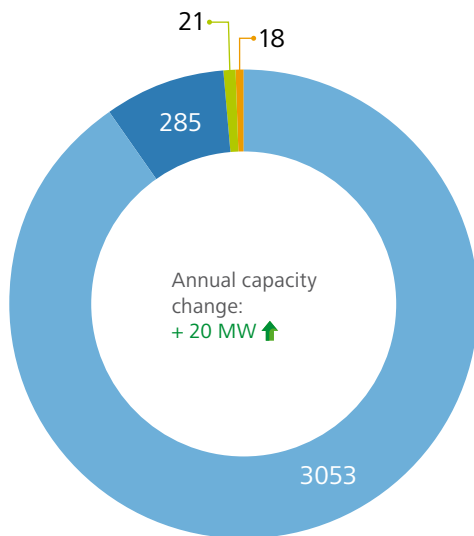
0% ||

Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. Acts are planned to be drafted under the Georgian Energy Sector Reforms Programme.

## RECOMMENDATIONS / PRIORITIES

Georgia should adopt the amendments to the renewables law to transpose and implement Directive (EU) 2018/2001. Permitting procedures should be simplified and streamlined to enable faster deployment of renewables. GSE, as the designated issuing body for guarantees of origin, should sign a direct agreement with the service provider and start using the national electronic registry developed during the regional project.

## Total Capacities of Renewable Energy 2021 (MW)



- Large hydropower
- Small hydropower <10 MW
- Wind
- Solar

Source: Ministry of Economy and Sustainable Development

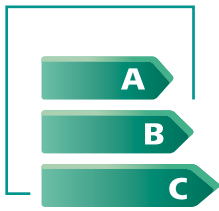
The Georgian renewable power portfolio is mostly based on hydropower. Georgia put efforts into diversifying its production and promoting the use of renewable energy despite not having a binding target for 2020.

Besides more than 3000 MW of large hydropower plants and almost 300 MW of small hydropower, Georgia has in operation one wind park (Gori, 20,7 MW) and 18 MW of mostly solar rooftop installations.

On 1 July 2021, the tendering procedure for the implementation of the Udabno solar power project with installed capacity of 5 MW started. In 2021, the winner was announced and the partnership agreement was signed. On 17 May 2022, the Government of Georgia and the project developer signed an agreement on the feasibility study.

Total capacities of renewable energy (MW):

3377



# Georgia

## Energy Efficiency

### ENERGY EFFICIENCY IMPLEMENTATION

#### ENERGY EFFICIENCY TARGETS AND POLICY MEASURES

75% ↑

Georgia has achieved the national 2020 energy efficiency target and submitted its Annual Progress Report to the Secretariat in June 2022.

The specific targets required under the Energy Efficiency Directive were introduced by the Energy Efficiency Law adopted in May 2020. This Law is currently being amended in accordance with the latest amendments of the Energy Efficiency Directive, adopted by the Ministerial Council in 2021.

In the reporting period, Georgia adopted several by-laws to implement the Energy Efficiency Law, including procedures and guidelines for the implementation of energy efficiency criteria in public procurement procedures. The online platform for monitoring and verification of savings was completed with EU4Energy support and administered by the Ministry of Economy and Sustainable Development of Georgia.

The 2030 energy efficiency targets and policy measures are already set in the National Energy Efficiency Action Plan (NEEAP). The updated targets will be incorporated in the country's National Energy and Climate Plans (NECP).

#### ENERGY EFFICIENCY IN BUILDINGS

72% ↑

Georgia recently established the registry of central government buildings and drafted the by-law on the rules of the registry. The Law on Energy Performance of Buildings is in place. The minimum energy performance requirements for buildings or building units and building elements and the national calculation methodology for buildings energy performance were adopted. The remaining by-laws (certification rules, regulation on inspection of heating and air-conditioning systems, etc.) are in the drafting or adoption procedure.

#### ENERGY EFFICIENCY FINANCING

47% ||

The Energy Efficiency Law established the legal framework for the energy services market. The relevant by-laws and model contracts for energy performance contracting are in the drafting phase, supported by an EU/ KfW technical assistance programme.

While there is no public financing framework (i.e. a national energy efficiency fund), several international technical assistance and investment programmes support energy efficiency improvements, especially in the buildings sector.

#### ENERGY EFFICIENT PRODUCTS – LABELLING

41% ||

The Law on Energy Labelling adopted in 2019 transposed Framework Labelling Regulation (EU) 2017/1369. The drafting of the majority of implementing product regulations required by the Law is completed. Certain draft regulations need to be updated to reflect the latest version of rescaled labels.

#### EFFICIENCY IN HEATING AND COOLING

32% ↑

Georgia has no district heating or cooling systems. An assessment of high-efficiency cogeneration and efficient district heating and cooling potential is still pending. The rules on cost-benefit analysis of heating and cooling systems were adopted. The rules on inspection of heating and air conditioning systems were prepared but their adoption is pending.

#### RECOMMENDATIONS / PRIORITIES

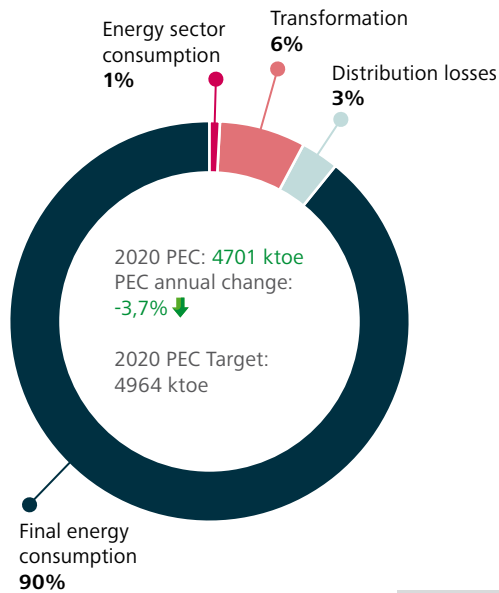
Georgia's focus should remain on the adoption of the large number of drafted by-laws needed to implement the Energy Efficiency Law, the Energy Efficiency in Buildings Law and the Labelling Regulation.

Institutional capacities and expertise for energy efficiency should continue to be strengthened, including the allocation of more staff to the energy efficiency field within the Ministry of Economy and Sustainable Development, as well as launching new training programmes for energy performance certification of buildings, energy audits and energy management.

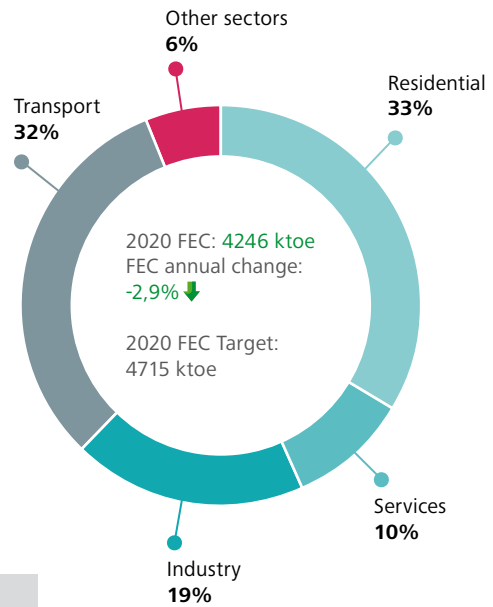
Adequate engagement of the private sector requires the further development of the market for energy services, including the finalisation and adoption of the enabling by-laws and model contracts for energy performance contracting. Finally, to increase efficiency in heating and cooling, Georgia should establish support programmes for individual households and buildings.

## 2020 Energy Efficiency Indicators and Trends

### Primary Energy Consumption (PEC)



### Final Energy Consumption (FEC)



Energy intensity,  
 2020 value and trends:  
 0,38 ktoe/mil EUR, +3,0% ↑

Source: EUROSTAT 2022 data and Contracting Party's Annual Reports under Directive 2012/27/EU

## Energy Efficient Products – Overview of Implementation of Labelling Regulation

FRAMEWORK REGULATION*											
Household dishwashers											
Fridges and freezers*											
Household washing machines											
Televisions											
Air conditioners and fans*											
Household tumble driers											
Electrical lamps and luminaires											
Solid fuel boilers*											
Space heaters*											
Water heaters & storage tanks											
Domestic ovens and range hoods											

● Adopted and implemented    
 ● Compliance or implementation issues detected    
 ● No progress with adoption/implementation

\* The new labelling package adopted by the Ministerial Council in November 2018 was assessed, as the transposition deadline expired in January 2020.

Source: multiple sources of data (EECG reports, NEEAPs etc.), compiled by the Energy Community Secretariat



# Georgia Environment

## ENVIRONMENT IMPLEMENTATION

### ENVIRONMENTAL ASSESSMENTS

60% ↑

Amendments to the Environmental Assessment Code introduced in March 2022 changed the competent authority for the environmental impact assessment (EIA) and the strategic environmental assessment (SEA), namely the National Environmental Agency (NEA). The transboundary assessments remained within the responsibility of the Ministry. The application of the transitional provisions of the code concerning unauthorized projects was extended with the amendments. This creates a situation where unauthorized projects do not undergo an EIA. The concerns raised by civil society relating to hydropower development projects and public participation in the decision-making process were not addressed and the e-platform aimed at improving the participation process was not established.

The SEA for the National Energy and Climate Plan (NECP) was initiated, however, the scope of the SEA report, obligatory by Article 5(4) of the SEA Directive and a critical phase in preparing the SEA report, was not determined despite that the draft was updated after the NECP's public consultation meetings in March 2022.

### SULPHUR IN FUELS

67% ↑

The requirements and thresholds of the Sulphur in Fuels Directive, including those on marine fuels, are transposed by the Government Order on the Establishment of Sulphur Content Limit Values since 2021. Penalties for violations of the established fuel quality thresholds were increased significantly and state control of fuel quality was strengthened. An amendment to establish a sampling system and appropriate analytical methods via official laboratories was drafted but not adopted yet.

### LARGE COMBUSTION PLANTS

73% ↑

Georgia complied with its reporting obligations under the Large Combustion Plants Directive in April 2022. There are in total five gas-fired installations: two existing and two new plants falling under the scope of the Large Combustion Plants Directive, and one new plant under the Industrial Emissions Directive. The average emissions of all plants are compliant with the emission limit values of the respective Directives. The new Law on Industrial Emissions, introducing the integrated permit system and the concept for the use of the best available techniques, is prepared and to be submitted for parliamentary approval.

### NATURE PROTECTION

40% ↓

In 2022, Georgia developed the draft Law on Biological Diversity that sets rules and procedures for the identification and extension of the Emerald Network as well as provisions on project permit and monitoring procedures. The Law will also prohibit the deliberate killing or capture of strictly protected or protected wild birds and other wild animal species, as well as the destruction, damage or collection of their nests, lairs, burrows, eggs or spawns, deliberate destruction of migration and water access routes or watering places. The National Red List of Georgia was updated in 2022 in line with the International Union for Conservation of Nature (IUCN) assessment criteria. The results of the new assessment, along with international obligations, provide the basis for defining the strictly protected and protected species status under the Law on Biological Diversity (once adopted).

### ENVIRONMENTAL LIABILITY

80%

The Law on Environmental Liability, which transposes the relevant provisions of the Directive, is in force since March 2021. The Law prescribes fault-based liability as the common standard of environmental liability. However, it also envisages the case of strict environmental liability for particularly hazardous activities. Financial instruments are provided in the form of insurance or bank guarantees. In the first half of 2022, four government resolutions necessary for the implementation of the Law were adopted.

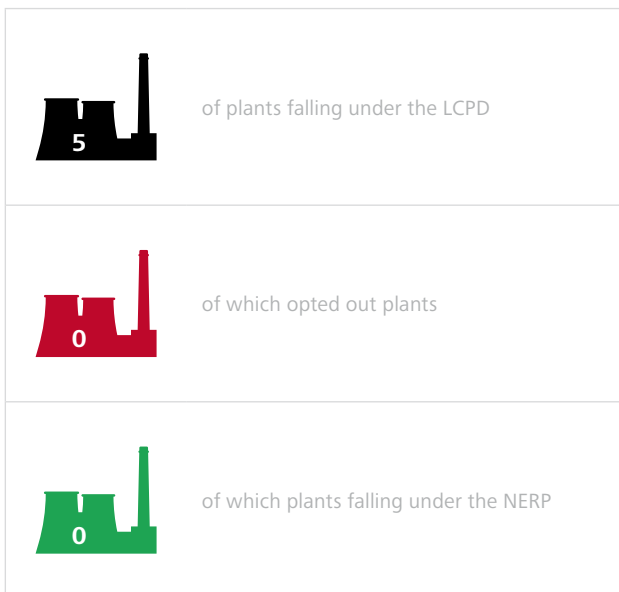
## RECOMMENDATIONS / PRIORITIES

The capacities of the competent authority in the EIA and SEA procedures must be improved. The decision-making process for revised projects that were already approved under previous legislation must be aligned with the EIA Directive. The establishment of the e-platform for improving the consultation process in the EIAs/SEAs should be a priority. The Government should reconsider developing a mediation mechanism that would provide an opportunity for resolving environmental disputes before energy projects are granted permits. The scoping report, part of the SEA process for the draft NECP, must be prepared and consulted with the public and authorities concerned. The SEA report and the outcome of the consultations should be taken into account in the preparation of the final NECP in line with Article 8 of the SEA Directive.

The adoption of the Law on Biological Diversity should be a priority. Technical and financial support for the development of management and monitoring plans for the special protection areas (SPAs) for birds should be secured. Management and monitoring plans for the 24 SPAs should be prepared and enforced with a special focus on the protection of breeding and migratory birds concentrated in migratory corridors and high mountain ranges.

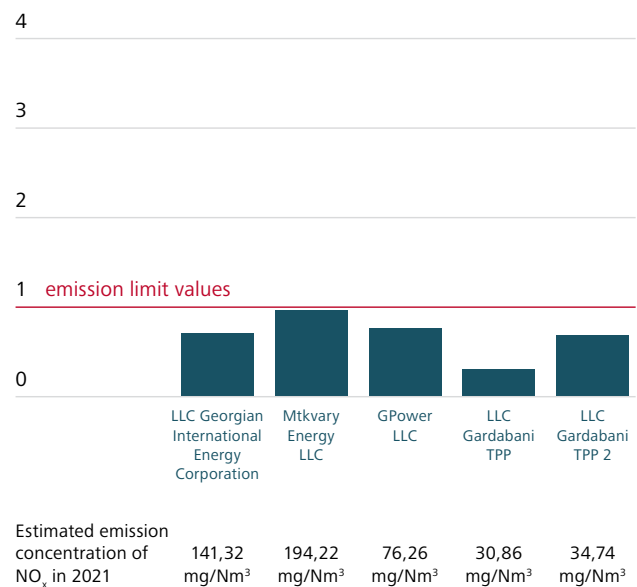
Amendments related to the transposing legislation of the Sulphur in Fuels Directive envisaged by Georgia should be adopted to ensure full compliance with the Directive's provisions.

### Installations under the Large Combustion Plants Directive

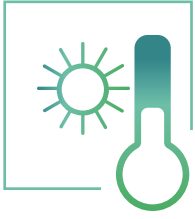


Source: compiled by the Energy Community Secretariat

### 2021 emissions of NO<sub>x</sub> versus applicable emission limit values (ELV)



Source: calculated by the Energy Community Secretariat



# Georgia Climate

## CLIMATE IMPLEMENTATION

### NATIONAL GREENHOUSE GAS EMISSIONS MONITORING AND REPORTING SYSTEMS

56% ↑

The development of Georgia's Long-Term Low Emissions Development Strategy continued in 2021 and 2022, with the end of 2022 as the target date for adoption.

### NATIONAL ENERGY AND CLIMATE PLANS (NECPS)

70% ↑

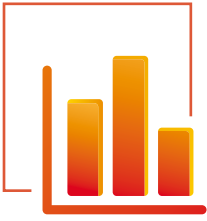
Georgia started working on the preparation of the Climate Change Law, which is expected to transpose the climate-related parts of the Governance Regulation.

Georgia extensively discussed its draft NECP in a series of working group meetings including with representatives of civil society in 2021 and early 2022. Both the reference and policy scenarios have been finalized, while smaller refinements are being made to reflect the discussions on the 2030 Energy Community targets. The text of draft NECP is also being updated to ensure consistency with the Energy Community 2030 targets for Georgia. It is planned to be subject to public consultation at the end of 2022 and adopted in the first half of 2023.

## RECOMMENDATIONS / PRIORITIES

Georgia is encouraged to finalize its Long-Term Low Emissions Development Strategy and submit it to the Secretariat as outlined in the Governance Regulation. The development of the Climate Change Law should take into consideration the obligation to transpose the Governance Regulation.





# Georgia Statistics

## STATISTICS IMPLEMENTATION

### ANNUAL STATISTICS

93% ↓

The energy balances produced by the national statistics institute, GEOSTAT, are in compliance with Annex B of Regulation (EC) 1099/2008 on energy statistics. The five questionnaires are being transmitted to and published by EUROSTAT. Disaggregated data on final energy consumption of households are reported to EUROSTAT in the defined questionnaire format.

The quality report with the metadata for transmitted energy statistics for the previous reporting cycle was submitted to EUROSTAT, as required by the Regulation, but was not published yet. It has to be updated in accordance with the new predefined format for quality reporting in the 2022 cycle, and submitted to EUROSTAT.

As regards the questionnaires that are not mandatory yet, preliminary versions with data for 2021 were prepared and transmitted on time, whereas the questionnaire on renewables shares (SHARES) was not submitted.

### MONTHLY STATISTICS

100% ↑

Georgia has been transmitting all monthly data collections from Annex C of Regulation (EC) 1099/2008 timely.

### PRICE STATISTICS

100% ||

The transmission of statistics on prices of natural gas and electricity charged to end-users, broken down by consumption band, taxation level and price component, has been conducted from 2018 onwards in full compliance with the acquis.

Quality reports on electricity and natural gas price statistics are transmitted and published.

## RECOMMENDATIONS / PRIORITIES

The responsibility for reporting on the shares of renewable energy in gross final consumption in the SHARES tool should be assigned without delay.