

ევროკავშირი საქართველოსთვის The European Union for Georgia

Twinning Project for Green Energy Regulation in Georgia Twinning Contract No: ENI/2020/415-426

## **PRESS RELEASE**

The Twinning project "Development of Network Tariff Setting Methodologies, Energy Efficiency and Renewable Energy Regulatory Strategy and Creating Regulatory Framework for Enabling Demand Side Involvement" was launched on 1 February 2021 with the duration of 30 months of execution period.

The project is implemented by Energie-Control Austria (Austrian National Regulatory Authority) in cooperation with the German partner of the Federal Network Agency (BNetzA). The Georgian National Energy and Water Supply Regulatory Commission (GNERC) is the direct beneficiary of the project.

The European Union and Government of Georgia work together on strengthening the independence of the national energy regulatory authority and its capacity to develop the relevant regulatory framework to ensure the operation of the competitive, transparent and efficient energy markets. According to the Association Agreement between the European Union and Georgia, the latter has to increase market integration and gradually approximate key regulatory elements towards the EU acquis, and promote energy efficiency, the use of renewable energy sources, increase reliability of energy infrastructure and quality of service standards.

Our Twinning Project aims to support the implementation of the above-mentioned goals through the approximation of Georgia's regulatory framework in the electricity and gas markets.

Based on these focus areas, the main expected results of the project are defined as follows:

Firstly, creating a basis for reforming the existing tariff system that will be substantial in order to establish an appropriate tariff for system network operators (TSO-DSO) in order to cover grid expenses, including system stability expenses.

Secondly, establishing an environment for demand response and active consumer participation in the market on both wholesale and retail markets, including removing barriers for demand participation, establishing reward schemes for suppliers and consumers in participating in demand response depending on national circumstances.

Thirdly, developing the relevant secondary legislation and enhancing capacities of the relevant stakeholders in accordance with the European best practice, and approximation obligation with EU respective acquis in terms of establishing EU compliant requirements and strengthening the role of the national regulatory authorities in promoting renewable energy integration and energy efficiency stemming.





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"The EU is proud to support a new Twinning project assisting the Georgian National Energy and Water Supply Regulatory Commission in improving the functioning of the energy market, based on EU experience and standards. Building up on our successful long-term cooperation, the Austrian, German and other EU experts will work with their Georgian counterparts particularly on promotion of renewable energy and energy efficiency to bring cleaner and more competitive energy to Georgian consumers." – Ms. Sigrid BRETTEL (Head of Cooperation Section of the Delegation of the European Union to Georgia).

The Opening Ceremony of the project was held on 8 September 2021 remotely and aimed to deliver comprehensive information on the project commencement, its objectives and planned activities as well as to provide an overview on ongoing reforms within the energy sector of Georgia.

Representatives of the Georgian National Energy and Water Supply Regulatory Commission, as well as Georgian Government, EU Member State institutions, diplomatic corps, international and donor organizations, private sector, business community, civil society actors and other stakeholders underlined the imperatives of the Energy Sector and talked about the current state, challenges and advancements related to the reform of the energy sector.

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