Ministry of Economy and Sustainable Development of Georgia

Renewable Energy HardTalk in Georgia

“Building Support for Renewable Energy Investments in Georgia”

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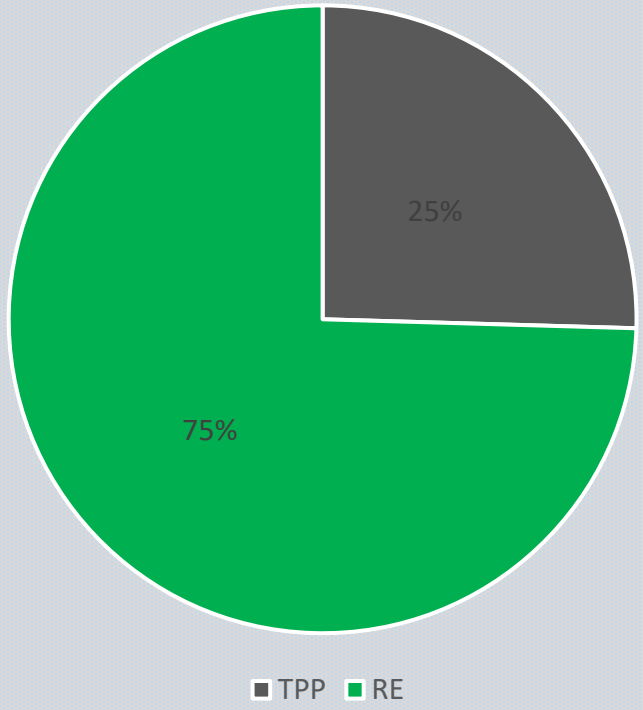
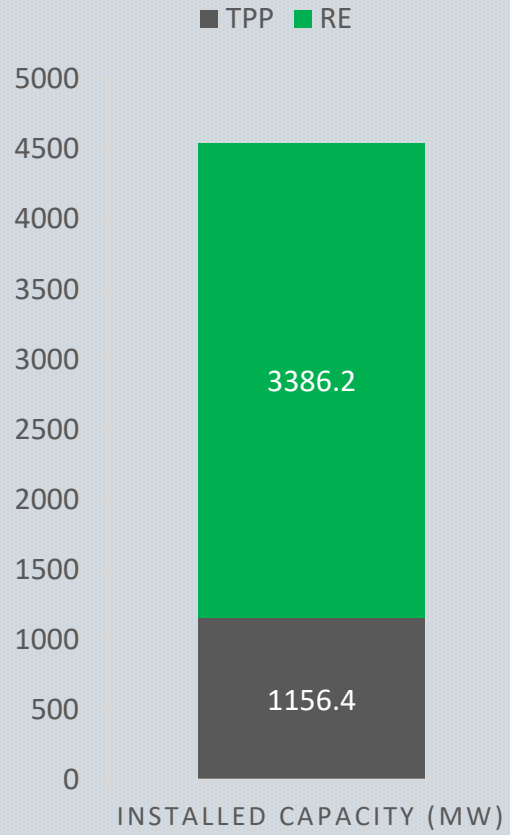
Installed Capacity of the Energy system

- Hydro Power: 112 Operating HPPs
  Installed Capacity – **3365.5 MW**
- Wind Power: 1 Operating WPP
  Installed Capacity – **20.7 MW**
- Thermal Power: 6 Operating TPPs
  Installed Capacity – **1156.4 MW**





Total installed capacity: **4 542.6 MW**

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RE potential in Georgia

Hydro Energy

- 300 out of 26,000 rivers capable of providing excellent opportunities for hydropower production.
- Only 22% of total hydro potential is utilized
- HPP Greenfield potential of 40 TWh

Solar Energy

- During the year in most regions there are 250-280 sunny days and the annual average amount of sunshine hours is over 2000

Wind Energy

- The total installed capacity of wind power projects can be up to 1500 MW with average annual electricity generation of 4 billion kWh

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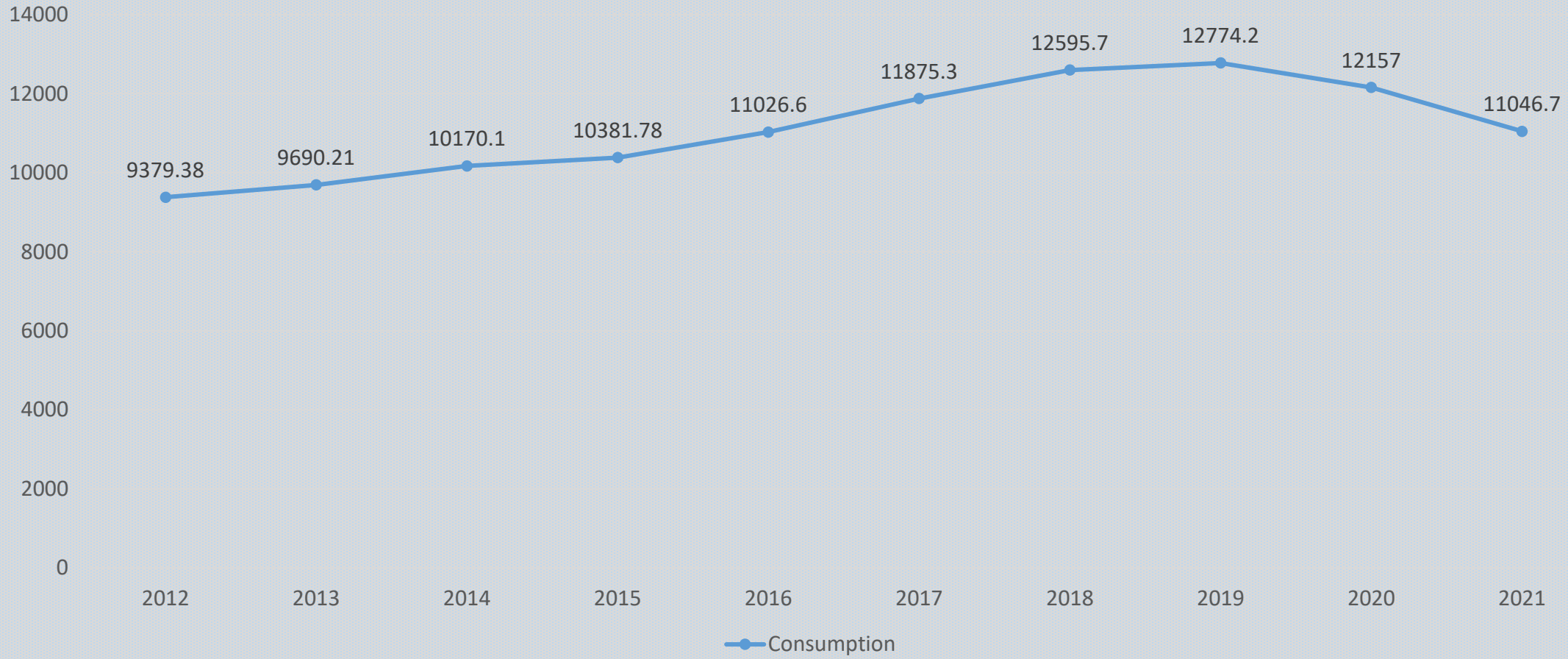
Electricity Consumption 2012-2021



Electricity consumption in 2019 has increased by 36% compared to 2012.
Due to pandemic consumption was decreasing partially in 2020 and 2021

Grid losses: 2001 – 18.53%; 2006 – 16.2% 2018 – 6.48% ;

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UNECE Renewable Energy Uptake: 2021 Hard Talks

“Building Support for renewable energy investments in Georgia”

12-13 October, 2021 (Virtually)

- Organized by UNECE, REN21, dena together with MoESD
- Progress made since 2016 Hard Talk
- Key Discussion Topics: Policy Landscape, Market Structures and Societal Support
- Participants from government agencies, private investors, energy producers , financial and research institutions, NGOs, and international organizations and etc.
- Report with key issues and recommendations was produced After the Hard Talk

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Challenges

- Lack of network capacity
- Uncertainty regarding market reform
- RE support mechanisms need strengthening
- Societal opposition - lack of information and trust
- Lack of adequate policy support
- High investment costs
- Lack of access to capital
- Project implementation challenges
- Lack of local capacity/ human resources

Recommendations

- Establish a long-term policy strategy, setting longer-term (technology specific) RE targets that will provide clear signals to investors.
- Improve existing and introduce new RE support schemes. There is a need for flexible, technology-based support mechanisms, with the ability to accommodate dynamic changes in the market.
- Provide stable and transparent market rules. With the market reform underway, a transitional action plan that supports investors, as the pricing mechanism becomes clearer, would increase investors' confidence.
- Develop a tactical, long-term communication strategy involving various stakeholder groups to overcome social opposition. Promote communication campaigns and social engagement in RE project implementation.
- Intensify capacity building activities through the development of local education programs. Update existing curricula to introduce students to the new technologies and skills required and encourage the collaboration between universities and industry.
- Convene regular multi-stakeholder discussions to advance the renewable energy agenda in Georgia.

Progress since HardTalk in 2021

- Drafted National Energy Policy;
- Updated of draft National Energy and Climate Plan of Georgia and presentation within 10 working group meetings for CSOs;
- Market opening postponed due to ongoing energy crisis and instability in the region;
- Negotiations with International Monetary Fund regarding new support scheme (auctions or CfD) almost finished.

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Thank you!