



**Georgian National Energy and Water Supply  
Regulatory Commission**

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# **Cross-Border Infrastructure and Regulatory Framework of Georgia**



**REGULATION FOR DEVELOPMENT**

# Contents

- Main Directions of Energy Strategy of Georgia (harmonization of regulatory framework and development of cross-border trade);
- Electricity Market Structure and Trend of its Development;
- Regulatory Frameworks of Cross-Border Trade (transit, import, export)
- Transmission Tariffs;
- Cross-border Transmission Infrastructure and 10-year Development Plan of Transmission Network.



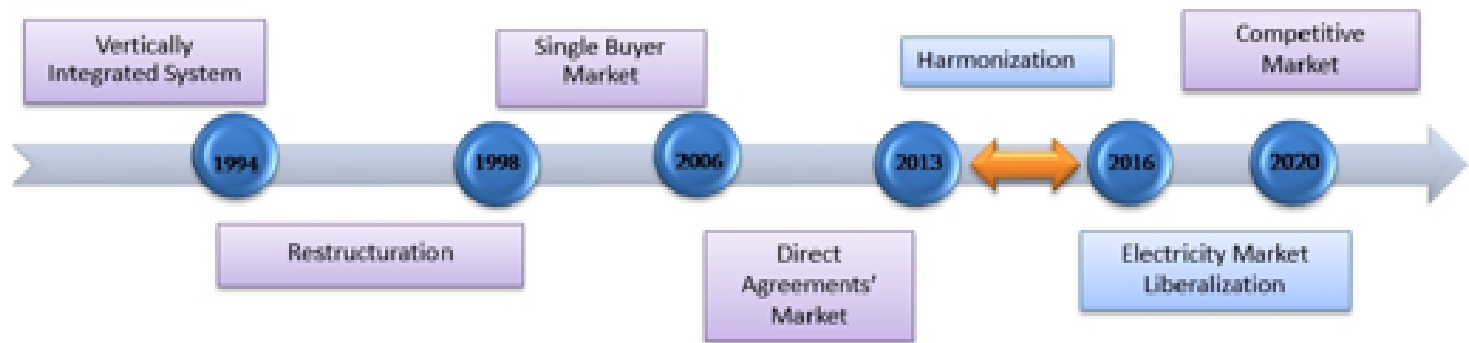
# Main Directions of Energy Strategy of Georgia

- Full harmonization of national legislation with EU 3<sup>rd</sup> Energy Package;
- Growth of Competition of Energy Sector of Georgia in South Caucasian region through integration with Turkey and strengthening Georgia's transit role in the region;
- Improving Regulatory legislative base;
- Facilitating technical synchronization with regional energy systems.

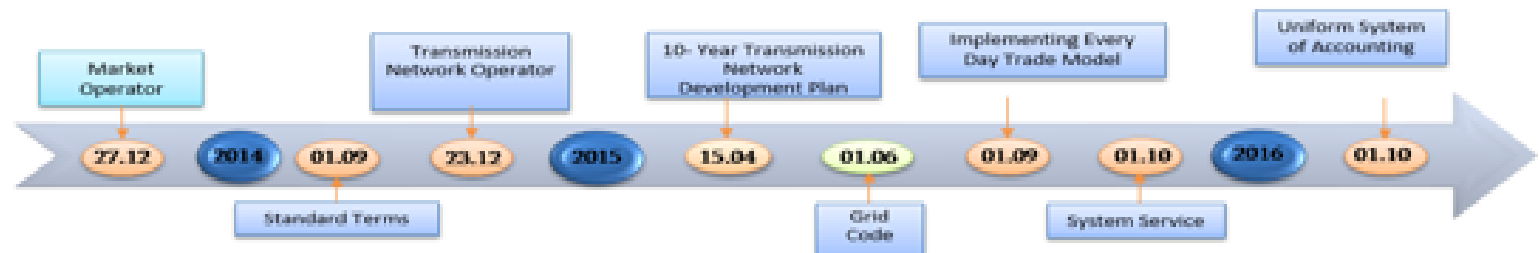


# Development of Electricity Market Design and its Transformation

- Dynamics of Electricity Market Development and Transformation.



- Events of 2013-2016 in Electricity Market



# Main Criteria for New Market Model

- Based on interests of the population, available regulatory tariffs should be ensured for household consumers;
- Permanent opening of household market and development of competition of Generation and Supply should be ensured;
- Attraction of Investments in the Sector should be fostered;
- Energy Resources of Country should be used rationally and effectively;
- Legislative Base and Electricity Trade Mechanisms should be harmonized with EU 3<sup>rd</sup> Energy Package and with legislation of neighboring countries. It should facilitate development of clean energy regional platform in Georgia and its integration into the Uniform European Energy Market.



# General Principles of Cross-border Trade (1)

- Electricity Import/Export in Georgia is fully deregulated;
- Import/Export can be carried out by any person on the basis of direct agreements;
- Exporters and Importers are obliged to carry out their activities in compliance with Electricity (Capacity) Balances;
- Electricity (Capacity) Balances are submitted for approval by Dispatch Licensee to the Ministry of Energy.



# General Principles of Cross-Border Trade (2)

- Agreement with Dispatch Licensee on Ensuring Electricity Technical Transit.
- Regulatory Fee is not applied to Electricity Transit.
- Tariffs set by the Commission do not apply to Electricity Transmission and Dispatch Services during Transit.



# Transmission Network of Georgia by 2014



\* Source: 10-Year Network Development Plan of Georgia





# Transmission Tariffs



ENERGETRANS



SAKRUSENERGO



# Transmission Network of Georgia by 2025



Source: 10-year Transmission Network Development Plan of Georgia





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# Thank You!



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