

National Emergency Management Plan in the Natural Gas Sector of Georgia
(Draft)

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The draft for the National Emergency Management Plan in the Natural Gas Sector of Georgia has been developed by the Georgian Oil and Gas Corporation, under the instructions of the Ministry of Economy and Sustainable Development of Georgia (see attachment: letter # 23/6837 of the Ministry of Economy and Sustainable Development of Georgia dated September 17, 2024).

The results of the Risk Assessment and Preventive Action Plan documents, prepared by the LLC Georgian Gas Transportation Company and financed through the consulting services of the United States Agency for International Development (USAID) Securing Georgia's Energy Future Program, have been incorporated into the preparation of the Emergency Management Plan. At various stages of the plan's development, relevant stakeholders were involved, including the Energy Policy and Investment Projects department of the Ministry of Economy and Sustainable Development of Georgia, LLC Georgian Gas Transportation Company, Georgian Natural Gas Transmission Network Owner LLC JSC Georgian State Electrosystem as well as representatives from thermal power plants, direct consumers, and distribution companies.

For additional information and comments, you can use the contact information:

Phone: (+995 32) 2 24 40 40

E-mail: public@gogc.ge

Approved

By order of the Minister of Economy and Sustainable Development of Georgia

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National Emergency Management Plan in the Natural Gas Sector of Georgia

Introduction

The main objective of preparing the National Emergency Management Plan in the Natural Gas Sector is to ensure the security of gas supply to consumers and to mitigate or eliminate potential challenges arising in any crisis situation through the implementation of pre-arranged measures.

The National Emergency Management Plan in the Natural Gas Sector is based on relevant European and national legislation. The plan was developed in accordance with the Procedure for Declaring a Crisis Situation in the Natural Gas Sector, approved by Government Resolution #373, dated October 28, 2024. It incorporates the results of Risk Assessment and Preventive Action Plan prepared by the LLC Georgian Gas Transportation Company and outlines specific measures to be taken in the event that the natural gas market fails to meet demand, which could affect the operation of the country's energy infrastructure or the security of supply.

The National Emergency Management Plan identifies the measures to be implemented to minimize or eliminate interruptions to natural gas supply, as well as to address the consequences of a crisis that causes an emergency.

1. Competent Authority and Other Entities Authorized to Declare and Manage Crisis Situations

1.1. Ministry of Economy and Sustainable Development of Georgia

According to current legislation, the Ministry of Economy and Sustainable Development of Georgia is the competent authority responsible for preparing and managing the National Emergency Management Plan in the Natural Gas Sector.

The Ministry, under the authority of the competent authority, is required to:

- a) Declare the levels of crisis situations;
- b) Form, lead, and convene the Crisis Council;
- c) Instruct market participants, if necessary, to implement market measures;
- d) Coordinate actions among public and private entities to ensure the security of natural gas supply;
- e) Develop contact lists and document templates;
- f) Ensure cooperation and coordination mechanisms with other public institutions and natural gas market participants, as well as organize training for preparedness;
- g) Impose public service obligations on natural gas market participants, including last-resort suppliers, and ensure their implementation;
- h) Ensure coordination between the Emergency Management Service, the National Security Council Office, the Interagency Operational Centre for Emergency Management, and the Secretariat.

1.2. Crisis Council

- a) Acts under the authority of a member of the Crisis Council;
- b) Cooperates with the Ministry in supervising the measures taken by market participants after the declaration of crisis levels;
- c) Is responsible for assessing the impact of market and non-market mechanisms on the supply-demand balance and market functioning during alarm and emergency conditions;
- d) Issues recommendations regarding the adjustment of Crisis Council measures, and evaluates the natural gas transported and delivered during the state of emergency;
- e) Studies the availability of market mechanisms prior to the declaration of a state of emergency

1.3. Natural Gas Transmission System Operator (TSO)

- a) The TSO is a member of the Crisis Council;
- b) Provides information on natural gas delivery forecasts and system conditions, including expected deficits;
- c) Responsible for physical balancing of the natural gas transmission system;
- d) Provides proposals for amounts and locations of the demand restrictions during emergencies, including disconnection sequences for users;
- e) Collaborates with system operators to manage demand restrictions, including development and update demand restriction plans (disconnection sequences must be agreed with the Ministry), and communication with system users and consumers;
- f) Is responsible for communicating with system users to determine the minimum required amount of natural gas supply and the minimum notification time before an interruption, in order to prevent damage to equipment, systems, or other assets.

- g) Within the scope of its authority, implements the measures specified in the National Emergency Management Plan for preventive and emergency situations;
- h) Cooperates with natural gas transmission system operators in neighbouring countries;
- i) Ensures the safe operation of the natural gas transmission network and oversees its recovery in the event of a system shutdown.

1.4. Natural Gas Traders/Wholesalers and Suppliers

- a) Act under the authority of the members of the Crisis Council;
- b) Provide information on any potential interruptions to natural gas supply and/or the possibility of supplying additional volumes, as well as the amount of intermittent demand specified in natural gas supply contracts;
- c) Exercise other powers granted by legislation, including measures related to the exchange of natural gas quantities with other suppliers;
- d) Within the scope of its competence, implement the measures outlined in the National Emergency Management Plan for preventive and emergency situations;
- e) Cooperate with partner suppliers.

1.5. Distribution System Operators (DSO) / Retail Suppliers

- a) Act as members of the Crisis Council;
- b) Collaborate with the natural gas transmission system operator to manage demand restrictions and update demand restriction plans (disconnection sequences must be agreed with the Ministry);
- c) Responsible for communicating with customers (subscribers) to ensure minimal gas delivery and prevent damage during emergency conditions;
- d) Implement emergency demand management/restriction measures and prevent illegal gas appropriation;
- e) Implement measures as part of the National Emergency Management Plan;
- f) Ensure the security and integrity of the natural gas distribution system;
- g) Provide information on the recovery of natural gas delivery after a complete interruption.

1.6. Natural of gas large Users

- a) Act under the authority of the Crisis Council members;
- b) Are responsible for managing natural gas demand;
- c) Provide information to the natural gas transmission system operator/distribution system operator regarding natural gas consumption forecasts, opportunities for demand reduction, and, if necessary, the activation of fuel-switching events or operational shutdowns;
- d) Are responsible for implementing demand reduction measures according to the instructions of the natural gas transmission system operator and/or distribution system operator.

7. Electricity Market Participants, including electricity transmission system operators, electricity traders, and power plant operators, as well as special members of the Crisis Council, shall cooperate and exchange information regarding the need to maintain balance in the electricity system and the necessity to impose restrictions on electricity production at thermal power plants.

2. Determining the levels of the crisis situation

Georgia operates a three-level crisis level system: early warning, alarm and emergency.

Table 1. Characterization of crisis levels

<i>Crisis Level</i>	<i>Characterization</i>
Early Warning	The existence of specific, reliable/trustworthy information about the possibility of the occurrence of an event that is likely to lead to a significant deterioration of the natural gas production, transmission, distribution, supply and/or purchase and sale situation and the declaration of an alert or emergency level
Alarm	The occurrence of interruption of production, transmission, distribution, supply and/or purchase and sale of natural gas, or particularly high demand for gas, which leads to a significant deterioration of the situation related to production, transmission, distribution, supply and/or purchase and sale of natural gas, although the market can compensate for said interruption or demand management without the use of non-market mechanisms
Emergency	The event of an unexpected crisis in the natural gas market, if the production, transmission, distribution, supply and/or purchase of natural gas is interrupted due to unexpected circumstances or circumstances beyond the control of the relevant natural gas enterprise, which threaten the overall security and reliability of the natural gas system or end users supply of natural gas to them to meet demand and/or safety of human, equipment or system integrity and the market can no longer manage said disruptions or demand without using non-market mechanisms

The function of the **Early Warning Level** is to signal market participants to initiate preventive measures in anticipation of a potential deterioration in the market supply situation. At the time of the early warning, the supply-demand balance has not yet been disrupted, and the market continues to function normally. Additionally, no administrative measures have been activated.

The following conditions/indicators may serve as the basis for declaring an early warning:

- Expected imbalance in the nominations of the previous day's supply and the forecasted demand, which can be corrected by adjusting (increasing) the nominations or balancing actions of the transmission system operator.
- Slight, unplanned reduction of gas flow capacity or pressure at the main supply points (at Russia-Georgia and Azerbaijan-Georgia border and SCP measuring nodes).
- Predicted extreme weather conditions and/or anticipated high demand in the near future.
- Short-term technical malfunctions or unavailability of critical components of the technical infrastructure, which the transmission system operator believes will not significantly affect the

supply-demand balance but requires attention and/or action from market participants due to uncertainty and the potential for possible deterioration.

- Advance warning to suppliers or neighbouring countries regarding the potential for supply reduction or interruption in the near future.
- Intelligence service(s) information about a potential terrorist threat.
- Information regarding political, technological, or other events in Georgia and/or abroad that could lead to supply restrictions within the country.

The Ministry takes the decision to announce the early warning level and publishes it as a public notice on its official website. The Ministry is authorized to use other publicly available means of information to disseminate information.

- The Ministry provides information about the announcement of the early warning level and the measures to be implemented to the Secretariat;
- The statement is based on the recommendation of the transmission system operator, which may be developed on the basis of information provided by distribution system operators, suppliers or other information sources and agreed with the Crisis Council in the natural gas sector, within the framework of consultation;
- The notification must include:
 - a) The reason(s) for triggering the early warning level and the estimated date of its expiration. The deadline specified in the notification may be extended. In such cases, the Ministry shall issue a public announcement for the extension of the early warning level, following the procedures outlined above;
 - b) The obligations of market participants regarding the use of available preventive market mechanisms to ensure the natural gas supply-demand balance;
 - c) The obligation of natural gas enterprises and public agencies, if necessary, to provide relevant or necessary information regarding the development of the current situation;
 - d) The obligation of the transmission system operator to inform the Ministry of updated information at least once a day;
 - e) The format for cooperation, based on the information and market mechanisms provided by neighbouring countries, in order to resolve the crisis situation.

The Early Warning level is lifted by the decision of the Ministry, which is published on its official website. The Ministry is also authorized to use other means to disseminate this information.

The aim of declaring an alert level is to signal to market players and responsible authorities that the situation may worsen, although the market continues to operate as usual without any intervention.

The following conditions/indicators may serve as the basis for declaring an alarm:

- Expected or actual significant imbalance between the previous day's entry nominations and expected or actual demand, requiring additional measures to be taken by suppliers/operators.
- Significant unplanned reduction of gas flows in the main receiving points.
- Predicted or actual long-term extreme weather conditions and/or extremely high demand.

- Prolonged technical failure or unavailability of critical components of the technical infrastructure, which, in the opinion of the transmission system operator, does not significantly affect the supply-demand balance but requires attention and/or action from market participants due to uncertainty and the potential for possible deterioration.
- Information from suppliers or neighbouring countries (e.g., through an early warning mechanism) about the high likelihood of a reduction or interruption in supply in the near future.
- Intelligence service(s) information regarding a potential terrorist threat.
- Information about political, technological, or other events in Georgia and/or abroad that could lead to supply restrictions.
- The emergence of secondary crisis situations in other sectors of the country's economy that may impact the gas sector.

The Ministry takes the decision to announce the alarm level based on the recommendation of the of the natural gas transmission system operator and the recommendation of the Crisis Council and publishes it on its official website. The Ministry is authorized to use other publicly available means of information to disseminate the mentioned information.

- A recommendation may be developed based on information provided by distribution system operators, suppliers or other information sources and agreed upon in consultation with the crisis team.
- The Ministry's public statement on the declaration of the alarm level should include:
 - a) The reason(s) for triggering the alert level and the estimated date of its expiration. The deadline specified in the statement may be extended. In such a case, the Ministry will submit an application for the extension of the alarm level;
 - b) The obligations of market participants regarding the use of available preventive market mechanisms to ensure the natural gas supply-demand balance;
 - c) The obligation of natural gas enterprises and public agencies, if necessary, to provide relevant and necessary information on the development of the current situation;
 - d) Information for electricity transmission system operators to assess the availability of electricity import options, in case it becomes necessary to shut down thermal power plants partially or completely;
 - e) Information on the interruption or disconnection of natural gas supply to unprotected consumers, ensuring they are prepared for limitations or disconnection in the event of an escalation of the situation;
 - f) The cooperation format based on information and market mechanisms presented by neighboring countries, to resolve the crisis situation;
 - g) The mandatory reporting mechanism for market participants.

The alarm level is lifted by the decision of the Ministry, which is published on its official website. The Ministry is also authorized to use other means to disseminate this information.

The Ministry will provide the Secretariat with information regarding the announcement of the

alarm level and the measures to be implemented.

The emergency level is declared in the event of a significant and unexpected deterioration in the security of gas supply, posing a risk to the overall safety and operational reliability of the natural gas system, the adequate provision of natural gas to end-user demand, and/or the safety of individuals, equipment, or system integrity.

The state of emergency is declared only when, despite all market-based measures, the supply disruptions or demand imbalance cannot be managed, requiring additional administrative intervention to maintain gas supply to certain consumer groups (particularly protected consumers).

Non-market measures and administrative interventions are permitted only following the declaration of a state of emergency. Such a declaration must be implemented through a legal act, suspending standard market rules and allowing for the issuance of mandatory instructions to market participants. The document should define a clear boundary between normal market functioning and suspension conditions. A sample administrative-normative document declaring a state of emergency is provided in Appendix 5.

The state of emergency must be formally lifted (or conditions for its automatic termination specified in the declaration). The emergency state should be revoked as soon as the market can return to normal operations. A sample administrative-normative document for terminating the state of emergency is given in Appendix 6.

The basis for declaring a state of emergency may include at least one of the following conditions:

- a) a recommendation from the transmission system operator;
- b) information from market participants that all market mechanisms have been exhausted;
- c) information from other domestic or international sources;
- d) an assessment by the Ministry;
- e) a resolution by the National Security Council.

The following parameters may form the basis for a recommendation or assessment to declare a state of emergency in the natural gas sector:

- Imbalance between Supply and Demand: A significant imbalance between incoming flows and demand, as per the allocation of issuing flows, that cannot be rectified by market measures.
- A continued significant reduction or complete halt in gas flows from at least two key supply points, threatening the supply of gas to protected consumers and the coverage of essential needs.
- Technical Failures: Failure of major gas pipelines, where alternative supply routes are unavailable, and repairs are expected to take several days or longer to restore normal operations.
- Notification from transmission system operators (TSOs), distribution system operators (DSOs), suppliers, or other market participants indicating that market-based measures to balance supply and demand have been exhausted. Non-market measures are required to

secure supply to priority consumers, with potential disconnection of certain consumers against their will.

- Political, technical, or other events in Georgia or abroad that result in significant limitations to gas supply in the country.
- The emergence of secondary crises in other sectors of the economy that jeopardize critical infrastructure or the fundamental functions of the state.

Procedures for Declaring a State of Emergency are as follow:

- A state of emergency is declared by the Ministry following consultations with the Crisis Council. The decision must be published on the Ministry's official website, and other publicly available communication channels should be utilized where feasible.
- The Ministry initiates measures outlined in the emergency management plan and collaborates with relevant state bodies. In exceptional and justified cases, deviations from the plan are permitted.
- The Ministry's declaration of a state of emergency must be formalized through a legal act. The declaration and subsequent measures must be communicated to the Energy Community Secretariat using the notification template provided in Annex 7.

The legal act should include:

- a) Description of the reasons for declaring the emergency.
- b) An indication that the operation of the market, including all associated rules and legislation, is suspended for the duration of the state of emergency. During this period, the measures outlined in the national emergency management plan are activated to ensure adequate response and protection of critical needs.
- c) Rules and conditions for restricting or disconnecting natural gas supplies.
- d) Target conditions for ending the emergency.
- e) Mechanisms for compensating affected market participants and consumers, with methodologies approved by the Ministry.
- f) Obligations imposed on market participants for implementing non-market mechanisms.
- g) Requests to convene the Energy Community's Security of Supply Coordination Group, if necessary, to address the emergency.
- h) Mandatory daily reporting obligations for market participants.

The state of emergency in the natural gas sector is officially cancelled by a decision of the Ministry. This decision must be published on the Ministry's official website, and the Secretariat of the Energy Union must be notified. The Ministry may also utilize other communication channels to disseminate information about the cancellation.

If the Energy Community Secretariat determines that the declaration of a state of emergency is unnecessary or no longer justified, it may formally request its termination. Within three days of receiving such a request, the Ministry must amend the measures implemented during the emergency and notify the Secretariat or provide justification if it does not comply with the Secretariat's request. If substantiated comments are received from the Secretariat, the Ministry must either fully incorporate these recommendations or provide a detailed explanation for any deviation.

Following the termination of the state of emergency, the Ministry must prepare a comprehensive report and submit to the Secretariat within six weeks. This report should include an assessment of the emergency situation and the effectiveness of the measures implemented, an analysis of the economic impact of the emergency, the effects on the electricity sector and details of any assistance provided to or received from contracting parties or neighbouring countries.

This report must be available to the Security of Supply Coordination Group, and integrated into updates of the preventive action plan and the national emergency management plan.

If national measures prove insufficient to manage the emergency, the Ministry will contact the Head of the Security of Supply Coordination Group of the Energy Community. The Head will immediately convene a special meeting of the group to assess the situation and coordinate assistance for Georgia or other contracting parties. This coordination aims to address the crisis through national and regional measures.

The above-described rules and procedures for declaring an alarm level in the natural gas sector do not restrict or override the general emergency management regulations established under the Law of Georgia "On State of Emergency." However, it is essential that these sector-specific emergency management requirements are fully implemented to address the unique needs of the natural gas sector during a crisis.

3. Actions to be taken at each level of crisis situation

3.1. Early warning level

To deal with the existing situation in case of declaration of an early warning level is to ensure a significant proactive minimization of the probability of occurrence and/or the likely effect of the identified risks.

Depending on the reason and basis for issuing an early warning, the content and scope of the measures to be implemented are different.

- a) The threat associated with the difference between the nominations recorded the previous day and the forecasted demand, which may become the cause of the imbalance.

To correct the hazard at the early warning level, it is necessary to:

- Increase nominations, subject to availability and consent of the supplier and/or
- Implementation of balancing measures of the transmission system operator.

The main parties involved in the process will be: GOGC, SOCAR Export-Import, SCP operator (authorized representative of Shah Deniz Consortium), Gazprom Export - in matters related to the correction of nominations and GGTC, as well as Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs - for the preparation and implementation of balancing measures.

A warning message will also be sent to enterprises that may be affected by certain restrictions in case of further escalation of the crisis. Such enterprises primarily include gas stations, "old" power generation facilities, as well as GSE and ESCO responsible for electricity import and balancing.

The decision to declare an early warning crisis level is made by the crisis management manager or another authorized person. Upon declaration, a formal notification is sent to the Crisis Council,

which provides recommendations and develops the necessary response measures. Based on these recommendations, instructions are issued to suppliers and traders, transmission system operators (TSOs) and distribution system operators (DSOs), entities in the electricity sector, if applicable. Notifications regarding the early warning level declaration are sent to: the National Security Council, the Energy Community Secretariat, Georgian National Energy and Water Supply Regulatory Commission (GNERC), Gas transmission system operators of neighbouring countries. If required, representatives of the diplomatic corps are also informed, particularly when the crisis is expected to escalate significantly.

Based on an analysis of information provided by suppliers, traders, and the transmission system operator—including projections on the effectiveness of anticipated crisis prevention measures—specific instructions will be issued to these entities as well as to distribution system operators. These instructions will outline a detailed action plan, which will address steps for managing the situation and include guidelines for engaging with end users.

For mutual assistance and response coordination, relevant information and requests for cooperation are sent to transmission system operators of neighbouring countries (Gazprom, SOCAR, Armgazprom) and SCP operator.

- b) The danger associated with the main entry points of the country, namely: Russia-Georgia and Azerbaijan-Georgia border and gas reception measuring nodes from the South Caucasian Pipeline (SCP), in case of a slight unplanned decrease in gas flow or pressure.

The pre-warning level is triggered on the basis of the corresponding decision of TSO, when there is the probable crisis that cannot be averted using own resources or operational-level assistance from neighbouring transmission system operators is insufficient to mitigate the crisis.

If the situation is assessed to have a high probability of escalating into the worst-case scenario, communication, decision-making, and event planning/implementation procedures will follow protocols similar to the above mentioned. However, the scope of involvement will be narrower, focusing primarily on the operational collaboration between local and neighbouring country TSOs to address the immediate challenges.

- c) The danger associated with the received warning about the extreme weather forecast and the expected high demand for gas in the coming days.

An early warning message will be sent to the gas sector enterprises involved in the process, and information and instructions will be sent to the governors and heads of the municipality(s) of the danger zone.

The processing of the information received from the locations and the development of relevant recommendations are done by the Crisis Council, and the coordination and leadership of the work is carried out by the crisis management manager.

In the event of further probable deterioration or prolongation of climatic conditions, the personnel provided by the Law on Civil Security and state crisis management bodies (National Security Council and Emergency Management Service) may be involved in the management of the processes.

- d) A threat related to a short-term technical failure or threat of availability of key infrastructure elements, which, in the estimation of the transmission system operator, will not significantly affect the supply-demand balance, but requires attention and/or actions from market participants due to some uncertainty and the potential for further deterioration.

The main addressees of information and instruction on the early warning level are the transmission system operator's dispatch service, branches and divisions, distribution system operators, as well as the transmission system authorities of the supplying countries, in case of the need for temporary redirection of flows.

If the expected crisis covers a limited geographical area, then the regional services of the transmission system operator, in coordination with the operators of the distribution systems, should ensure the transportation of the gas flow through parallel pipelines, if possible, or the gas supply from one of the receiving points that does not include the damaged segment of the infrastructure, if there is a ring supply scheme.

- e) Threat based on information provided by suppliers or TSOs of neighbouring countries, about the probability of reduction or interruption of supply in the nearest period.

The main preventive measure to be carried out during the early warning level, depending on the current circumstances, involves an agreement with SOCAR on the temporary supply of gas owned by SCP through the Kazakh-Saguramo gas pipeline (or vice versa) or an agreement with Gazprom Export and Armgazprom on temporarily leaving part of the gas belonging to Armenia in Georgia.

Along with this, instructions will be sent to suppliers, traders, the transmission system operator, and distribution system operators to prepare in case of a possible worsening of the crisis.

In addition, in the long term, the backup (duplicate) control point of the transmission system, arranged by GGTC, should be put on emergency ("hot") standby mode.

- f) A threat based on intelligence information about a high risk of a potential terrorist attack.

At the early warning level, priority must be given to strengthening operational measures for the protection of critical infrastructure and nodes, such as the Saguramo metering and distribution node and the Russia-Georgia and Azerbaijan-Georgia border receiving points. This should include the active involvement of the Department of Strategic Pipeline Protection within the Ministry of Internal Affairs to ensure comprehensive security measures.

At the same time, GGTC should prepare a 700-mm connector around the Saguramo junction for proper operation, so that in the event of a terrorist act, the gas supply to protected consumers and commercial facilities in the western direction will not be interrupted. Also, in coordination with the operators of the transmission system of the neighbouring countries, GGTC should start taking care of the possible implementation of the mutual assistance agreement during the crisis (in case of further aggravation of the crisis).

In the long term, the operational services of the GGTC should be switched to the services of an independent, individual frequency communication system.

The primary addressees of information about the early warning level and the corresponding instructions are the GGTC, Department of Strategic Pipeline, transmission system operators of neighbouring countries.

- g) Threats related to political, technological or other events in Georgia and/or abroad, which may lead to restriction of supply to consumers of the country.

In the event of such a threat, frequent and coordinated actions between the transmission system operators of GGTC and those of neighbouring countries are necessary to address potential shortages. This includes maximizing the utilization of the technical capacity of the receiving infrastructure connected to alternative supply sources.

Appropriate information and instructions will be issued to distribution system operators and non-protected consumers, as well as electricity importers, to prepare for potential gas supply restrictions. This preparation includes measures such as voluntary demand reductions in anticipation of shortages.

The primary recipients of these communications and instructions include GGTC, the transmission system operators of neighbouring countries, GSE, thermal power plants (TPPs), and electricity traders. If deemed necessary, communication will also be established with the embassies of countries involved in the conflict in Georgia, as well as with Georgian embassies in those countries, to facilitate diplomatic coordination and support.

3.2 Alarm level

The declaration of an alert level serves as a signal to market players and responsible authorities that the situation has the potential to worsen. However, at this stage, the market continues to operate as usual without any direct intervention. In the event of an alarm level being declared, the proactive implementation of measures to address the situation ensures a significant reduction in both the likelihood of the identified risks materializing and the severity of their expected impact, as outlined in the risk assessment process.

The type and scale of measures to be implemented by market participants are systematized based on the specific reasons and justifications for declaring the alarm.

- a) An expected or actual **significant** imbalance between the previous day's entry nominations and the expected or actual demand, necessitating the implementation of certain additional measures.

To address a hazard at the alarm level:

- Adjustments are made to nominations, supplier availability, and approvals, and/or
- The transmission system operator (TSO) implements balancing measures using internal national resources.

In the case of anticipated further escalation of the crisis, where forecasts indicate that it will be impossible to return to normal operations without external assistance, the following additional measures are taken:

- Initiating communication with TSOs of neighbouring countries to activate agreements on mutual assistance.

- Coordinating with the GSE to ensure readiness for increased electricity imports to offset reductions in gas-based power production during the crisis.
- Communicating with consumers who may face gas supply restrictions to prepare them for potential disruptions.

The main parties involved in the process, depending on the current circumstances, will be: GOGC, SOCAR Export-Import, SCP operator (SOCAR), Gazprom Export - in matters related to the correction of nominations and GGTC, as well as Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSO-s - for the preparation and implementation of balancing measures. In addition, the notification is sent to enterprises that may be affected by certain restrictions in the event of a further escalation of the crisis, such as gas stations, "old" power generation facilities and GSE and ESCO responsible for the import and balancing of electricity.

The decision to declare an alert level will be made by the emergency management manager, and the notification will be sent to the Crisis Council.

Based on the recommendations developed by the Crisis Council, instructions will be sent to suppliers and traders, GGTC, Tbilisi Energy, Sokar Georgia Gas, Sakorggaz, other DSOs, enterprises responsible for balancing electricity supply. Information about the announcement of the alert level will also be sent to the National Security Council, the Secretariat, the Commission and the operators of the transmission systems of the neighbouring countries, and, if necessary, to the representatives of the diplomatic corps.

Based on the analysis of information received from suppliers, traders, and the transmission system operator, the action plan will be communicated to these entities, as well as to distribution system operators, GSE, and ESCO. This communication will include instructions for further actions, particularly regarding relations with end users.

If necessary, additional information aimed at coordinating planned mutual assistance measures or requesting/agreeing on an appropriate response will also be sent to SCP and transmission systems and operators of neighbouring countries. Depending on the specific circumstances, this may include communication with entities such as Gazprom, Armgazprom, or SOCAR.

- b) A significant unplanned reduction of gas flows at the main entry points (Russia-Georgia and Azerbaijan-Georgia borders, Georgia-Armenia border, and gas reception metering nodes from the South Caucasus Pipeline) may arise due to technical irregularities or severe climatic deterioration in the Caspian Sea water area. Additionally, such disruptions could result from unplanned preventive works or long-term technical issues in the primary transport infrastructure of supplier countries when GGTC estimates, these circumstances may not have an immediate or substantial impact on the supply-demand balance but require attention due to uncertainties and the potential for an escalation in the severity of the crisis.

Measures to be implemented at the alarm level include:

- Communication with SOCAR which is the operator of both the Azerbaijani segment of the Azerbaijani (so-called "SOCAR gas") supplying infrastructure, as well as the Azerbaijani and Georgian segments of SCP. This communication aims to ensure, if necessary, the delivery of

the total volumes stipulated by existing contracts at the border points, including, if required, from Russia. Historical precedents for similar measures are available.

- Communication with Gazprom and Armgazprom regarding the potential maximum increase of gas volumes designated for Georgia. Additionally, explore the possibility of temporarily redirecting part of the transit volumes intended for Armenia to Georgia. These volumes can be received at the Saguramo metering/distribution node (up to 15 million m³/day) and the reverse flow metering node of the Red Bridge (3.14 million m³/day). Rational distribution of these volumes through Georgia's internal infrastructure will be ensured.
 - Notify enterprises that, based on the information gathered through communication with SOCAR and Gazprom and the corresponding forecasts, may face restrictions if the crisis escalates further. This includes informing organizations responsible for electricity imports and balancing operations to prepare for potential challenges.
- c) In Case of Predicted or Actual Long-Term Extreme Weather Conditions and/or Extremely High Demand for Gas, the Alarm Announced Mainly Involves the Activation of Warning Measures. In particular, in the geographical area where the main pipelines are located, the following actions will be taken: utilizing the database of probable natural disasters and preventive works developed through climate observation; launching of intensive information campaigns, involving the notification of the alarm signal and sending instructions to the management of the relevant enterprises within the gas sector; notification to Relevant Authorities that will extend to the regions covered by the expected spread of danger, including governors and heads of municipalities.

Based on the analysis of the information received from the affected locations and the recommendations developed by the crisis management team, coordination and leadership of the planned actions will be carried out by the crisis management manager. In Case of Further Deterioration or Prolongation of Climatic Conditions personnel designated under the Civil Security law, along with state crisis management bodies, should be involved in managing the processes.

- d) In case of long-term technical failure/unavailability of key parts of the technical infrastructure during the announcement of the alarm, which, according to the GGTC, does not significantly affect the supply-demand balance but requires attention from market participants and/or certain actions due to the potential for further deterioration of the situation and the possible need to temporarily redirect flows, the primary addressees of information and instructions are GGTC's branches/divisions, distribution system operators, and transmission system operators of supplying countries. In particular, Depending on the current circumstances, SOCAR may be requested to temporarily supply gas owned by SCP through the Kazakh-Saguramo gas pipeline (or vice versa), if necessary, to maintain the balance or an agreement may be made with Gazprom Export and Armgazprom to temporarily leave part of the gas belonging to Armenia for Georgia, ensuring continuity of supply.

If the expected crisis covers a limited geographical area, then the regional services of the GGTC in coordination with the distribution system operators should ensure the transportation of the gas flow through parallel pipelines, if possible, or the supply of gas from one of the receiving points that does not include the damaged segment of the infrastructure, if there is a ring supply scheme,

The clauses containing special (tightened) measures to increase the responsibility of individuals and legal entities responsible for damaging gas pipelines due to third-party actions should be activated

- e) Planned measures, during an alert announced based on information received from suppliers or neighbouring countries about a higher probability of reduction or interruption of supply in the near future than during the announcement of an early warning level, based on actual or expected circumstances, include:
- test implementation of an independent, individual frequency communication backup system to establish an operational connection with the Central Dispatch Branches and Regional Divisions;
 - activation of the "hot reserve" mode of the backup (duplicated) control point (in order to realize these two points, the SGTK must ensure in advance the staffing and activation of operational communication and the duplicated control point);
 - An agreement with "SOCAR" on the temporary supply of gas owned by SCM through the Kazakh-Saguramo gas pipeline (or vice versa), or an agreement with "Gazprom Export" and "Armgazprom" on temporarily leaving part of the gas belonging to Armenia to Georgia;
 - Sending instructions to suppliers, traders, transmission system and transmission system operators, as well as organizations responsible for electricity import and balancing, and the part of consumers who may be restricted in gas supply, in order to prepare for the event of further deterioration of the probable level of the crisis.
- f) The alarm, which can be declared based on intelligence information about an increased threat of a potential terrorist attack, will primarily lead to the strengthening of operational measures for the protection of critical infrastructure and nodes. Taking into account the source of the expected threat, these measures should include the Saguramo metering-distribution node, as well as the Russia-Georgia and Azerbaijan-Georgia border reception points. Continuous and enhanced protection of these points will be carried out by the internal forces of the GGTC, with the participation of the Department of Protection of Strategic Pipelines within the Ministry of Internal Affairs, if such a recommendation is received from the Crisis Council

At the same time, GGTC should prepare the bypasses of the Saguramo node to ensure proper operation of the 700 mm connector, so that in the event of an alleged terrorist act, gas supply to protected consumers and commercial facilities in the western direction will not be interrupted.

GGTC, in coordination with transmission system operators of neighbouring countries, should start taking care of the readiness to implement a mutual assistance agreement during the crisis (in case of further aggravation of the crisis).

The operational services of the GGTC shall be prepared to switch immediately to the service of an independent, individual frequency communication system and an independent duplicated control point, if such a recommendation is developed by the Crisis Council.

The primary addressees of the information on the alert level and the corresponding instruction are the GGTC, the Department of Strategic Pipeline Protection, the operators of the transmission systems of the neighbouring countries.

- g) The level of alert, which is declared in Georgia and/or abroad based on information about political, technological, natural anomalies or other threatening events, which may lead to

supply restrictions within the country, requires coordinated action of the GGTC and transmission system operators of neighbouring countries in order to ensure the filling of the possible deficit with the maximum technical capacity of the receiving infrastructure connecting to another source of supply at the expense of utilization.

The information and relevant instructions intended for distribution system operators and non-protected consumers will include preparations for potential supply restrictions in case of a gas shortage (e.g., for auto gas filling stations) and the temporary suspension of operation of “old” thermal power plants, as well as the possible need for increased electricity imports.

In this situation, the main addressees of the information and relevant instructions are the GGTC and transmission system operators of neighbouring countries. If necessary, communication will also be established with the embassies of the countries involved in the conflict in Georgia and with the embassies of Georgia in those countries.

- h) In the event of a crisis arising in the country's energy sector, economy, or other areas of public interest that may affect the proper functioning of the gas sector, and if secondary crisis situations are anticipated, the main measures to be implemented are pre-planned preventive actions. These include:
- In the case of an interruption or failure of electricity supply, the back-up power supply systems for the dispatching points of the transmission system operator, distribution system operators, and essential equipment must be activated. Additionally, notices should be sent to vital services and key administrative, educational, and public service facilities whose gas-powered systems or devices are dependent on electric drives and/or electronic control and protection systems, instructing them to implement similar actions.
 - In the event of a communication and broadcasting interruption, the transmission system operator and distribution system operators must ensure the transfer of remotely controlled systems and equipment to manual control. This will require introducing and strictly overseeing reinforced, round-the-clock duty shifts for service personnel and switching to an independent, individual frequency communication system for operational communication.

3.3 Emergency Level

The emergency management plan outlines the roles and responsibilities of state institutions and agencies, natural gas enterprises, natural gas market participants, system users, and consumers in preparing for crisis management in the natural gas sector. It also defines the responsibilities for effective management during a crisis, ensuring transparency and compliance with the requirements of the competitive natural gas market.

The plan includes, but does not limit, the general conditions defined by the Law of Georgia on Civil Security, which pertains to implementing appropriate measures during the main stages of emergency management. These stages include: emergency prevention, emergency preparedness, emergency response and restoration activities

The list of predetermined measures and actions to be implemented during an emergency is outlined in the tables below.

Table 2 provides a list of predetermined actions aimed at ensuring the availability of natural gas during an emergency situation. Each measure is described briefly, along with the actions or procedures to be performed, the main entities responsible for their implementation, and the expected outcomes.

The measures are categorized as follows:

- a) Supply-side measures
- b) Demand-side measures
- c) Actions related to commercial agreements
- d) Other measures

The measures are ranked based on the market mechanism of their implementation:

Market-based Measures (MM), Non-market-based Measures (NMM) and Conditionally Neutral Measures (CNM) - measures that have a neutral impact on the functioning of the market but are necessary for ensuring the security of gas supply.

Market-based measures are grouped according to the following general principle (regardless of whether they are included in this action plan or not):

1) Supply-side management measures:

- a) Flexibility of production increase
- b) Flexibility of import increase
- c) Intensive use of network gas
- d) Promoting the integration of gas produced from renewable energy sources into the infrastructure of the gas network
- e) Diversification of gas supply and gas pipeline routes
- f) Use of long-term and short-term gas supply contracts
- g) Contractual provisions on ensuring gas supply security
- h) Dispatching of gas transmission networks and cooperation with neighbouring countries: Coordinating with neighbouring countries' transmission system operators to optimize gas supply across borders, ensuring uninterrupted service.
- i) Investments in gas system infrastructure financing and developing infrastructure projects, such as storage facilities and LNG terminals, to enhance the resilience of the gas system

2) Demand-side management measures:

- a) Limitation of part of the customers by intermittent agreements
- b) Possibilities of switching to other fuels, including the use of alternative reserve fuels in industrial and electricity generating facilities
- c) Voluntary reduction of gas consumption
- d) Increased energy efficiency
- e) Increase in the use of renewable energy sources

Non-market mechanisms are grouped as follows:

1) Delivery management measures:

- a) Forced use of electricity generated from sources other than gas
- b) Forced increase of gas production levels
- c) Forced import of electricity

2) Demand management measures:

- a) forced switching to another fuel, if possible
- b) Forced use of intermittent contracts when not fully used as part of market mechanisms
- c) disconnection (or limitation) of customers with intermittent contracts as a last alternative, in accordance with the rule on the order of disconnections developed by the transmission and distribution system operators and approved by the Ministry;
- d) distribution of existing capacity and gas according to the priority rule.

Table 2. Measures and actions to be implemented during an emergency

a) Delivery side measures

<i>Mechanism/Action</i>	<i>Party(ies) involved</i>	<i>Estimated Effect</i>
Activation of available during the crisis border and receiving nodes from the SCP with maximum technical capacity (MM)	GGTC, SOCAR, Gazpromexport, Armgazprom	Eliminating possible shortages during peak or long-term extremely high gas consumption, in case any major cross-border infrastructure fails; Meeting the infrastructure (N-1) standard required by law
Activating of fasteners, connecting and parallel pipelines (MM)	GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other distribution companies	Elimination of interruptions in the supply of gas flows to regions/users caused by various reasons, in case of failure of the main (main) sections/nodes of the gas supply system(s) within the country.
Strengthening the protection of critical infrastructure and nodes (MM)	GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other distribution companies, Department of Strategic Pipeline Protection	Preventing a terrorist attack/sabotage on significant pipelines and nodes of the country's gas supply system
Switching the gas supply systems of the regions equipped with the ring supply scheme to the emergency operation mode (taking into account the existing circumstances) (MM)	GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other distribution companies	Elimination of interruptions in the supply of gas flows caused by various reasons to regions and consumers whose gas supply is or can be carried out by the ring supply scheme
Implementation of pre-agreed actions of mutual assistance during the crisis with the transmission systems operators of the neighboring countries (MM)	GGTC, SOCAR, Gazpromexport, Armgazprom	Elimination of possible shortages during peak or particularly high gas consumption, in case any major cross-border infrastructure fails; Meeting infrastructure and delivery standards required by law
Provision of virtual gas reversion from Turkey or Greece ("Swap" - LNGvsSCP NG) (MM)	GOGC, GGTC, SOCAR, DEOA (Greece), BOTAS (Turkey)	Partial mitigation of the crisis arising during the emergency situation with additional gas supplied from the SCP

b) Demand side measures

<i>Mechanism/Action</i>	<i>Party(ies) involved</i>	<i>Estimated Effect</i>
Limitation of gas supply to a part of consumers (if necessary), whose disconnection is not associated with significant losses (NMM)	SGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs	Unhindered supply of gas to protected and privileged customers in case of shortages in crisis situations
Limitation of gas supply to a part of gas-fired TPPs (if necessary), except for <i>public service plants during the guaranteed availability period</i> (NMM)	GGTC, GSE, gas-fired TPPs	Maintaining the minimum level of electricity generated by TPPs in order to meet the requirements of the country's electricity supply system sustainability and energy security
Increase in electricity imports in order to replace the generation of low-efficiency gas-fired TPPs during the crisis (NMM)	SGTC, SSE, ESCO	Meeting the sustainability and energy security requirements of the country's power supply system

c) Measures related to commercial agreements (existing and preparatory)

<i>Mechanism/Action</i>	<i>Party(ies) involved</i>	<i>Estimated Effect</i>
Ensuring the fulfilment of the condition stipulated in the current contract with SOCAR, which implies the obligation to supply additional gas if necessary, in order to meet the demand of the so-called "social" sector consumers (MM)	GGTC, SOCAR, Gazpromexport	For household users and public service providers Eliminating possible gas shortages by ensuring the full volume of gas supply under the SOCAR contract and from SCP, including through gas supplied from another supply source (Gazprom).
Issues of legislative relations to be fulfilled in advance		
Preparation and signing of agreements with TSOs of neighbouring countries on mutual assistance in times of crisis (MM)	Ministry, GGTC, SOCAR, Gazpromexport, Armgazprom	Preparedness to eliminate possible shortages arising during an impending crisis during peak or particularly high gas consumption
Extension of validity periods (or initiation of new contracts) of the additional gas contract with Azerbaijan from the Shah Deniz field and the existing long-term contract with SOCAR (MM)	Ministry, GGTC	Ensuring the supply of the required volumes of gas after the expiration of the contracts with the Azerbaijani side (years 2026 and 2030)

d) Other measures

<i>Mechanism/Action</i>	<i>Party(ies) involved</i>	<i>Estimated Effect</i>
Implementation of an independent, individual frequency communication backup system (MM)	GGTC	Preventing a possible collapse of the gas supply system based on information received from the country's intelligence services, in the event of a high probability of an expected terrorist act, cyber-attack or dangerous political events in neighbouring countries
Implementation of a backup (duplicate) control point (MM)	GGTC	Preventing a possible collapse of the gas supply system based on information received from the country's intelligence services, in the event of a high probability of an expected terrorist act, cyber-attack or dangerous political events in neighbouring countries
Implementation of stricter conditions for the prevention of uncontrolled impact on the natural gas infrastructure by natural or legal persons (CNM)	Ministry, Commission, GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs	Enhanced protection of critical infrastructure due to the high probability of deliberate damage by hostile third parties during an emergency
Transition of SGTCS, "Tbilisi Energy", "SOCAR Georgia Gas", Sakorggaz and other distribution companies, as well as regional emergency management emergency and recovery services to round-the-clock operation mode (CNM)	Ministry, GGTC, Tbilisi Energy, "SOCAR Georgia Gas", Sakorggaz, other DSOs, Ministry of Internal Affairs, main divisions of regional emergency management and municipal services	Prevention of damage to critical infrastructure during the crisis and/or after it and/or timely mobilization to restore the damaged infrastructure in the shortest possible time

Table 3 provides information on the functions and responsibilities of public institutions authorized to declare and manage the state of emergency, natural gas enterprises, direct consumers and electricity producers.

Detailed information about the responsibilities assigned to the natural gas enterprises involved in the emergency management process is given in Appendix 3.

Table 3 Functions and responsibilities of public institutions authorized to declare and manage the state of emergency, natural gas enterprises, direct consumers and electricity producers

	<i>Authorized body</i>	<i>Function and Obligations</i>
1	Ministry	<p>a) acts under the authority of the competent body in matters of natural gas supply security;</p> <p>b) announces the state of emergency (and other) crisis level;</p> <p>c) establishes, convenes and directs the Crisis Council;</p> <p>d) obliges market participants, if necessary, to implement non-market measures;</p> <p>e) coordinates actions to ensure security of supply of public and private entities;</p> <p>f) develops contact lists and relevant document samples (templates);</p> <p>g) organizes an exercise with other public institutions and participants of the natural gas market in order to ensure training and testing of the mechanism of cooperation and coordination;</p> <p>h) to take responsibility for the imposition and enforcement of obligations of the supplier of public services, including those of the last alternative, for the participants of the natural gas market;</p> <p>h) ensures coordination between the Emergency Management Service, the National Security Council, the Interagency Operational Centre for Emergency Management and the Secretariat.</p>
2	Commission	<p>a) acts under the authority of a member of the Crisis Council;</p> <p>b) cooperates with the Ministry in matters of monitoring the measures performed by the market participants after the announcement of the crisis levels;</p> <p>c) is responsible for assessing the impact of market and non-market measures regarding the levels of alarm and emergency on supply-demand balance and market functioning;</p> <p>d) issues recommendations regarding the adjustment of measures of the Crisis Council, evaluation of the natural gas transported and delivered during the state of emergency;</p> <p>e) studies the availability of market measures before declaration of the emergency situation.</p>
3	Emergency Management Service	<p>a) acts under the authority of a member of the Crisis Council;</p> <p>b) cooperates with other state bodies;</p> <p>c) participates in operations related to civil security, within the scope of his authority.</p>
4	National Security Council	Responsible for the assessment of the emergency situation at a higher level with the participation of the minister responsible for energy. Acts as an advisory body to the Prime Minister for strategic analysis and decision-making

5	Natural gas transmission system operator	<ul style="list-style-type: none"> a) Operates under the authority of the National Crisis Management Council b) Provides data and forecasts related to natural gas supply and demand, including the operational status of the transmission system and projections of potential supply disruptions or shortages. c) Ensures the physical balancing of the natural gas transmission system d) Proposes measures for demand-side management, including recommendations on the geographic scope and volume of natural gas demand reductions during emergencies and the prioritization and sequencing of consumer disconnections from the gas transmission network. e) Collaborates with distribution system operators (DSOs) to develop, review, and update demand-reduction and disconnection plans, ensuring alignment with national emergency plans and consultation with the Ministry. Additionally, coordinates communication strategies with network users and final consumers. f) Oversees consumer communication to identify critical minimum supply requirements and ensure adequate notice periods before interruptions to prevent equipment damage, system failures, or other adverse consequences. g) Implements measures outlined in the Preventive Action Plan (PAP) and the Emergency Plan (EP), within the scope of its authority. h) Engages in cross-border cooperation with transmission system operators (TSOs) in neighbouring countries. i) Maintains the safe and secure operation of the natural gas transmission system and oversees its restoration following a system shutdown.
6	Natural gas traders/ Wholesale suppliers (GOGC, SOCAR Export-Import, Gazpromexport, etc.)	<ul style="list-style-type: none"> a) Operate under the authority of members of the National Crisis Management Council. b) Provide information on any potential interruptions in natural gas supply, including the possibility of securing additional volumes, as well as details on the volume of interruptible demand under existing natural gas supply contracts. c) Exercise additional powers provided under applicable legislation, including implementing measures related to the exchange or reallocation of natural gas volumes with other suppliers. d) Within the scope of competence, implement measures outlined in the PAP and EP. e) Cooperate with partner suppliers.
7	Distribution System Operators/ Retail suppliers (Tbilisi Energy, Sokar Georgia Gas, Sakorggaz, etc.)	<ul style="list-style-type: none"> a) Act under the authority of members of the National Crisis Management Council. b) Cooperate with transmission system operators (TSOs) to ensure effective demand-side management, including the development, verification, and periodic updating of natural gas demand reduction plans. Coordinate communication with network users and final consumers to align disconnection plans with national emergency strategies, and agree on the sequence of natural gas disconnections with the Ministry. c) Oversee communication with natural gas purchasers (subscribers) to determine critical minimum gas supply needs and the minimum advance notification period required before interruptions, ensuring the prevention of damage to equipment, systems, or other assets.

		<p>d) Take responsibility for managing and restricting natural gas demand during emergency situations, including monitoring and addressing unauthorized or illegal appropriation of natural gas from the distribution system.</p> <p>e) Within the scope of competence, implement appropriate measures as outlined in the PA and EP.</p> <p>f) Ensure the safety, reliability, and operational integrity of the natural gas distribution system.</p> <p>g) Provide timely and accurate information regarding the restoration of natural gas supply following an interruption.</p>
8	Large (direct) consumers of natural gas	<p>a) Operate under the authority of members of the National Crisis Management Council.</p> <p>b) Are responsible for managing their natural gas demand.</p> <p>c) Provide accurate and timely forecasts of their natural gas consumption to the transmission system operator (TSO) and/or distribution system operator (DSO), including information on their capability to reduce gas demand. If necessary, activate measures to switch to alternative fuels or suspend operations as part of emergency measures.</p> <p>d) Comply with instructions from the TSO and/or DSO regarding mandatory natural gas demand reductions.</p>
9	Electricity market participants (GSE, ESCO, etc.)	Electricity transmission system operators (TSOs), large electricity traders, and power plant operators, including designated members of the Crisis Council, collaborate and exchange information to assess the feasibility of maintaining the balance of the electricity system. This includes evaluating the need to impose restrictions on electricity generation by thermal power plants.

The state of emergency is declared based on a recommendation submitted to the Ministry by the transmission system operator (TSO), information provided by market participants or other domestic or international sources, as well as the Ministry's individual assessment and the conclusion of the National Security Council. The primary objective of the recommendation, assessment, or conclusion is to identify and address any situation that threatens the overall safety and operational reliability of the natural gas system or endangers the supply of gas to end-users.

The Ministry, acting on the recommendation of the Crisis Council, will decide whether to declare a state of emergency. This decision will consider the conclusion of the commission that, despite the implementation of all feasible market-based measures, it is no longer possible to maintain the desired market functioning parameters without additional administrative intervention.

The Emergency is declared through a legal act of the Ministry. This act is communicated not only to direct market participants but also to the National Security Council, the Energy Community Secretariat, and the transmission system operators of neighbouring countries (e.g., Gazprom, SOCAR, ArmGazprom) and SCP operators. The purpose is to coordinate mutual assistance measures and request/secure the necessary agreements. In particularly critical situations, diplomatic corps representatives may be informed and actively involved in the crisis management process.

The legal act includes instructions for transmission and distribution system operators (DSOs) and other market participants. These instructions may involve: temporarily suspending standard market functioning and applying specific emergency measures outlined in the Emergency Management Plan, implementing mandatory reporting mechanisms.

TSOs and DSOs are responsible for developing and notifying action plans based on these recommendations. They must also inform vulnerable consumers and relevant entities in the electricity sector impacted by mandatory demand-reduction measures.

The state of emergency is terminated by a formal decision of the Ministry, which is published on the Ministry's website and disseminated through other publicly accessible information channels.

Valuation of non-market events

1. Limitation of Gas Supply

- The Emergency Action Plan includes measures to terminate or restrict gas supply to certain customers when such disconnection does not result in significant losses or irreversible damage.
- Decisions on gas supply interruptions or restrictions are made based on operational information and recommendations provided by transmission and distribution system operators (TSOs/DSOs).
- Recommendations should prioritize a list of customers for whom gas supply restrictions do not cause irreversible damage to equipment, buildings, or machinery; do not require maintaining a minimum gas supply level; and do not significantly affect their commercial activities if prior notice is provided.
- Information on vulnerable consumers subject to restrictions during emergencies must be regularly updated, maintained by TSO/DSO dispatch centres, and accessible to the Crisis Council.

- For other customers, interruptions or restrictions are not permitted under the Emergency Action Plan, except in cases of unavoidable critical necessity.
 - The recommended sequence of user restrictions in the event of an emergency is as follows:
 - ✓ Gas stations;
 - ✓ Large and medium non-household vulnerable consumers;
 - ✓ Small commercial enterprises;
 - ✓ Residential consumers;
 - ✓ Bread bakeries;
 - ✓ Enterprises, institutions, and organizations serving critical social purposes.
 - Discontinuing gas supply to gas stations may reduce market competition but will have minimal impact on consumers, as most vehicles in Georgia using compressed natural gas (CNG) are adapted to alternative liquid fuels.
 - Given current trends, the share of CNG vehicles in Georgia's vehicle fleet is expected to decrease significantly, with a shift toward electric, hybrid, and hydrogen vehicles. Long-term forecasts indicate that electric vehicles could account for 46-70% of the fleet, while hydrogen-powered buses and trucks may reach 14-25%. Consequently, the negative impact of limiting gas supply to gas stations will diminish over time.¹
 - The Tbilisi Transport Company, which operates solely with natural gas (CNG)-powered vehicles, is not permitted to have its gas supply interrupted, as doing so would result in significant disruptions to the transport services within the capital.
2. To reduce gas consumption, the plan includes temporarily suspending the operation of "old," low-efficiency steam turbine power plants and meeting electricity demand through increased imports. The gas supply restriction will not apply to gas turbine combined-cycle power plants, which are critical for public services during their guaranteed availability periods.

For "old" TPPs, stopping gas supply complies with infrastructure and supply standards, ensuring no damage to critical equipment. The financial impact of lost revenue and additional import costs is significantly lower than the economic losses the country would face if gas supplies to the market were curtailed due to shortages.

Restricting gas transit to Armenia by 3-5 million cubic meters per day is considered as a last resort in cases of unforeseen high demand or supply interruptions from Azerbaijan. Such measures must be pre-approved by Armenia and compensated through alternative sources, such as the Abovian Underground Gas Storage or imports from Iran. A compensation mechanism for Armgazprom will be established to cover the higher costs of storage or Iranian gas compared to Russian gas. Accurate compensation amounts are difficult to determine due to a lack of publicly available data. However, preliminary calculations indicate that compensation to Armenia would likely exceed the cost of restricting gas supply to "old" plants.

Necessity and Procedures for Restricting Gas Supply

When a state of emergency is declared, the supply of natural gas to end users may be temporarily interrupted only when necessary to protect the public interest.

¹ Source: Projections of Natural Gas Annual and Peak Demand in Georgia Through 2050, JSET Program, USAID/USEA, Tbilisi, May, 2024

Natural gas supply may be stopped or limited without prior notice to customers in order to prevent or mitigate the circumstances described in paragraph 1. In such cases, consumers must be notified immediately of the interruption or restriction, including the impact on their gas supply and the expected duration of the interruption.

The necessity for the temporary interruption or restriction of gas supply to certain customers during a crisis arising from the state of emergency is driven by the imperative to ensure uninterrupted gas supply to protected customers and/or the commercial impracticality of alternative measures to resolve the gas shortage.

Necessity and Procedures for Restricting Gas Supply

1. When a state of emergency is declared, the supply of natural gas to end users may be temporarily interrupted only when necessary to protect the public interest.
2. Natural gas supply may be stopped or limited without prior notice to customers in order to prevent or mitigate the circumstances described in paragraph 1. In such cases, consumers must be notified immediately of the interruption or restriction, including the impact on their gas supply and the expected duration of the interruption.
3. The necessity for the temporary interruption or restriction of gas supply to certain customers during a crisis arising from the state of emergency is driven by the imperative to ensure uninterrupted gas supply to protected customers and/or the commercial impracticality of alternative measures to resolve the gas shortage.
4. The decision to limit the supply of gas to a part of consumers is taken by the Ministry only in the case of unavoidable necessity, when the potential of all market measures to eliminate the expected shortage has been exhausted, which will be confirmed by the evaluation prepared by the Commission in communication with the TSOs and DSOs.
5. Information on the temporary restriction of gas supply is sent to TSOs and DSOs, consumers subject to restriction and other entities involved in the process, together with the instructions prepared by the Crisis Council, where the main aspects of the action plan for the implementation of the measure will be specified. Information is also sent to the Secretariat and TSOs of contracting parties/neighbouring countries involved in the process for proper coordination.

Compensation mechanisms

For enterprises and consumers participating in the natural gas market of Georgia, the provision of information about compensation mechanisms will become mandatory after the compensation calculation methodology is developed and approved, protecting the confidentiality of data containing commercial secrets.

Settlement mechanisms with foreign suppliers, traders, and other market participants in the social sector, which may include compensation where necessary, will primarily be managed through the balancing of annual gas contract volumes.

4. Measures related to electricity

As part of the crisis mitigation measures related to natural gas supply, the Emergency Management Plan includes the temporary suspension of operations for certain gas-fired thermal power plants in Georgia, specifically the "old," low-efficiency steam turbine plants. The plan also includes meeting additional electricity demand through increased imports.

The Ministry will decide to restrict gas supply to these plants based on the recommendation of the Crisis Council if disconnecting other consumers (such as gas stations and large and medium-sized enterprises within the vulnerable consumer category, as recommended by the emergency plan) does not suffice to address the existing or anticipated gas shortage.

Information about the restriction will be immediately communicated to key stakeholders in both the natural gas and electricity sectors, including TSOs, ESCO, and TPPs. This notification, along with the action plan, will include the obligation to provide continuous information exchange with the Crisis Council and follow the relevant instructions.

Interrupting gas supply to "old" thermal power plants will not cause damage to their core equipment. The estimated negative commercial impact is significantly lower than the potential economic losses the country might face if alternative measures, such as supplying gas to the local market or restricting gas transit volumes to Armenia, were used to address the shortage.

5. Crisis Council

The **Crisis Council**, with deliberative voting rights, is established by the Ministry of Economy and Sustainable Development of Georgia to effectively manage crisis situations in the natural gas sector.

The Minister of Economy and Sustainable Development of Georgia, or a person designated by the Minister, chairs the Crisis Council and is responsible for its operational management. The Technical Secretary is responsible for coordinating document production and operational communication within the Council.

The Crisis Council is the main body responsible for preparing operational decisions. It evaluates supply and demand balance, assesses potential crisis scenarios, and coordinates actions at different levels of the crisis response.

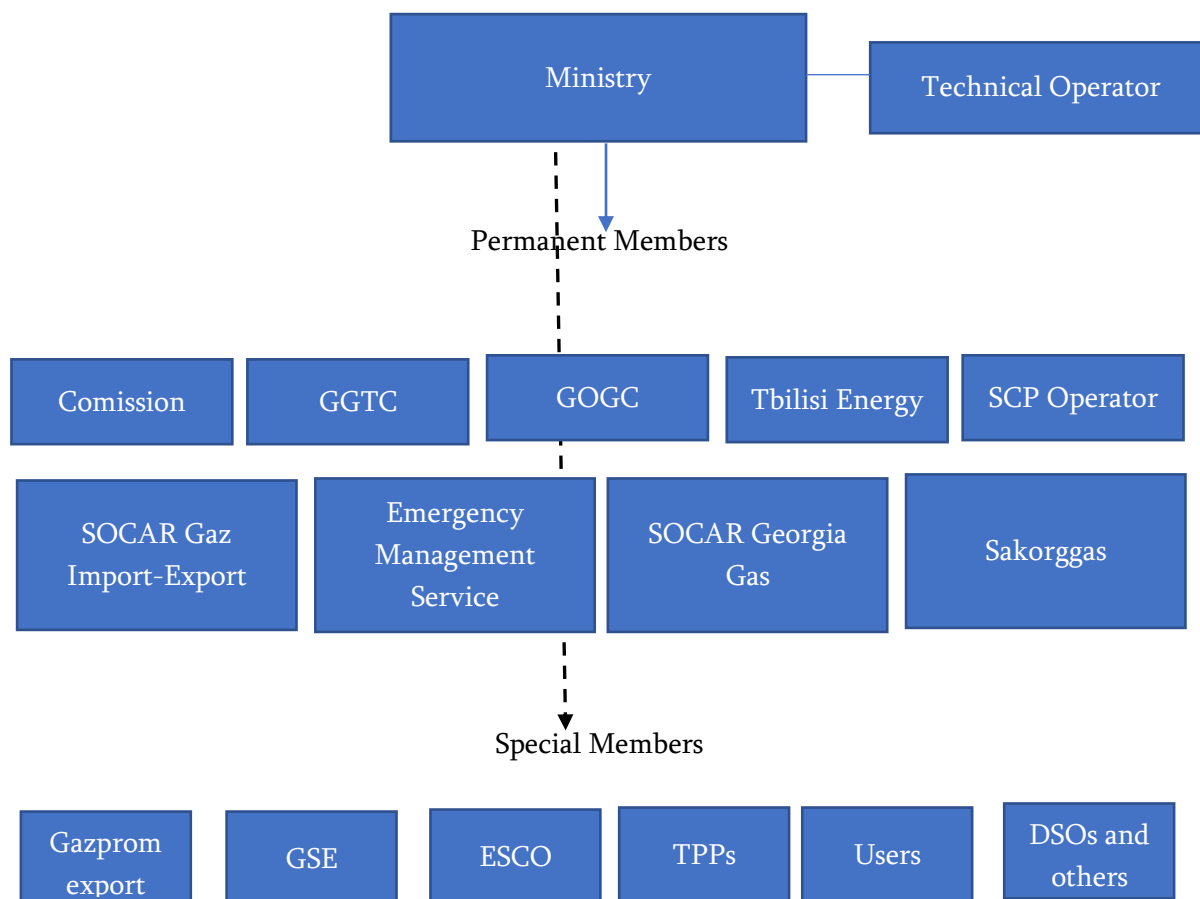
The Crisis Council comprises permanent and temporary members:

- ✓ Permanent members are organizations whose involvement is critical during actual or anticipated crises of various types and causes.
- ✓ Special (invited) members are invited to attend Council meetings when their expertise is relevant to the matters under discussion.
- ✓ To enhance synergy across sectors, entities involved in electric energy are included in Council meetings when discussing electric energy-related issues.

Members of the Crisis Council are required to: maintain confidentiality on matters related to commercial or national security; attend Council meetings regularly and actively participate in decision-making processes; support the dissemination and effective implementation of decisions, participate actively in preparing and conducting exercises to test the effectiveness of communication and decision-making mechanisms.

The roles, responsibilities, and details of interaction between the Crisis Council and relevant authorities (including natural gas enterprises, electricity producers, consumers, and other crisis management entities) are outlined in Table 3.

The organizational structure and composition of the Natural Gas Crisis Management Council are depicted in the accompanying figure.



Role of the Chairman of the Crisis Council in Declaring and Managing the Level of Emergency:

- ✓ Declaration of Emergency Level
- ✓ Development of Contact Lists and Relevant Documents
- ✓ Implementation of Non-Market Measures for market participants (following the recommendation of the Crisis Council)
- ✓ Imposition of Obligations on the last alternative supplier of public services and monitoring the compliance with these obligations.
- ✓ Coordination of actions and measures to ensure the security of supply for both public and private entities during the crisis.
- ✓ Cooperation with Public Institutions and Market Participants and ensuring the integration of their activities and managing training and testing mechanisms (exercises).
- ✓ Coordination between the Office of Emergency Management, National Security Council, Interagency Emergency Management Operational Centre, and the Secretariat to ensure a cohesive crisis response.

6. Functions and responsibilities of different subjects

Each participant in the natural gas market is required, during the crisis period, to fulfil the functions and responsibilities assigned to them by the emergency plan. This includes implementing both direct technological, commercial, organizational, and other crisis mitigation/prevention measures specified in the plan, as well as fulfilling mandatory interactions such as communication, accountability, etc., with the Ministry, the Crisis Council, and Commission (if necessary).

The roles of **natural gas enterprises** are outlined in Section 3 and Section 4. The measures to be carried out by these enterprises, as well as the content and frequency of their accountability, will be determined by the crisis manager. This will be done by assessing the specific situation based on the level of the crisis and the recommendations developed by the Crisis Council. Additionally, the crisis manager will ensure the delivery of relevant information to the designated addressees. The recommendations from the Crisis Council should be based on the details provided in Annexes 3 and 4, regarding the content of mandatory reporting and the preparation and dissemination of primary sources.

Industrial Sector Consumers' Responsibilities: Consumers in the industrial sector, who may be required to voluntarily or forcibly reduce gas consumption during the crisis, have special responsibilities. The Crisis Council will, taking into account the crisis level, prepare recommendations for industrial sector consumers. These will be based on Table 3 of the plan, titled "Functions and Responsibilities of Public Institutions Authorized to Declare and Manage the State of Emergency, Natural Gas Enterprises, Direct Consumers, and Electricity Producers." These recommendations will also consider information received from GGTC and DSOs.

The competent authority will ensure the delivery of notices regarding the termination or restriction of gas supply to industrial sector enterprises and all other addressees specified in the plan.

The Crisis Council will prepare instructions for **electricity producers** and all related entities concerning the mandated measures for restricted plants, special measures for electricity importers, and operational accountability. These instructions will be distributed by the competent authority. Information related to the limitation of natural gas supply for electricity producers in an emergency situation is provided in Section 5, titled "Special Measures Related to Electricity."

In the event of a crisis, the competent authority may decide to delegate certain functions to other natural gas market participants or to administrative bodies at the regional or municipal level. This decision will be based on the recommendation of the Crisis Council, which will take into account the specific situation formed during the crisis.

7. Measures to Be Implemented in Connection with the Improper Consumption of Gas by not customers

According to the current legislation, it is mandatory to provide a guaranteed gas supply to consumers categorized as protected consumers to ensure the safe and reliable operation of the natural gas system, even under emergency conditions, without creating any danger or risk of unsafe situations.

To uphold this obligation, the Crisis Council, upon receiving submissions from GGTC and DSOs, issues recommendations regarding the suspension or limitation of gas supply to certain not protected

consumers, provided that their disconnection does not cause significant losses. These recommendations should detail the list of consumers to be restricted, prioritizing them according to the nature of the measure and the urgency of the situation; the entities involved in the process and the necessary procedures to be followed.

The emergency management plan specifies that, when necessary, the gas supply may be restricted to gas stations and steam turbine power generation plants that do not have public service obligations during the period of guaranteed readiness.

If, despite the implementation of all available market measures and gas supply limitations to vulnerable consumers, a threat remains to the guaranteed gas demand of protected consumers, a decision will be made to limit the supply to additional not protected consumers after issuing prior warnings. These consumers primarily include large and medium-sized industrial enterprises and commercial consumers. These groups will be encouraged to voluntarily reduce gas consumption through relevant administrative measures during the crisis.

Failure to comply with the restrictions or responsibilities imposed on these vulnerable consumers may result in appropriate penalties or punitive measures.

8. Emergency tests

The emergency management plan envisages modelling of the following simulation scenarios:

- Potentially medium impact scenario - unplanned stoppage of operation of any major gas supplying infrastructure, during the normal (medium annual) demand period ;
- Potentially high impact scenario - failure of an important node of the transmission network, gas especially in the high demand period

The calendar of simulation scenarios and the list of natural gas enterprises involved in the process and other key market participants are given in Table 4.

Table 4. Simulation scenarios

<i>Scenario</i>	<i>Event</i>	<i>Time</i>	<i>Entities involved</i>
Medium impact	Unforeseen interruption of SOCAR gas supply due to damage to the pipeline(s).	May-June, 2026	Ministry (organizer), Crisis Council (responsible for planning), Commission, Emergency Management Service, GGTC, GOGC, SOCAR, Gazprom-Export, DSOs, users
high impact	Outage of the Saguramo metering-distributing node, which will cause interruption of gas supply from Russia	January-February, 2027	Ministry (organizer), Crisis Council (responsible for planning), Commission, Emergency Situations Management Service, GGTC, GOGC, SOCAR, Gazpromexport, GSE, ESCO, TPPS, electricity importers, DSOs, users

After the emergency response testing is completed, the competent authority will organize the preparation of a report, summarizing the results obtained and developing an updated action plan. The report will be presented to the Security of Supply Coordinating Group, the entities participating in the simulation and all other interested parties.

9. Regional scale measures and cooperation mechanisms

In crisis conditions, in order to respond promptly to an imminent or expected threat, the market participants involved in the process—importers, traders, GGTC, TSOs of neighbouring countries, DSOs, large users—must exchange operational information provided by the existing mutual cooperation mechanisms, submit and confirm nominations, agree on cross-border work plans of a technical nature, and communicate the consequences of possible delays in import/delivery to the competent authority and the Crisis Council.

Where necessary, the competent authority, following recommendations from the Crisis Council, may mandate enhanced cooperation and an increased frequency and scope of information exchange.

High-level regional and intergovernmental cooperation mechanisms, including the Early Notification Mechanism, shall be activated upon the initiative of the competent authority. This will involve ministries responsible for energy, the diplomatic corps, and, if required, support from the Energy Community Secretariat.

The competent authority, leveraging connections with local and regional stakeholders, ensures the engagement of non-resident entities in regional-scale events. This includes organizations such as the Energy Community Secretariat, ministries responsible for energy in Azerbaijan, Armenia, Turkey, and other relevant entities (e.g., SOCAR, Gazprom Export-Import, Armrus Gazprom, BOTAŞ, and DEPA).

Decisions to implement regional measures are made by the competent authority based on the recommendations of the Crisis Council, which relies on information and guidance provided by the transmission system operator.

Regional measures and cooperation mechanisms outlined in the Emergency Management Plan are detailed in Table 5.

Table 5. Regional measures and cooperation mechanisms

<i>Events/Actions</i>	<i>Parties involved</i>	<i>procedures, Implementation/Termination</i>	<i>expected effect</i>	<i>reporting obligations and Information flows</i>
Exchange of operational information between market participants during an emergency	Crisis Council, Importers, Traders, TSOs, DSOs, Large Consumers, Others	A legal document issued by the crisis manager based on the recommendation of the Crisis Council	Continuous access of the Crisis Council to the dynamics of the market situation will be ensured	Market participants submit daily operational information to the Crisis Council, which can be modified, at the request of the crisis manager, in terms of increased frequency and depth of content.
Implementation of an early notification mechanism at the regional and Energy Community levels	Ministry, governments and/or companies of the parties involved	On the basis of procedures taken into account by pre-prepared agreements	Continuous and operational availability of emerging or impending crisis in the regional market will be ensured.	Obligations regarding the information content, exchange procedure, frequency and responsible counterparties of the parties are fixed in the agreements concluded between the intergovernmental commission or the companies.
Implementation of agreements with the operators and suppliers of transport infrastructure and transit gas pipelines in importing and transit gas-receiving countries regarding mutual assistance during an emergency situation	Ministry, GGTC, GOGC, SOCAR, Gazprom Export-Import, Armrus Gazprom, BOTAS, etc.	As needed, a legal document issued by the crisis manager based on the recommendation of the Crisis Council	It will be possible to eliminate the existing or expected shortage of gas by receiving an increased amount of gas from the receiving nodes of Georgia	GGTC is tasked with providing daily updates to the Crisis Council about the market situation and forecasts for the upcoming days. In the event of a potential dramatic deterioration of the situation, information must be provided immediately. Maintaining constant communication with infrastructure operators of the involved parties (countries) is mandatory to facilitate information exchange and coordinate planned technical and commercial measures.
Implementation of additional measures in order to guarantee the conditions stipulated in the memorandum signed between the Government of Georgia and SOCAR"	Ministry, GGTC, GOGC, SOCAR	A legal document issued by the crisis manager as needed, based on the recommendation of the Crisis Council	SOCAR ensures filling of the existing or expected shortage of gas from alternative sources, first of all, in order to meet the demand of protected consumers and TPPs	GGTC and GOG are tasked to provide information to the Crisis Council on a daily basis, and in the event of a threat of dramatic worsening of the situation – immediately about the market situation and forecast for the next days. It is mandatory to maintain constant contact with the relevant services of

				SOCAR in order to exchange operational information and coordinate planned technical and commercial events.
Transfer of thermal power generation facilities to the mode of operation corresponding to the state of emergency declared in the natural gas sector	Ministry, GGTC, GSE, ESCO, TPPs, large regulatory HPPs	A legal document issued by the crisis manager based on the recommendation of the Crisis Council	Unhindered fulfilment of the country's electricity demand and the gas demand of protected consumers will be ensured by replacing the generation from "old" plants with imported energy, while maximizing the output of local hydropower plants (HPPs)	GGTC, GSS, ESCO, TPPs, HPPs are required to provide information About the market situation and forecast for the next days to the Crisis Council on a daily basis, and in the event of a threat of dramatic worsening of the situation - immediately. It is mandatory to maintain constant contact with operators of electric power systems of neighbouring countries in order to exchange information and coordinate planned technical and commercial measures.
Preliminary measures/actions				
Extension of the validity period of the memorandum and relevant purchase and sale contracts signed between the Government of Georgia and SOCAR	Ministry, SOCAR, GGTC	The decision of the Ministry, initiated by the corporation and coordinated with SOCAR	Guaranteed supply of gas will be ensured to meet the demand of the domestic sector and TPPs in the long term.	Report of the Ministry to the Government of Georgia, the Energy Community Secretariat and the Azerbaijan-Georgia Intergovernmental Economic Commission
Extension of additional gas contract with Shah Deniz Consortium	Ministry, BP, SOCAR, GOGC	The decision of the Ministry on the basis of the initiative of GOGC coordinated with BP and SOCAR	A guaranteed supply of gas will be ensured in the long term	Report of the Ministry to the Government of Georgia, the Energy Community Secretariat and the Azerbaijan-Georgia Intergovernmental Economic Commission
Formal resolution of the seasonal distribution of gas imports from Russia with "Gazprom."	Ministry, GGTC, "Gazprom Export"	The Ministry's decision on the basis of GGTC coordinated initiative of the State Technical Committee "Gazprom Export".	A guaranteed supply of gas will be ensured in the long term, mainly during the winter peak consumption period.	Report of the Ministry to the Government of Georgia and the Energy Community the Secretariat
Signing a formal agreement on mutual assistance during crises with the transmission system operators of neighbouring net-importing countries.	Ministry, SGT, "Armrus Gazprom", "Botashi"	Decision of the Ministry on the initiative of GGTC coordinated with Armrus Gazprom and/or BOTAS	Gas supply will be provided during peak winter consumption days	Report of the Ministry to the Government of Georgia, the Energy Community Secretariat and the Intergovernmental Economic Commissions of Armenia-Georgia and Turkey-Georgia

Measures to enhance international and regional cooperation	Ministry, natural gas market participants	Decision of the Ministry at the initiative of market participants	Participants of the natural gas market will get to know and have the opportunity to implement the best international practices and achievements of scientific and technical progress.	Report of the Ministry to the Government of Georgia and the Energy Community Secretariat
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Attachments

Annex 1

Abbreviation and definitions of terms

GFS - gas filling station

NMM - non-market measure

National Security Council - a deliberative body defined by the Law of Georgia on the Rules of Planning and Coordination of National Security Policy

ESCO - Electric Power System Operator

TPP – Thermal Power Plant

Commission (GNERC) - National Energy and Water Supply Regulatory Commission of Georgia

Crisis Council - A council established by the Ministry of Economy and Sustainable Development of Georgia, vested with deliberative authority to address crisis situations in the natural gas sector. Its powers and operational rules are defined by a legal act issued by the Ministry of Economy and Sustainable Development of Georgia

CCTPP - combined cycle thermal power plant

Manager (or crisis manager) - Minister of Economy and Sustainable Development of Georgia, Head of the Crisis Council

Security of Supply Coordinating Group - a group established in 2008, pursuant to the 2021 revision of the Procedural Act of the Council of Ministers of the Energy Community

National Emergency Management Plan - National Emergency Management Plan in the Natural Gas Sector

Emergency Management Service - a state sub-departmental institution operating under the governance of the Ministry of Internal Affairs of Georgia

Interagency Operational Centre for Emergency Management - a body defined in accordance with the Law of Georgia on Civil Security

Secretariat - Energy Community Secretariat

Ministry - Ministry of Economy and Sustainable Development of Georgia

GGTC - Georgian Gas Transportation Company

GSE – JSC Georgian State Electrosystem

SCP - South Caucasian gas pipeline ;

DPSP - Department of Protection of Strategic Pipelines

GOGC- Georgian Oil and Gas Corporation

SOCAR - Azerbaijan State Oil Company

MM - market measures

Regulation - Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010

"Old" TPP - a steam turbine thermal power station built in the Soviet period

NSCP - North-South Caucasus main gas pipelines.

DSO – natural gas distribution system operator

CNG – compressed natural gas

EnC – Energy Community

EU - European Union

EC - European Commission;

EP - Emergency Management Plan

ExC/SwM - long-term gas demand forecasting scenarios;

ISO - International Standards Organization

LNG - liquefied natural gas

NECP - National Integrated Energy and Climate Plan of Georgia;

PAP - prevention action plan;

TNO - the owner of the natural gas transmission system of Georgia ;

TSO - natural gas transmission system operator

USEA/JSET - United States Energy Association Fair and Just and Secure Energy Transition program

USAID - United States Agency for International Development

Key Entities Responsible for the Preparation and Delivery of Important Information Sources During an Emergency

<i>Information</i>	<i>Source</i>
The reason for the emergency	Natural gas enterprises, GGTC, Crisis Council
The extent and duration of emergency	Natural gas enterprises, GGTC, Crisis Council,
Estimated date of restoration of natural gas supply	Natural gas enterprises, GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs, Crisis Council
Recommendation on government involvement (if necessary) and activities	TSO , Crisis Council
Measures to mitigate or eliminate adverse effects	Natural gas enterprises, GGTC, Crisis Council
Consumer issues, including protected consumers	GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs, Crisis Council
Market related issues	Commission, Crisis Council
Issues related to the possible increase in gas supply	GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs, suppliers/traders, Crisis Council
Issues related to a possible reduction in gas demand	GGTC, Tbilisi Energy, SOCAR Georgia Gas, Sakorggaz, other DSOs, large customers, Crisis Council
Socio-economic consequences caused by gas supply interruption	Large customers, Commission, Ministry, Crisis Council
Communication with the Energy Community Secretariat and the Security of Supply Coordination Group	Ministry, Crisis Council
Communication with mass media	Ministry

Mandatory reporting

1. Early Warning Level			
<i>Accountable</i>	<i>information recipient</i>	<i>Mandatory information</i>	<i>Periodicity</i>
GGTC	Ministry, National security Council, Commission	<ul style="list-style-type: none"> – Information on the Occurrence of Circumstances Relevant to the Declaration of an Early Warning Level: – Analysis of Data from Natural Gas Enterprises and Other Market Participants, and Provision of Relevant Information Regarding Compliance with Legal and Contractual Obligations in an Early Warning Situation: – Information on Measures Implemented During the Early Warning Situation: 	<p>if necessary</p> <p>on a daily basis</p> <p>on a daily basis</p>
	Crisis Council, National security Council	<p>Systematization of Information Obtained from Natural Gas Enterprises and the Following Issues Prepared on Its Basis:</p> <ul style="list-style-type: none"> – Forecast of Daily Gas Demand and Daily Supply for the Next 3 Days, in mcm/day: – Forecast of Daily Gas Flows at All Cross-Border Entry and Exit Points and Connecting Nodes with All Producers (Storage or LNG Terminal), in mcm/day: – Period (in Days) During Which Guaranteed Gas Supply Will Be Provided to Protected Consumers: 	on a daily basis
	Market participants	Providing Guidance on Emergency Plan Measures That May Become Mandatory:	on a daily basis
	TSOs of neighbour countries	Exchange operative information	operative mode
	Crisis Council	List of Protected Customers and Potential Customers of Intermittent Supply:	at the announcement of early warning level
DSOs	GGTC	- Actual or Reliable Information About the (Possible) Occurrence of an event that may affect the interruption of gas supply to end users in its area of operation:	if necessary

		- List of Protected and Intermittent Supply Customers connected to natural gas distribution networks operated by it	at the announcement of early warning level
	GGTC, Crisis Council, Commission	Information their legal and contractual obligations performance about	on a daily basis
Suppliers / traders	GGTC	Information about the possible occurrence of such an event that will affect the gas supply	if necessary
	Direct customers	Information on the measures to be taken in case of an exacerbation of the situation, including a recommendation on voluntary reduction of consumption	if necessary
	GGTC, Crisis Council, Commission	Information about the fulfilment of their legal and contractual obligations	on a daily basis
Crisis Council	National security Council, Secretariat	Notification of declaration of early warning level	if necessary
	Ministry, National security Council	- Updateable information received from natural gas enterprises; - Up-to-date information about the results of the implemented measures	on a daily basis
	Security of Supply Coordination Group	A request to convene a group meeting to study the situation and, if necessary, to obtain assistance at the regional level, if the situation cannot be adequately managed using measures implemented at the national level	if necessary
Commission	Crisis Council, National security Council	Information about the operation of the natural gas market and the measures implemented to ensure the security of gas supply	if necessary
of electricity transmitter system Operators , electricity large traders and power plants Operators	GGTC	Information about the (possible) occurrence of an event that may affect the normal (normal) mode of gas supply	if necessary
	GGTC, Crisis Council, Commission	- Information about the fulfilment of their legal and contractual obligations; - Information about the measures implemented during the early warning situation.	if necessary on a daily basis

2. alarm level			
GGTC	Ministry, National security Council, Commission	<ul style="list-style-type: none"> - Information about the occurrence of circumstances relevant to the declaration of an alarm level; - Analysing data received from natural gas enterprises and other market participants and sending relevant information about the fulfilment of their legal and contractual obligations in the event of an alarm situation - Information about the measures implemented during the alarm situation. 	<p>If necessary</p> <p>on a daily basis</p> <p>on a daily basis</p>
	Crisis Council , National security Council	<p>Systematization of information obtained from natural gas enterprises and the following issues prepared on its basis:</p> <ul style="list-style-type: none"> – Forecast of daily gas demand and daily supply for the next 3 days (in mcm/day) – Forecast of daily gas flows at all cross-border entry and exit points and connecting nodes with all producers (storage or LNG terminal), in mcm/day: – Period (in days) during which guaranteed gas supply will be provided to protected consumers: 	on a daily basis
	Crisis Council	List of protected customers and potential customers of intermittent supply	at the announcement of alarm level
GGTC	TSOs of neighbour countries	Exchange of information to ensure the safety and reliability of transmission networks in order to avoid rational loading and overloading of critical nodes	operative mode
DSOs	GGTC	<ul style="list-style-type: none"> - Information about the occurrence of such an event that led to an unusual increase in gas demand, actual or probable interruption of the supply of imported gas or affected the interruption of gas supply to the end user in its area of operation; - Recommended market measures for hazard elimination/mitigation 	<p>If necessary</p> <p>at the announcement of alarm level</p>
	Crisis Council	List of protected and intermittent supply customers connected to natural gas distribution networks operated by it	at the announcement of alarm level
	GGTC, Crisis Council, Commission	Information about the fulfilment of their legal and contractual obligations	on a daily basis

Commission	Crisis Council , National security Council	Information on the operation of the natural gas market and the monitoring of the results of the implemented measures to ensure the security of gas supply	If necessary
Suppliers / Traders	GGTC	Information about the possible occurrence of such an event that will affect the gas supply	If necessary
	Direct customers	Information about measures to be implemented in case of declaration of alarm level	on a daily basis
	GGTC, Crisis Council, Commission	Information on the implementation of measures based on market mechanisms	on a daily basis
	Crisis Council, National security Council	Operational information received from natural gas companies and other market participants	on a daily basis
Crisis Council	Secretariat	Notification about the activation of an alarm level	If necessary
	Ministry, National security Council	<ul style="list-style-type: none"> - Updateable Information Received from Natural Gas Enterprises: - Updateable Information About the Results of the Implemented Measures 	on a daily basis
	Security of Supply Coordination Group	Request for convening a group meeting to assess the situation and, if necessary, seek assistance at the regional level, if adequate management of the situation is not possible using the measures implemented at the national level	If necessary
TSOs , electricity large traders and power plants operators	GGTC, Crisis Council , Commission	<ul style="list-style-type: none"> - Information on the fulfilment of their legal and contractual obligations - Information on measures implemented during the alarm level situation, including actual and potential electricity import volumes - Operational information on natural gas consumption and electricity generation: - Information on the operational parameters of gas-fired power plants 	<p>If necessary on a daily basis</p> <p>on a daily basis on a daily basis</p>
3. emergency condition			
GGTC	Ministry, National security Council, Commission	Notification of the Occurrence of Circumstances Requiring the Declaration/Termination of an Emergency Situation (Which May Be Caused by an Exceptionally High, Unexpected Increase in Gas Demand, Suspension or Disruption of Imported Natural Gas Supply, or Other Events Affecting Natural Gas Supply in the Country), When the Situation Cannot Be Resolved Through Market-Based Measures and Requires the Activation of Additional Non-Market Mechanisms to Ensure the	If necessary

		<p>Uninterrupted Supply of Gas to Protected Consumers, and, If Possible, to All Consumers.</p> <p>The notification should include a description of the incident/event and the actions taken, including:</p> <ul style="list-style-type: none"> – Description of the Event – Date, Time, and Duration of the Measures: – Specific date, time, and duration – Nature and Location of the Measures – Forecast of Natural Gas Supply and Demand, and the Status of the Transmission System – Potential Impact on Supply Security and Market Functioning – Analysis of Data Received from Natural Gas Enterprises and Other Market Participants Regarding Their Legal and Contractual Obligations During the Emergency Situation – Sending Relevant Information After Data Compilation and Analysis from Natural Gas Companies and Market Participants – Information on Measures Implemented During the Emergency, Including Both Market-Based and Non-Market Measures: 	<p>on a daily basis</p> <p>on a daily basis</p> <p>on a daily basis</p> <p>on a daily basis</p>
	<p>large Consumers, TPPs, users of natural of gas network</p>	<p>Notification of gas shutoff/restoration time and conditions, specifically indicating the reduced (possible minimum) supply volume and the minimum time required before the reduction or interruption of supply, necessary to prevent damage to equipment, systems, or other harm</p>	<p>on a daily basis</p>
	<p>Crisis Council, National security Council</p>	<p>Information received from natural gas enterprises regarding demand and supply, including possible imbalances, and the following issues prepared based on this information:</p> <ul style="list-style-type: none"> – forecast of daily gas demand and daily supply for the next 3 days (in mcm/day), as well as the expected natural gas deficit in the coming days, which must be covered by additional measures – forecast of daily gas flows at all cross-border entry and exit points and connecting nodes with all producers (including storage or LNG terminals), in mcm/day – period (in days and hours) during which guaranteed gas supply will be provided to protected consumers 	<p>on a daily basis</p>

		<ul style="list-style-type: none"> - actual or expected impact on the electricity and other economic sectors and potential measures: 	
	Crisis Council	<ul style="list-style-type: none"> - Updatable information received from natural gas enterprises regarding demand and supply, as well as possible imbalances - List of protected consumers and potential customers for intermittent supply 	If necessary at the announcement of emergency
	TSOs of neighbour countries	Continuous exchange of information to ensure the security and reliability of transmission networks, aiming to achieve rational (maximum possible) utilization of critical nodes or, conversely, to prevent overloading:	Continuous mode
Operators of distribution systems	GGTC	<ul style="list-style-type: none"> - Information about an event that caused an unusual increase in gas demand, the actual or expected disruption of imported gas supply, or an impact on the interruption of gas supply to end users within its operational area, including the estimated time and duration - Recommended market-based measures to mitigate or eliminate the threat: - List of protected and intermittent supply consumers connected to the natural gas distribution networks operated by the entity. 	at the announcement emergency
	Ministry	Recommendations on the sequence of natural gas disconnections for vulnerable consumers connected to the natural gas distribution networks operated by the entity	on a daily basis
	Last Customers	Notification regarding the time and conditions for gas shutoff/restoration	on a daily basis
Suppliers / Traders	GGTC	<ul style="list-style-type: none"> - Information about the potential occurrence of an event that may affect gas supply, including the estimated time and duration: - Information regarding any potential interruption of gas supply and/or the possibility of additional supply volumes, including the quantity of intermittent demand, as specified in natural gas supply/sales contracts, along with the delivery point and conditions: 	If necessary
Large Customers	GGTC, DSOs	<ul style="list-style-type: none"> - Information about the potential occurrence of an event that may impact an unusual increase or decrease in gas demand, including the estimated time and duration: - Information on gas consumption forecasts during an emergency and, if necessary, the possibility of reducing demand, switching to alternative fuels, or halting operations: 	on a daily basis

Ministry	The population of the country through media outlets	Information on the causes and scale of emergencies, as well as measures taken by natural gas enterprises and responsible authorities to prevent and/or mitigate their consequences	on a daily basis
	Unprotected customers	Information on the reduction or interruption of gas consumption	If necessary
	Security of Supply Coordination Group	Information on the progress achieved in relation to the emergency management plan:	on a daily basis
Crisis Council	Ministry	<ul style="list-style-type: none"> - Assessment of the actual or potential impact on the natural gas and electricity sectors, and recommendations for necessary potential measures - Vision on the development of the current operational situation (improvement or deterioration) and recommendations on the need for additional measures or changes in the crisis management plan 	at the announcement of emergency on a daily basis
	National Security Council	Report on the actions taken	on a daily basis
		Results of monitoring information received from natural gas enterprises	on a daily basis
	Secretariat	<ul style="list-style-type: none"> - Notification of the declaration of a state of emergency - Information on measures not based on market mechanisms and not included in the emergency management plan, along with justification for deviating from the plan 	immediately immediately
	Security of Supply Coordination Group	Request for the convening of a group meeting to investigate the situation and, if necessary, seek assistance at the regional level, if the situation cannot be adequately managed using measures implemented at the national level	If necessary
	Competent Authorities of Neighbouring Countries	Notification of the Declaration of a State of Emergency	immediately
Commission	Crisis Council, National Security Council	Information on the operations of the natural gas market and monitoring of the results of actions taken to ensure gas supply security during a state of emergency	on a daily basis
Electricity Transmission System Operators, Major Electricity Traders,	GGTC, Crisis Council, Commission	<ul style="list-style-type: none"> - Information on the fulfilment of their legal and contractual obligations - Information on actions taken during the state of emergency, including actual and potential import volumes of electricity - Operational information on natural gas consumption and electricity generation - Information on operational parameters of gas-fired power plants 	of need case on a daily basis on a daily basis on a daily basis

**and Power Plant
Operators**

- information on the actual or potential impact of gas supply disruptions on the operational resilience of the electricity transmission network and corresponding recommendations:

on a daily basis

Draft Administrative/Normative Document on the Declaration of Emergency Situations

Document issued pursuant to the Order of the Minister of Economy and Sustainable Development of Georgia (refer to sample below) or in the form of another administrative/normative document.

Order No. _____
of the Minister of Economy and Sustainable Development of Georgia
Tbilisi, _____, 202

On the Declaration of Emergency in the Natural Gas Sector of Georgia

In accordance with the Organic Law of Georgia on Normative Acts and Article 5 of the Regulation on Declaration of Crisis Situation in the Natural Gas Sector attached to Resolution N 373 of the Government of Georgia, dated October 28, 2024, within the authority granted, I hereby order:

Article 1

Pursuant to Article 141(2) of the Law of Georgia on Energy and Water Supply and Article 11(1)(c) of Regulation (EU) 2017/1938 on Measures to Safeguard the Security of Gas Supply, an emergency is declared in the natural gas sector of Georgia as of _____, 202.

The emergency is declared based on the recommendation of the Crisis Management Council for the Natural Gas Sector of the Ministry of Economy and Sustainable Development of Georgia. The necessity for this declaration arises from a sudden and significant disruption in gas supply (or other circumstances beyond the control of natural gas enterprises)² that threatens the safety and reliability of the natural gas system (or the supply of natural gas to meet end-user demand and/or the safety of individuals, equipment, or system integrity).

Article 2

During the period of the emergency, the normal functioning of the market shall be temporarily restricted. Market-related rules and legislation shall be suspended, and exceptional measures for managing natural gas flows, as defined in the Emergency Management Plan, shall be activated, including but not limited to³: _____.

Article 3

Market participants and other stakeholders involved in the process are required to ensure the performance of functions and responsibilities defined in the Emergency Management Plan during the emergency period. This includes mandatory daily reporting mechanisms by market participants. Additional instructions shall be provided to these entities in the form of recommendations from the Crisis Management Council as needed.

² It is necessary to specify the specific cause of the disruption (see Part 2, Definition of Crisis Levels and Grounds for Declaration)

³ The selection of measures is carried out based on the recommendation of the Crisis Management Council, taking into account the specific situation outlined in the Emergency Management Plan.

Article 4

The emergency shall remain in effect until the issuance of an order by the Minister of Economy and Sustainable Development of Georgia lifting the emergency. This decision will be based on the readiness of the natural gas market to return to normal functioning.

Article 5

The declaration of Emergency in the Natural Gas Sector of Georgia under Article 1 of this order does not limit the general emergency management rules established by the Law of Georgia "On Emergency Situations," provided that the specific requirements for managing emergencies in the natural gas sector, as defined in Articles 2 and 3 of this order, are duly implemented.

Article 6

This order shall enter into force upon its publication.

Minister of Economy and Sustainable Development of Georgia

Draft Administrative/Normative Document on the Termination of an Emergency Situation

The document is issued by the Order of the Minister of Economy and Sustainable Development of Georgia (see the sample below) or in the form of another administrative/normative document.

Order No. -----

of the Minister of Economy and Sustainable Development of Georgia

Tbilisi, "--", 202_

On the Termination of the Emergency in the Natural Gas Sector of Georgia and the Annulment of Order No. ----- Issued by the Minister of Economy and Sustainable Development of Georgia on "--", 202_

Pursuant to the authority granted under Article 7 of the Regulation on Declaration of Crisis Situation in the Natural Gas Sector attached to Resolution No373 of the Government of Georgia, dated October 28, 2024 and in accordance with the Organic Law of Georgia "On Normative Acts," I hereby order:

Article 1

In accordance with the provisions of Article 11 of Regulation (EU) 2017/1938 on Measures to Safeguard the Security of Gas Supply and the Law of Georgia on Energy and Water Supply, the emergency declared in the natural gas sector of Georgia by Order No. ----- of the Minister of Economy and Sustainable Development of Georgia, dated "--", 202_, is hereby annulled as of "--" o'clock on "--", 202_.

Article 2

With the termination of the emergency, all temporary restrictions and obligations imposed on participants in the natural gas market under the Emergency Management Plan shall be lifted, and the natural gas market shall return to normal operations as defined by the "Natural Gas Market Rules."

Article 3

This order shall enter into force upon its publication.

Minister of Economy and Sustainable Development of Georgia

Template for Notification to the Energy Community Secretariat⁴

To: [Name and Surname]
Director of the Energy Community Secretariat

Subject: Declaration of Crisis Situation

Dear Director,

We hereby inform you that the Ministry of Economy and Sustainable Development of Georgia, based on the recommendation of the Crisis Management Council for the Natural Gas Sector and in compliance with the requirements of Article 11 of Regulation (EU) 2017/1938, has officially declared an early warning (alert, emergency) regarding challenges related to natural gas supply on [date], 202_, to ensure the security of gas supply for the country's consumers.

The Ministry of Economy and Sustainable Development ensures effective communication and coordination among the involved stakeholders and the Energy Community Secretariat. As of the current situation, the Ministry has full control⁵ over the circumstances and is implementing all necessary measures to ensure the security of supply for all consumers in the country.

We value your readiness for mutual cooperation and trust in your support, if needed. We will keep you informed of any developments, significant changes, or assessments of the situation's progress (or deterioration) throughout the crisis period, to facilitate coordination of further actions.

Sincerely,

[Name and Surname]

Minister of Economy and Sustainable Development of Georgia

[Date]

⁴ It is printed on the ministry's letterhead, in both Georgian and English, and sent via email or other electronic communication channels.

⁵ or "is unable to control the current situation and requires your active assistance."