

# Georgian Energy Development Fund

*Renewable Energy Match-making: Best practice examples of RE&EE project finance*

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# Background



Georgian Energy Development Fund (GEDF) is a joint stock company established by Government of Georgia (GoG) on December 13, 2010. in order to promote and develop clean energy projects in the country



GEDF is managed by the Ministry of Economy and Sustainable Development of Georgia and serve as an investable vehicle in clean energy project development in Georgia.



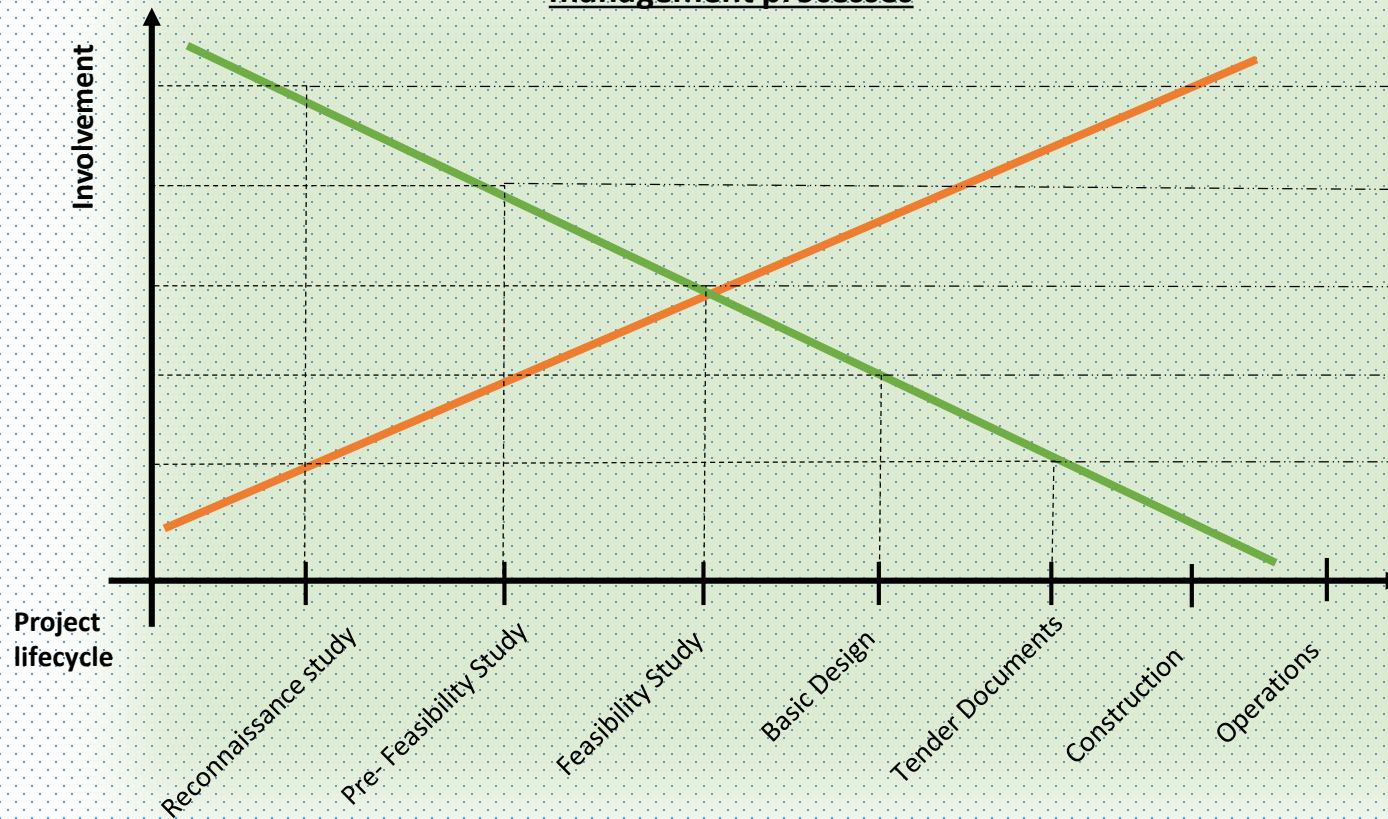
GEDF supports clean energy project development either through early project development investment and/or through an offering of the government's shares in GEDF to potential investors



# GEDF's activities



## Parties involvement in project development & management processes



## Core activities of Georgian Energy Development Fund

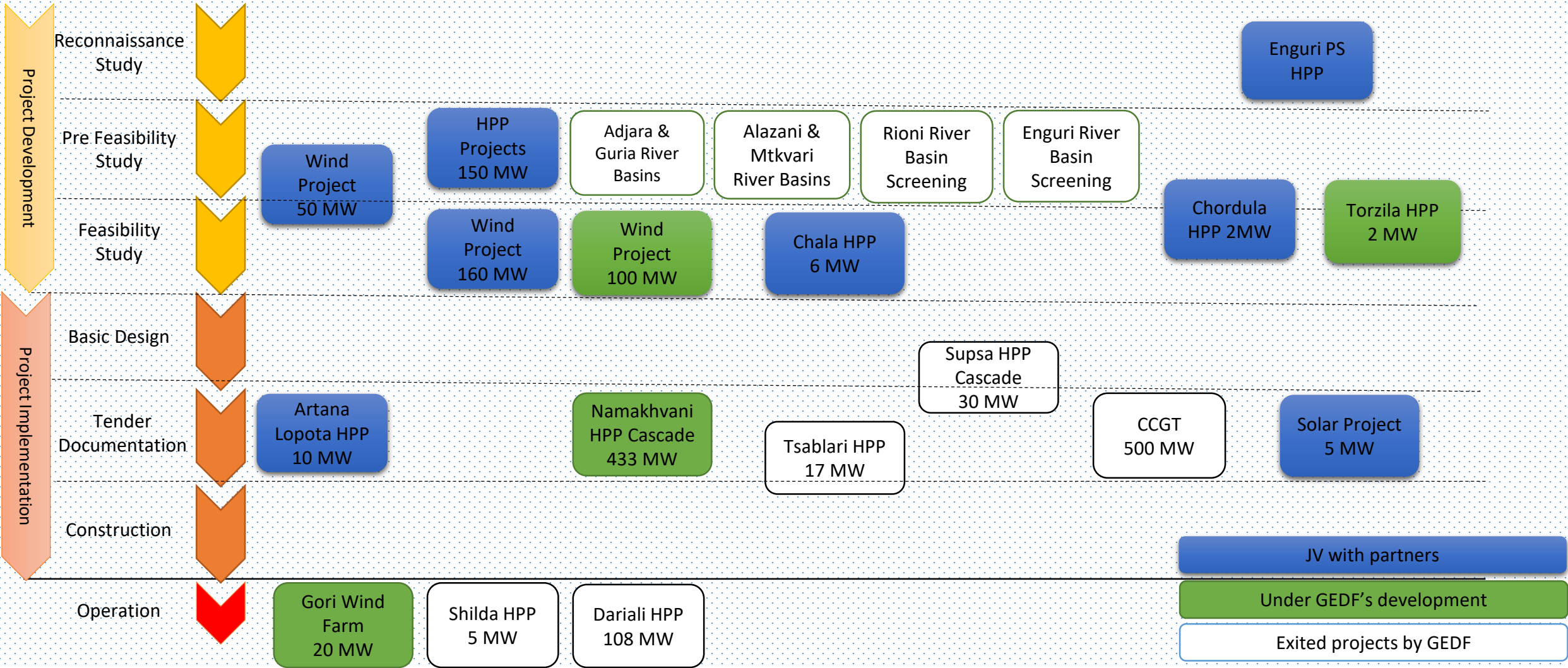
Identification and analysis of potential "greenfield" sites including river-basin planning – and investigation of other renewable energy projects

Finance initial costs related to the development of identified energy projects

- Jointly – with a private investors – develop projects with an exit option for the Fund at various stages of development;
- Support developing energy projects;
- Facilitate project investment promotion;
- Support potential financing arrangements with international financial institutions and/or private financial entities

— GEDF's involvement  
— Investor's involvement

# GEDF's Portfolio



# On-going Hydro Projects

GEDF's share



## Namakhvani

- Installed capacity: 433 MW
- Racha – Lechkhumi Region
- Negotiations with Investor

100%

## Artana-Lopota

- Installed capacity: 10 MW
- Kakheti Region
- Licensing Stage

20%

## Kvirila

- Installed capacity: 6 MW
- Imereti Region
- Feasibility Stage

20%

## Torzila

- Installed capacity: 2 MW
- Imereti Region
- Feasibility Stage

100%

## Chordula

- Installed capacity: 2 MW
- Racha Region
- Feasibility Stage

45%

## Borjomi

- Installed capacity: up to 12 MW
- Samtskhe-Javakheti region
- Feasibility Stage

100%

# On-going Wind Projects

GEDF's share



## Qartli WPP

- Installed capacity: 20.7 MW
- Shida Kartli Region
- Operational Stage

51%

## Nigoza WPP

- Installed capacity: 50 MW
- Shida Kartli Region
- Negotiations with the Ministry

15%

## Central WPP

- Installed capacity: 120 MW
- Imereti Region
- Feasibility Stage

15%

## Qartli 2 WPP

- Installed capacity: 100 MW
- Shida Kartli Region
- FS completed

100%

## Zestaponi WPP

- Installed capacity: 50 MW
- Imereti Region
- Feasibility Stage

10%

# “Udabno” Solar Power Plant 5 MW

Site Locations : Kakheti Region,  
v. Udabno

Project total Installed capacity: 5 MW

Panels Info : To Be Determined

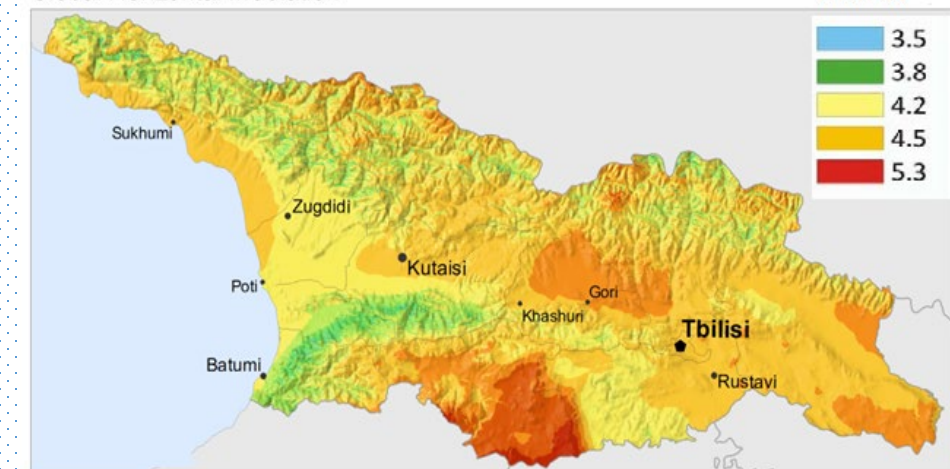
P 50 Net Generation / CF : 6 900 000 kWh

Project Cost : 4 500 000 USD

Feasibility Study completed



Global Horizontal Irradiation



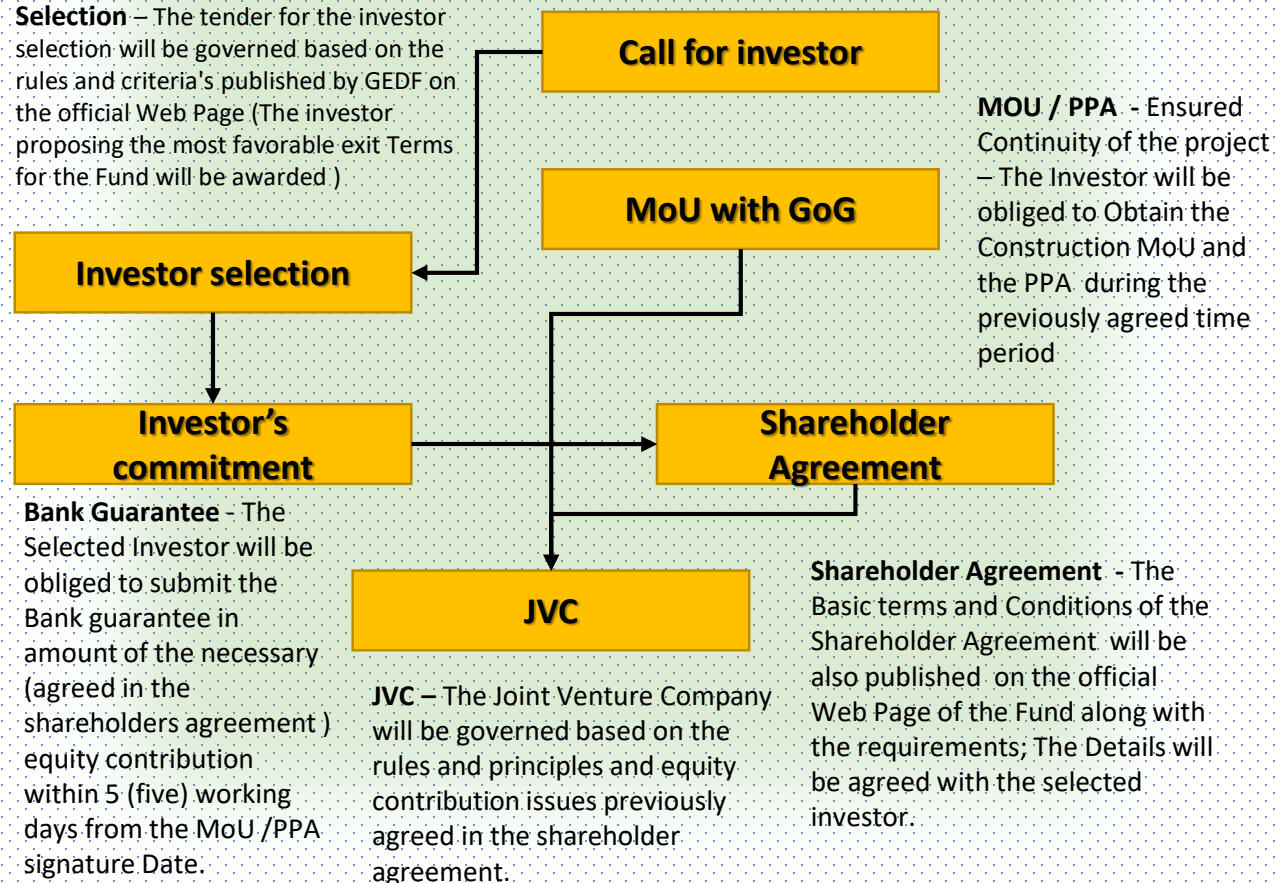


# Project Initiation Process

## Project Initiation by GEDF

### Tender Opening and Investor Selection

**Selection** – The tender for the investor selection will be governed based on the rules and criteria's published by GEDF on the official Web Page (The investor proposing the most favorable exit Terms for the Fund will be awarded )



## Project Initiation by Investor

### Letter of Intent

- Investors write letter of Intent specifying:
- The projects they want to cooperate on and the intended way of cooperation.
- Information about the investor, their background and their view about project implementation plan.

### NDA and Information Sharing

- GEDF and Investor/project developer sign Non-Disclosure Agreement and share all the available information on specific projects
- If needed site visits and discussions are made to evaluate projects

### Due diligence

- GEDF conducts technical, financial, legal and any other (if required) investigations of the proposed case

### Agreement

- Investor and GEDF make decision on the way of cooperation and projects to cooperate with
- Investor and GEDF sign shareholding agreement/ service agreement. Terms of agreement are negotiable from project to projects.

### SPV

- Special purpose vehicle is established for further activities to be taken under Shareholder Agreement considered

# Cooperation schemes with GEDF

## Project Development

### Partnership/Shareholding

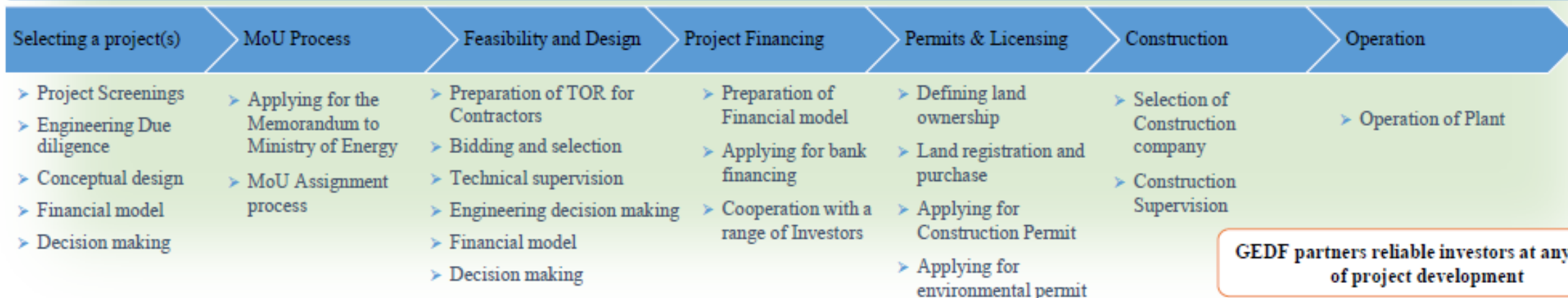
- GEDF is able to partner reliable investor in renewable energy projects
- Projects can be initiated by both parties – investor or GEDF
- GEDF may inject capital but should be in minority
- GEDF and partner establish Joint Venture (Special Purpose Vehicle)
- GEDF should have an exit option at defined stages, mainly after commissioning

### Service agreements

- engineering consultancy for project scoping, preliminary design, etc...
- procedures needed for construction permit: mainly land ownership definition and other legal and administrative issues
- project management activities

## Project Implementation

No further capital contribution is done by GEDF at the construction stage



GEDF partners reliable investors at any stage of project development

# Conclusions

- GEDF supports development of clean energy projects;
- GEDF finances initial costs related to the development of identified energy projects;
- GEDF has an exit option from Joint Venture at defined stages.

**Thank you for your attention!**

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