



ADVICE TO THE DEVELOPER ON LEGAL PROCEDURES ON AUTHORIZATION AND LICENSES FOR 100 MW IMERETI 1 WIND POWER PLANT

USAID ENERGY PROGRAM

30 October 2020

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USAID ENERGY PROGRAM

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DATA

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ACRONYMS

CO²	Carbon Dioxide
DRP	Development Regulation Plan
EnCT	Energy Community Treaty
ESCO	Electricity Market Operator
ESIA	Environmental and Social Impact Assessment
FS	Feasibility Study
GEL	Georgian Lari
GIS	Geographic Information System
GNERC	Georgian National Energy and Water Supply Regulatory Commission
GoG	Government of Georgia
GSE	Georgian State Electrosystem
GWh	Gigawatt Hour
ha	Hectare
kg/m³	Kilogram Per Cubic Meter
km	Kilometer
kV	Kilovolt
kWh	Kilowatt Hour
LEPL	Legal Entity of Public Law
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MEPA	Ministry of Environmental Protection and Agriculture of Georgia
MoESD	Ministry of Economy and Sustainable Development of Georgia
MoU	Memorandum of Understanding
MW	Megawatt
NASP	National Agency of State Property
O&M	Operation and Maintenance
OHL	Overhead Line
PPA	Power Purchase Agreement
PPP	Public-Private Partnership
PPP Agency	Public Private Partnership Agency
SCADA	Supervisory Control and Data Acquisition
TCSA	Technical and Construction Supervision Agency
TSO	Transmission System Operator
USAID	United States Agency for International Development
USD / \$	United States Dollar
VRE	Variable Renewable Energy
WPP	Wind Power Plant

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INTRODUCTION

This report is done under the USAID Energy Program (“Program”). The objective of the Program is to support Georgia’s efforts to facilitate increased investment in power generation capacity as a means to increase national energy security, facilitate economic growth, increase investment in energy, and enhance national security. The project has aimed to have a significant impact on the energy market reform efforts of the Government of Georgia (GoG) to comply with the country’s obligations under the Energy Community Treaty (EnCT). The objectives were targeted to be achieved through the provision of technical assistance to a variety of stakeholders in the energy sector.

Under Task 3 of the Program, we are supporting the enhancement of enabling environment for small and medium-sized Variable Renewable Energy (VRE) plants, thus promoting the diversification of generating capacity of the country. To that end, the Program assists developers of VRE projects with regulatory approval, interconnection, and other institutional issues. Most projects under development, require guidance on application, power purchase, interconnection and related technical and procedural requirements. The project has helped developers in preparing applications for the authorization and license of new generation facilities, navigating the GoG processes quickly and transparently through providing appropriate legal recommendations and guidance to developers to traverse the entirety of the development process.

With this report, the Program assists the developer of Imereti 1 Wind Power Plant (WPP), to check the compliance of the proposed project on electricity generation of 100 MW with the existing legal requirements and procedures of authorization and licenses.

Accordingly, the provided recommendations guide the developer on the procedures for compliance with the legal requirements on permits and licenses essential for renewable energy projects development in Georgia, running through the GoG Resolution # 426 on “Approval of the Rules of Developing and Implementing Public-Private Partnership Projects (PPP),” enacted on August 17, 2018. The report describes all the necessary steps for the successful implementation of the project till the decommissioning - and outlines all existing legislation, permits deadlines, fees, and procedures involved.

More generally, the document elaborates the main procedures related to obtaining approval from the GoG and the main requirements faced by the developers in terms of meeting the rules and regulations set by relevant legislation.

EXECUTIVE SUMMARY

With this report, USAID Energy Program presents the analysis regarding the authorization and license of the new generation facility of variable renewable energy project Imereti 1 WPP. For that purpose, we examined relevant national legislation to clarify procedures for developer to obtain relevant permits and licenses.

To that end, the report comprises of an overview of the legal framework on construction permit, grid connection, generation license, commercial commissioning and decommissioning of the project.

Since the adoption of the “Law of Georgia on Public-Private Partnership”, effective from May 4, 2018, there is an absence of VRE projects development practice in Georgia. Therefore, the developer of the Imereti 1 Wind Farm turned to the USAID Energy Program for help in an in-depth review of the permit, focusing on clarity of the procedure, the number and nature of the requested documents and the duration of the procedure, administrative fees and ease of access to information related to the permit. This report comprises of the requested review.

The program identified that the Imereti 1 WPP is at the final stage of the development phase and shifting to the project implementation phase, followed by the Operation and Maintenance (O&M) and decommissioning phases. Accordingly, we propose the description of all the necessary steps for the successful implementation of the project till the decommissioning, also outline all existing legislation, permits deadlines, fees, and procedures involved.

The Program also observed that, the Code of Georgia on Spatial Planning, Architectural and Construction Activities splits buildings and structures into five classes based on the risk level. The same code substantiates on the procedures for class II-IV, though lacks any indication on the linkage of class V buildings to the ones having special importance. For more clarity, we analysed the technical specification of Imereti 1 WPP and substitute to act in accordance with Ordinance # 257, class V buildings, categorise facilities into the class of special importance.

Finally, the report presents conclusions and recommendations on the licensing procedure, clarifying the legal basis for the successful implementation of the proposed wind farm.

This report will help the developer to keep track of the project development stages in accordance with the relevant normative acts.

IMERETI 1 WPP PROJECT BACKGROUND

USAID Energy Program has provided significant prior support to Infinite Energy in earlier development stages of Imereti 1 WPP project. The Program already offered several studies related to the pricing of the VRE projects, recommendations on imbalance cost responsibilities, recommendations on Incentive Schemes and recommendations on connection to the transmission system.

As a result of the Program support, Imereti 1 WPP successfully shifted to the final development stage from the initial project development stage. The project is in the process of negotiations with GoG on the conditions of the Power Purchase Agreement (PPA) on electricity off-take tariff. The project is ready to sign the implementation agreement and start construction works.

The proposed project represents a 100 Megawatt (MW) wind power project in the Imereti region, Georgia, being in the active development stage, with the estimated total investment cost up to \$150 million.

Infinite Energy LLC is jointly owned by Austrian Ivicom Holding GmbH and local Georgian investors. Ivicom completed more than 600 MW of wind, hydro, and cogeneration projects mostly in Balkan peninsula.

The estimated annual generation of the project is about 400 Gigawatt-hours (GWh). The average wind power density at hub height is 1.1 kg/m³. Capacity factor estimation is about 41%.

The site is granted to an investor with the exclusive terms to develop a wind farm project, whereas the privately held land plots are already acquired and the state-owned parcels are registered and made ready for transfer to the project.

After negotiations with the Georgian Transmission System Operator (TSO) and relevant stakeholders, the parties agreed on the connection scheme over Chiatura into Zestaponi Substation, namely: WPP will build 35/100 Kilovolt (kV) Substation on site, construct 22 km long double circuit 110 kV Overhead Line (OHL) to Chiatura 5 Substation, refurbish the Chiatura 5 Substation, refurbish the partially destructed 36 km long double circuit 110 kV OHL "Dilikauri" to Zestaponi substation. The Georgian TSO will construct two 110 kV bays at the Zestaponi substation.

The project is estimated to reduce carbon emission (CO₂ equivalent emission reduction) by 1,324,354 Metric Tons CO₂e.

By the end of 2019, the GoG approved Concept Notes of Imereti WPP. The project signed Memorandum of Understanding (MoU) on a feasibility study with MoESD, Pre - Environmental and Social Impact Assessment (ESIA) submitted; Feasibility Study (FS) submitted; The final ESIA study submitted. 100 MW Imereti 1 WPP project development procedures fall under the GoG Resolution No. 426 on "Approval of the Rules of Developing and Implementing Public-Private Partnership Projects," sets detailed instructions for the identification, initiation, preparation, implementation, and post-implementation stages of a PPP project.

The Imereti 1 WPP, is at the final stage of the development phase. Currently, the project holds negotiations with GoG on the PPP Agreement conditions.

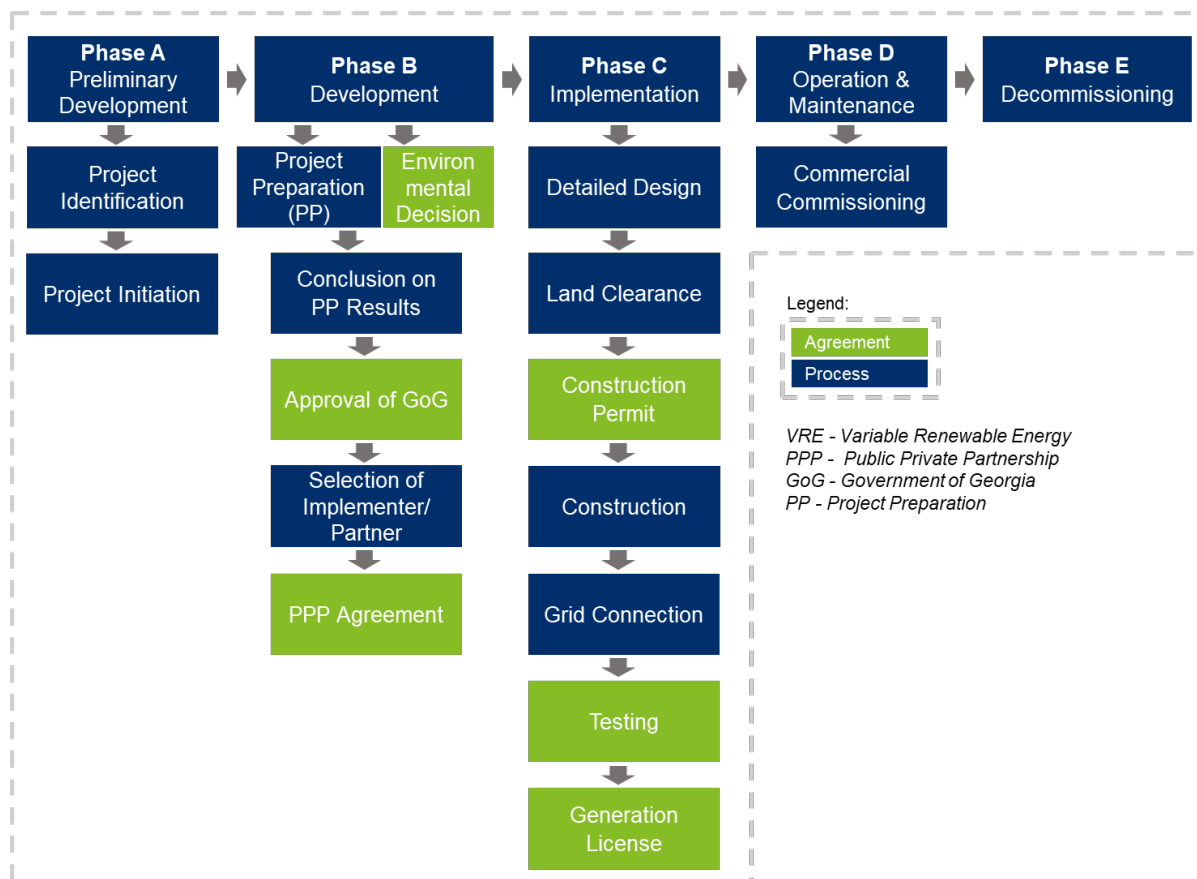
As soon as Imereti WPP and GoG will agree on the conditions of PPP Agreement, the project will shift to the project implementation phase, followed by the O&M and decommissioning phases.

PROJECT DEVELOPMENT PHASES

On May 4, 2018, the GoG adopted the Law of Georgia PPP, which defines a PPP as an agreement between a public sector institution or municipality and a private developer, in which the private developer assumes substantial financial, technical, and operational risk to design, finance, build and operate the project. The law admits the selection of a private partner through direct negotiations only in the energy sector.

According to the GoG resolution # 426, the project development phases are divided into 5 phases: Preliminary Development, Development, Implementation, Operation and Maintenance, and Decommissioning.

Chart 1: PPP Project Development Phases¹.



The main provisions of a PPP agreement include:

- *Subject of the PPP agreement;*
- *Scope and characteristics of the work to be carried out;*
- *Other matters related to public infrastructure and/or services to be provided;*
- *Distribution and transfer of property rights for public infrastructure and/or other property;*
- *Period of validity for the PPP agreement;*
- *Availability payments and performance-based compensation to be made to private partner;*
- *Payments, if any, to be made to a public partner;*
- *Terms, procedures, and consequences of termination of the PPP agreement;*
- *Contract implementation guarantee, which may not exceed 10% of the project cost.*

The contract will contain provisions for other issues agreed upon by the responsible parties. For example, in the energy sector, guarantees may be granted for long-term purchases of certain types of goods and services based on the prices agreed upon between the parties.

¹ Renewable Energy Investor Guidebook

The contract will also include penalties imposed on the private partner for the failure to fulfill an obligation. The minimum amount of each such penalty may be no less than 0.01% of the total project cost for each day of delay. Penalties unrelated to the private partner's failure to meet a deadline or an obligation shall be defined in the Invitation to Submit Proposals and the contract.

The penalty imposed on a private partner can be pardoned by the GoG based on a well-substantiated intermediation of the public and private partners that proves the delay was caused by circumstances beyond the private partner's control. The GoG has the right to form a commission to decide upon this issue.

For non-concessional PPPs, penalties shall be based on performance results. The impact of a penalty on the private partner's revenue must be comparable to performance quality and volume.

The contract terms must be defined by the Ministry of Economy and Sustainable Development of Georgia (MoESD) and must take into account the requested services and/or work. The maximum term of the contract may not exceed the reasonable period in which the concessionaire is expected to fully recover its investments (i.e., total amount to be invested in the project) and receive profits in return for the implemented work and/or services.

The process runs under GoG Resolution No. 426. No timelines are specified in the regulation.

PROJECT IMPLEMENTATION

After the agreement with the GoG, the developer proceeds with the actual implementation of the project. In that phase, the developer prepares the project's final design and obtains the right to use the land. The next stage is to apply for the construction permit. One of the preconditions for considering an application for the construction permit is a positive environmental decision. Once the permit is granted, the developer may seek approval of the Georgian State Electrosystem (GSE) to connect the power plant to the transmission grid. The next stage before starting the operation of the power plant is getting a generation license from the Georgian National Energy and Water Supply Regulatory Commission (GNERC)

According to information, obtained from the developer of Imereti 1 WPP, the site is already granted to an investor with exclusive terms to develop a wind farm project, whereas the privately held land plots are already acquired and the state-owned parcels are registered and made ready for transfer to the project. The project submitted the final ESIA as well.

CONSTRUCTION PERMIT

To obtain a construction permit, the developer must submit an application and accompanying documentation to the applicable self-governing body.

The Self-governing bodies issue construction permits for Class II, Class III, and Class IV buildings and structures. The MoESD Technical and Construction Supervision Agency (TCSA) issues construction permits for Class V buildings and structures, including radioactive and nuclear plants. Buildings and structures are grouped into the following five classes.

The regulatory framework of Georgia on the construction permitting encompasses three major legal acts that rule the issuance of construction permit including for the renewable energy sector. Particularly, the Code of Georgia on Spatial Planning, Architectural and Construction Activities as of 13 August 2018, Ordinance of the GoG # 255 on the Rules and Conditions of Issuing Construction Permits and Commissioning Buildings enacted on 3 June 2019 and the Ordinance of GoG # 257 on the Rule of Issuing Permit for Building of Facilities of Special Importance (Excluding Radioactive and Nuclear Facilities) and Permit Conditions enacted on 3 June 2019. Construction of any facility for the deployment of variable renewable energy resources is subject to procedures defined in those legal acts.

Wind energy projects can be considered under the Ordinance # 257. The article 50 stipulates the characteristics that categorize facilities into the class of special importance.

However, the annex 1 of Ordinance # 255 provides further details on the parameters which provide bases for categorising the buildings or structures into respective classes. The same annex specifies the classes for variable renewable energy. Wind turbines constitute class III though, the annex does not define parameters that would justify such a division or characteristics of those facilities, thus, creates room for ambiguity and misinterpretation.

The Ordinance of the GoG # 257 defines certain characteristics that qualify the buildings or structures into the ones having special importance and assigns the duty of issuing construction permit to the Legal Entity of Public Law - LEPL TCSA of the MoESD.

Class V buildings include structures of special importance, such as:

- *Structures with a volume of more than 1,000 meters³, height more than 50 meters, and subsurface depth more than 30 meters on average;*
- *Structures that span more than 24 meters;*
- *Industrial facilities for hazardous industrial processes;*
- *Tunnels and underground rail;*
- *Hydropower plants with a capacity exceeding 50 MW;*
- *Electrical substations with a capacity of 330 kV and above;*
- *Power plants connected to 330 kV transmission lines and above;*
- *Main (i.e., magistral) pipelines, including gas pipelines;*
- *Mines.*

Considering the above-mentioned requirement and the analysis of the technical parameters of the wind turbine towers of the Imereti 1 WPP, this project is more in line with the Ordinance # 257, the buildings of class V, classified as objects of special importance.

Relevant administrative bodies issue construction permits through three stages:

Stage I — Determination of construction terms is completed within 12 days from the date of submission of the permit application and approval of terms for usage of a land plot for construction, annexed with the required documents. Stage I is completed within 30 days for Class V buildings.

Stage II — Agreement on the architectural-construction project is completed within 20 days for Class IV and Class V buildings; and Class V buildings that require ecological expertise.

Stage III — Permit issuance is completed within 10 days of the submission date of the permit application, for Class V permits.

Exceptions to Stages: It is not necessary to go through the Stage I if the territory where construction is planned is included in the Development Regulation Plan (DRP), unless the DRP does not include all required terms. The DRP defines the particular zoning requirements and restrictions of the territory, as well as construction parameters, a map of main and local water networks, a map of the power and natural gas supply, and a map of main and local road and street networks. The construction terms are determined by the DRP.

The permit seeker may choose a simplified two-stage process that allows the private entity to combine Stage II and Stage III and submit the documentation required for both stages at the same time. For this simplified process, Stage I is completed within 15 days, and Stage II is completed within 20 days, for Class IV and Class V buildings.

After obtaining a construction permit, the private developer can start construction work.

GRID CONNECTION

If the developer wants to connect the project to the power transmission grid, he/she must apply to the transmission and dispatch licensee to GSE and sign a grid connection agreement with the GSE.

Power transmission grid connection will be carried out in two stages:

1. Stage I — The private developer will submit an application for grid connection and supporting documents per the Grid Code to the transmission licensee who will review the documents with the dispatch licensee and make an offer to the private developer.

In the case of grid connection refusal, the transmission licensee is responsible for delivering a well-justified and referenced refusal to the private developer and GNERC, which is responsible for verifying the refusal.

2. Stage II — The transmission licensee, the dispatch licensee, and the private developer will sign a grid connection agreement. Relevant parties will perform work outlined in the technical requirements of grid connection agreement. The dispatch licensee will approve the technical project. Equipment envisaged by the grid connection agreement will be tested successfully and prepared for operation.

In the case of a cell arrangement in the substation of the transmission licensee:

- Transmission licensee will be responsible for cell installation at the substation;
- Dispatch licensee will ensure the installation of the communication element of the Level I Supervisory Control and Data Acquisition (SCADA) system at the substations of the private developer and transmission licensee;
- All other work related to the connection will be organized and carried out by the developer seeking connection.

As a result of the cell arrangement, the connection unit (i.e., cell or bay) will be the property of the transmission licensee, while the communication element of Level 1 SCADA will belong to the dispatch licensee.

In case of deep connection:

- The connection to the transmission network limited by the consumption capacity of customer and/or generation unit capacity
 - New connection to 500 kV line won't be allowed if new customer capacity for consumption and/or new generation unit capacity of power generation is less than 250 MW;
 - New connection to 400 kV line won't be allowed if new customer capacity for consumption and/or new generation unit capacity of power generation is less than 200 MW;
 - New connection to 330 kV line won't be allowed if new customer capacity for consumption and/or new generation unit capacity of power generation is less than 150 MW;
 - New connection to 220 kV line won't be allowed if new customer capacity for consumption and/or new generation unit capacity of power generation is less than 50 MW;
 - New connection to 110 kV line won't be allowed if new customer capacity for consumption and/or new generation unit capacity of power generation is less than 10 MW;
 - From the above provided limitation exempted: existing connections, connections for which technical condition was issued until the 25th of July 2019 ², applicants who already have connection offer and applicants signed connection agreement until the 25th of July 2019.
- Transmission licensee will be responsible for:
 - Designing the technical project;
 - Obtaining land ownership;
 - Acquiring any other permits necessary to bring the transmission line to the developer's substation;
 - Work related to cutting and bringing the transmission line to the private developer's substation, including the procurement and installation of line commutation equipment necessary for the restoration of the integrity of the transmission line;
 - Install cell and metering points at the private developer's substation.
- Dispatch licensee will ensure the installation of the communication element of Level I SCADA at the developer's substation.
- All costs related to the connection will be carried by the developer seeking connection.

As a result of a deep connection and the constructed electricity transmission line, unit and metering points will be the property of the transmission licensee, while the communication element of Level I SCADA will belong to the dispatch licensee.

Commissioning tests are the final tests for electrical equipment and installations. These tests protect mechanisms and other systems, as well as verify electrical equipment functions properly.

All tests envisaged in the Grid Code and/or grid connection agreement will be carried out in accordance with the commissioning test schedules pre-approved by the dispatch licensee. Testing

² Ordinance # No. 17 of the Georgian National Energy and Water Supply Regulatory Commission on "The Amendment to the Network Rules", enacted on July 25, 2019

should be attended by a representative of the dispatch licensee. After completion of testing, the dispatch licensee will consent to the connection or issues instruction on additional testing. In the case of consent, relevant participants will be connected to the transmission network after it fulfills the requirements for transmission and dispatch services in Georgian legislation.

Connection offer from the transmission licensee to the private developer is active for three months.

The grid connection fee is determined for 500 kV, 400 kV, 330 kV, 220 kV, 110 kV, 35 kV, 10 kV, and 6 kV lines. The grid connection fee is paid in two stages.

Stage I of the grid connection fee:

- Fee for 6 kV, 10 kV, 35 kV is 2,500 GEL;
- Fee for 220 kV and higher is 4,000 GEL;
- Fee for 110 kV is 3,000 GEL.

Stage II of the grid connection fee, in addition to voltage, differs based on the type of connection: standard (i.e., deep or nonstandard).

Standard Connection Fee:

- Cell arrangement in open type switchyard:
 - 35 kV results in a fee of 218,000 GEL
- Cell arrangement in enclosed type (i.e., factory finished) switchyard:
 - 35 kV results in a fee of 300,000 GEL
 - 220 kV results in a fee of 819,000 GEL
 - 110 kV results in a fee of 560,000 GEL
- For 500 kV, 400 kV, 330 kV, 10 kV, or 6 kV, the grid connection fee is calculated based on cost estimation performed by the transmission licensee.

Deep Connection Fee:

- Single circuit:
 - 35 kV results in a fee of 178,000 GEL
 - 220 kV results in a fee of 428,000 GEL
 - 110 kV results in a fee of 352,000 GEL
- Double circuit:
 - 35 kV results in a fee of 260,000 GEL
 - 220 kV results in a fee of 677,000 GEL
 - 110 kV results in a fee of 517,000 GEL
- Cost of 1 km cable line:
 - 35 kV results in a fee of 199,000 GEL

In case of a non- standard connection fee, the developer is responsible for all costs associated with work related to the grid connection, as well as work related to the enhancement (i.e., reconstruction) of the network (i.e., fully or partially).

Stage I will continue for 35-65 working days based on the nominal voltage of connection requested by the private developer. Stage II will be completed within the terms of the agreed-upon grid connection agreement.

The main regulatory framework of Georgia on grid connection are Ordinance No. 10 of the Georgian National Energy and Water Supply Regulatory Commission on "The Approval of Network Rules," enacted on April 17, 2014; Decision No. 21/31 of the Georgian National Energy and Water Supply Regulatory Commission on "The General and Technical-Economical Criteria for the Refusal of Grid Connection and Its Assessment Methodology," enacted on March 23, 2017.

GENERATION LICENSE

To obtain a generation license, the private developer must submit a written application to GNERC that includes:

- a) *Extract from the State Register;*
- b) *Extract from Public Registry on ownership, use of generation facilities, cadastral map;*
- c) *Conclusion on conformity with state standards and norms of the technical condition of the generation facility issued by State Inspection of Technical Supervision of Georgia;*
- d) *List of assets and the valuation of the enterprise (i.e., audit);*
- e) *Technical condition issued by the relevant transmission and distribution licensee;*
- f) *Permit conditions and environmental decision issued by Ministry of Environmental Protection and Agriculture of Georgia (MEPA);*
- g) *Electric network scheme relevant to the requested license.*

The private developer is responsible for the accuracy and completeness of the information included with the generation license application. The commission will review the private developer's application and make a decision within 20 days.

The regulatory framework of Georgia establishing the rules for issuing generation license are Ordinance No. 23 of the Georgian National Energy and Water Supply Regulatory Commission on "Approval of Licensing Rules for Electricity and Natural Gas Sector," enacted on September 18, 2008; Law of Georgia on Energy and Water Supply, enacted on December 20, 2019; Ordinance No. 24 of the Georgian National Energy and Water Supply Regulatory Commission on "Approval of Rules on Calculation of Regulation Fee and Payment in Electricity Natural Gas and Water Supply Sector," enacted on July 31, 2019.

The generation license fee is calculated according to the formula:

$$R=Q*K$$

Regulatory fee (R)
 Supplied electricity (Q)
 Regulation fee coefficient (K) = 0.002

OPERATION, MAINTENANCE AND DECOMMISSIONING

COMMERCIAL COMMISSIONING

In the operation phase, the developer proceeds with commercial commissioning. For that, the developer must register as a qualified entity by the Electricity Market Operator (ESCO). The registration may take place once the power plant undergoes the testing period successfully and in confirmation with appropriate acts issued by GSE (i.e., the dispatcher licensee). After successful completion of the testing period, the developer has the right to commence commercial operations.

DECOMMISSIONING

When the useful life of the renewable energy power plant is expired, the developer must obtain a permit for decommissioning works. The procedure for obtaining such a permit is the same as that described in "Construction Permit and Construction." Permit to demolish Class IV and Class V buildings will be issued based on a project document and the relevant expert conclusion.

The decommissioning rules are defined in Resolution No. 57 on "Rules of Issuing of Construction Permit and the Permitting Requirements," enacted on March 24, 2009.

CONCLUSION AND RECOMMENDATIONS

Overall, the proposed 100 MW Imereti 1 wind power project will have a positive impact by increasing the electricity generation from renewable sources, which in turn, will significantly facilitate the enhancement of total electricity within the country and thus will help the energy sector to prevent the import of energy from the neighbouring countries.

The USAID Energy Program already suggested private developers a *Renewable Energy Investor Guidebook* to help navigate Georgia's project development process. This Renewable Energy Investor Guidebook describes all the necessary steps for the successful implementation of a renewable energy project in Georgia from project initiation through project decommissioning and outlines all existing legislation, permits' (i.e., environmental, construction, and operation), deadlines, fees, and procedures involved. For an overall view of the project development phases, we recommend the developer to guide with the web-based Interactive *Renewable Energy Investor Guidebook* (<https://vre.gedf.com.ge/en>).

Hence, USAID Energy Program recommends the developer follow the Authorization Checklists in Annex 1, on permits and licenses essential for renewable energy projects development in Georgia. The USAID Energy Program developed a Checklist to support project developers by providing profound insight into the requirements for formal authorization to implement certain activities for VRE projects. The Authorization checklists are proposed to project developers seeking advice on vital information to apply for permits and licenses appropriate to their projects. The Checklists are designed for all types of licenses and permits requested prior to commercial commissioning of the VRE project. The Authorization Checklists are annexed to the document.

Annex 1: The Authorization Checklists for Variable Renewable Energy.

ANNEX 1: THE AUTHORIZATION CHECKLISTS FOR VARIABLE RENEWABLE ENERGY

EXECUTIVE SUMMARY

The Authorization checklists are proposed to project developers seeking advice on vital information to apply for permits and licenses appropriate to their projects.

The Authorization Checklists were designed for all types of licenses and permits requested prior to commercial commissioning of the VRE project. The Authorization Checklists are prepared for the following applications:

- Initiative Proposal on Concession in Energy Sector;
- Environmental Decision;
- Land Privatization;
- Land Category Change;
- Construction Permit;
- Connection to the Transmission Network;
- Electricity Generation License.

Each checklist provides information on documents, studies, and certificates to be submitted to appropriate institution for obtaining the authorization to implement particular activity.

Furthermore, when necessary the checklist details the issues to be addressed in respective assessments or studies. Thus, ensuring the completeness of information against which the authorizing institution is conducting the administrative procedure. The title and contact information of the authorizing institution are also presented.

CHECKLIST FOR SUBMISSION OF INITIATIVE PROPOSAL ON CONCESSION IN THE ENERGY SECTOR

AGENCY TO BE SUBMITTED TO: MoESD

Copy to the Public Private Partnership Agency (PPP Agency)

Note: Project Proposal should include information with sufficient details to demonstrate compliance with the set of requirements

REQUIREMENTS FOR THE PROJECT PROPOSALS	STATUS		COMMENT
	YES	NO	
Does the project proposal address the needs identified in the energy sector by an authorized body?			
Does the project proposal include information on the project's scope, parameters, funding requirements for implementation (i.e., construction, maintenance, and/or operating costs), and the project's ability to generate income?			
Does the goal of the project meet public interests by creating public infrastructure and/or improving existing infrastructure and/or providing public services?			
Is the project expected to produce value added and/or innovation?			
Does the project estimate the potential impact of the entire project on the budgets of both the public and private parties?			
Does the project assess the fiscal risks of the project?			

CHECKLIST FOR SUBMISSION OF PROPOSAL ON CONCESSION IN THE ENERGY SECTOR

AGENCY TO BE SUBMITTED TO: MoESD

Note: Proposals on concession in the energy sector can be submitted only for those entities that successfully passed qualification stage

REQUIREMENTS FOR THE PROJECT PROPOSALS	STATUS		COMMENT
	YES	NO	
Does the technical proposal include technical solution for the public service defined in the Invitation to Submit Proposal?			
Does the technical proposal describe the proposed work?			
Does the technical proposal define a solution for operations?			
Does the technical proposal describe capabilities to achieve the required results in quantitative and qualitative terms?			
Does the technical proposal provide issues related to environmental standards/requirements?			
Does the financial proposal provide costs for construction and project activities?			
Does the financial proposal provide annual operation and maintenance costs and capital expenses?			
Does the financial proposal include a proposed financial solution for ensuring public services?			
Does the financial proposal estimate income to be received from the provision of public services?			
Does the financial proposal provide tariff, service fee, or charge during the contract validity period?			
Does the financial proposal define the amount of financial support, if any expected from the public partner?			
Does the financial proposal provide a profit distribution plan under which the private partner will make payments to the public partner for the right to implement the PPP project?			
Does the financial proposal provide terms and conditions of the contract that define when and how the public partner will fully or partially receive or pay for the project?			
Does the financial proposal provide financial parameters and cash flows expected during the contract validity period?			
Does the legal proposal include a legal form for the selection process candidate?			
Does the legal proposal include a legal form for the private partner?			
Does the legal proposal include legal form for the full project, which may include contracts between multiple parties?			
Does the legal proposal include the compliance of project with active legislation?			
Does the proposal include a guarantee on the proposal?			

CHECKLIST FOR SUBMISSION OF APPLICATION TO OBTAIN ENVIRONMENTAL DECISION

AGENCY TO BE SUBMITTED TO: MEPA

REQUIREMENTS FOR THE SCREENING APPLICATION	STATUS		COMMENT
	YES	NO	
Does the screening application provide the name of the administrative body the application is meant for?			
Does the screening application provide the identity, address, and signature of the applicant?			
Does the screening application provide the date of application submission?			
Does the screening application list the documents attached to the application?			

Does the screening application include a brief summary of the project?			
Does the screening application provide a report on project characteristics, including location and the nature of potential impacts?			

REQUIREMENTS FOR THE SCOPING APPLICATION	STATUS		COMMENT
	YES	NO	
Does the scoping application provide the name of the administrative body the application is meant for?			
Does the scoping application provide the identity, address, and signature of the applicant?			
Does the scoping application provide the date of application submission?			
Does the scoping application list the documents attached to the application?			
Does the scoping application provide a report			
- with a brief description of the project and possible alternatives?			
- with the location of the project, including Geographic Information System (GIS) coordinates?			
- with the general technical specifications of the project (e.g., capacity, length, area, output)?			
- with the description of types and significance of potential impacts of the project?			
- with the description of potential significant impacts of the project on protected areas if any?			
- with the description of potential transboundary environmental impacts, if applicable?			
- with baseline surveys and investigations that should be carried out?			
- with methods and criteria required in the Environmental Impact Assessment (EIA)?			
- with mitigation measures to be considered?			
- the potential impact of the planned project on human health, social environment, and cultural heritage?			
Does the scoping application provide documentation required by the Waste Management Code, in case the project involves waste issues?			
Does the scoping application provide concerns expressed by the public?			
Does the scoping application provide public outreach plan for the involvement in the EIA process?			

REQUIREMENTS FOR THE ENVIRONMENTAL DECISION APPLICATION	STATUS		COMMENT
	YES	NO	
Does the application for the environmental decision include the name of the administrative body the application is meant for?			
Does the application for the environmental decision include the identity, address, and signature of the applicant?			
Does the application for the environmental decision provide a date of application submission?			
Does the application for the environmental decision list the documents attached to the application?			
Does the application for the environmental decision include EIA report that provides project features detailing on			
- GIS coordinates of the project location (with shape files);			
- Justification of alternative project locations and technologies;			
- Technological process, including the capacity of installations;			

REQUIREMENTS FOR THE ENVIRONMENTAL DECISION APPLICATION	STATUS		COMMENT
	YES	NO	
- Current environmental state and the natural changes from this baseline;			
- Scenario that may occur if the project is not implemented, based on scientific knowledge;			
- Likely positive and negative effects (i.e., direct, indirect, secondary, cumulative, transboundary, short term, midterm, long term, temporary, and permanent) on: population, human health and safety, biodiversity, soil, land, water, air, climate, cultural heritage			
- Probability and possible consequences of accidents that could occur due to the project;			
- Measures envisaged in both the construction and operational phases of the project;			
- to avoid, prevent, reduce, or offset significant adverse effects on the environment;			
- Assessment of the project's irreversible impact on the environment and justification of its necessity, including comparative analyses of the losses and benefits based on environmental, cultural, economic, and social contexts;			
- Assessment of project-related risks during the construction and operational phases, including the nature and possibility of the risks and an assessment of expected results;			
- Means to inform the public, assess public opinion, and invite public comments during the scoping procedure;			
- Description of methods and sources of environmental information;			
- Identified uncertainties and lack of knowledge encountered in compiling the EIA report;			
- Nontechnical summary of this information to inform the public and ensure participation;			
- Detailed list of methods and sources used during the preparation of the EIA report			
Does the application for the environmental decision include an action plan for environmental impact mitigation measures?			
Does the application for the environmental decision include an Emergency response plan?			
Does the application for the environmental decision provide name and address of the consultant who helped prepare the EIA report, if any?			
Does the application for the environmental decision provide a project implementation master plan, including project location (i.e., GIS coordinates), temporary installations, utility systems, and other components that may be affected?			
Does the application for the environmental decision provide an extract from the State Register for a private developer, whether the legal entity of private law, or individual entrepreneur; identification for a natural person, per existing legislation; or certified copy of founding documents in case of the Legal Entity of Public Law?			
Does the application for the environmental decision provide an estimation of limits for the emission of harmful substances into the atmosphere, as well as discharge of polluting substances into surface waters and waste waters?			
Does the application for the environmental decision provide notification about a confidential part of the submitted application, if applicable?			
Does the application for the environmental decision provide a fee payment receipt in accordance with existing legislation?			
Does the application for the environmental decision provide hard copies and electronic versions of the EIA report and all other documents listed above?			

CHECKLIST FOR STATE OWNED LAND PRIVATIZATION THROUGH AUCTION

AGENCY TO BE SUBMITTED TO: Legal Entity of Public Law (LEPL) – National Agency of State Property (NASP) of the MoESD

REQUIREMENTS TO APPLY FOR AND PARTICIPATE IN STATE OWNED LAND PRIVATIZATION THROUGH AUCTION AND GET AUTHORIZATION TO OWN THE AGRICULTURAL LAND	STATUS		COMMENT
	YES	NO	
Does the package include filled in application form on an intention to initiate privatization through auction addressed to the National Agency of State Property? (the application is available at http://nasp.gov.ge/pages/?services=&page_id=27&lang=en)			
Does the package include information on			
Address, area and cadastral code of selected unleased agricultural land plot?			
The land plot parcels of at least three hectares each, in case the selected land plot is more than 3 hectares?			
Detailed cadastral surveys and planning drawings of the land plot parcels?			
Category and quality of the land plot parcels?			
Has the applicant obtained an unconditional and irreversible bank guarantee to participate in the auction?			
Has the applicant, if selected as a winner, obtained certificate of payment of the fee for the privatization of auctioned land plot?			

Note: Pasturelands are not subject to privatization

CHECKLIST FOR LAND CATEGORY CHANGE

AGENCY TO BE SUBMITTED TO: LEPL National Agency of Public Registry of The Ministry of Justice

REQUIREMENTS TO APPLY FOR LAND CATEGORY CHANGE FORM AGRICULTURAL TO NON-AGRICULTURAL	STATUS		COMMENT
	YES	NO	
Does the application include name of the administrative body the application is meant for?			
Does the application include identity, address, and signature of the applicant?			
Does the application provide date of application submission?			
Does the application provide list of the annexed documents?			
Does the package include details on the location, area, agricultural land category and ownership of the land plot subject to category change?			
Does the package include land ownership certificate?			
Does the package include statement of reason for the land category change request?			
Does the package include Identification documents for the initiator of the land change request?			
Does the package include statement on the public need for the land category change, with accompanying documentation, substantiated individual administrative legal acts?			
Does the package include Confirmation of fee payment for the land category change?			
Does the package include confirmation of service fee payment?			

CHECKLIST FOR CONSTRUCTION PERMIT

AGENCY TO BE SUBMITTED TO: MoESD, Executive Bodies of Municipalities

REQUIREMENTS TO APPLY FOR OBTAINING CONSTRUCTION PERMIT	STATUS		COMMENT
	YES	NO	
Stage I Approval of Terms and Conditions of the Use of Land Plot for Construction			
Does the application include the name of the administrative body the application is meant for?			

REQUIREMENTS TO APPLY FOR OBTAINING CONSTRUCTION PERMIT	STATUS		COMMENT
	YES	NO	
Does the application include the identity, address, and signature of the applicant?			
Does the application provide a date of application submission?			
Does the application provide a list of the annexed documents?			
Does the package include copy of the identity certificate of the applicant?			
Does the package include cadastre data and extract from the Public Registry?			
Does the package include the request on the developments or construction of buildings on the land plot?			
Does the package include actual topographic plan of the land plot (with the resolution of 1:500 or 1:1000)?			
Does the topographic plan provide information on the absolute horizontal and vertical benchmarks of the measured land plot?			
Does the topographic plan provide information on all features of the terrain, all buildings/constructions including under/above ground and air engineering communications and cadastral boundaries of the land plot?			
Does the topographic plan provide descriptions of the signs used in the plan?			
Does the package include a cadastre plan of the land plot?			
Does the package include a report on the study of the physical conditions and measurements of buildings on the land plot? (if applicable)			
Does the package include a local development study that includes photos of the study area and location plan, types and main parameters of developments and study on the environmental aspects of the area (groundwater, air and soil pollution, contamination sources if any)?			
Does the package include a study about the impacts on the adjacent buildings / constructions?			
Does the package include photos depicting actual state of the land plot?			
Does the package include a photo confirming that the information board (banner) has been put up in a conspicuous place?			
Does the application and all other documentation have signatures of the applicant on them?			
Stage II Agreement on the Architectural Project			
Does the application include the name of the administrative body the application is meant for?			
Does the application include the identity, address, and signature of the applicant?			
Does the application provide date of application submission?			
Does the application provide a list of the annexed documents?			
Does the package include the project design?			
Does the package include the act on approval of terms and conditions of the use of the land plot for construction?			
Does the package include pre-design study results?			
Does the package include preliminary decision? (if any)			
Does the package include conclusion of the certified expert and /or accredited inspection entity on the architectural design, engineering-geological study, construction scheme/design and if deemed necessary on the technological scheme? (if applicable)			
Stage III Issuance of Construction Permit			
Does the application include the name of the administrative body the application is meant for?			
Does the application include the identity, address, and signature of the applicant?			
Does the application provide a date of application submission?			
Does the application provide a list of the annexed documents?			

REQUIREMENTS TO APPLY FOR OBTAINING CONSTRUCTION PERMIT	STATUS		COMMENT
	YES	NO	
Does the application state the standards, technical regulations applied in the studies?			
Does each page of each document in the package provide names of the authors including responsible persons for the performed assignment?			
Does the package include information on the ownership of the land plot and buildings (if any)?			
Does the package include an architectural project?			
Does the package include a plan on organization of construction that provides information on organization of construction ground and description of preliminary works, description of sequence, stages and length of the construction works, list of tests to be conducted in the process of construction, description of safety measures and methods, design of the construction ground and timeframes of construction works?			
Does the package include an engineering-geological study that specifies on land plot plan indicating points where study was conducted and physical-chemical characteristics and specifications of the land plot ground?			
Does the package include a constructional scheme / design consisting of text and drawings?			
Does the package include a technological scheme / design providing technical characteristics of the technologies / systems and drawing of those technologies systems and calculations on their stability, resistance and deformation?			
Does the package include the document certifying payment of permit fee?			
Does the package include a photo of the information board that provides contact information of the applicant, address of the land plot, type and aim of development, dimension of construction, the name and address of the state body issuing permit and timeframes of application review?			
Does the package include an administrative act on the acceptance of the architectural project?			
Does the package include an environmental decision? (Only for those projects implementation of which require environmental decision)			

CHECKLIST FOR CONNECTION TO THE TRANSMISSION NETWORK

AGENCY TO BE SUBMITTED TO: Transmission Licensee –GSE

Dispatch Licensee

REQUIREMENTS TO APPLY FOR CONNECTION TO TRANSMISSION NETWORK	STATUS		COMMENT
	YES	NO	
Stage I – Submission of Application to Obtain Connection Offer			
Does the application include the name of the administrative body the application is meant for?			
Does the application include the name of an applicant, organizational form, bank details, address, telephone number and e-mail?			
Does the application provide a contact person responsible for receiving technical information?			
Does the application provide the name, location and Global Positioning System coordinates of a unit to be connected?			
Does the application provide the field of activity of a unit to be connected?			
Does the application provide types of equipment-installation of a new connection?			
Does the application provide presumable date for the connection of an applicant's unit to the electricity transmission network?			

REQUIREMENTS TO APPLY FOR CONNECTION TO TRANSMISSION NETWORK	STATUS		COMMENT
	YES	NO	
Does the application provide presumable level of nominal voltage of a facility to be connected?			
Does the application provide designed capacity or active capacity and reactive capacity or coefficient of active capacity			
Does the application provide the necessity of alternative electricity supply in order to prevent interruption of electricity supply?			
Does the application provide a signature of an authorized person?			
Does the package include the location of a facility to be connected, including cadastral map and disposition plan?			
Does the package include daily (hourly) schedule of a facility to be connected – generation facility of any capacity and/or the connection of a user to the transmission network, whose requested capacity exceeds 1000 Kilowatt Hour (kWh)?			
Stage II Signature of the Connection Agreement, Agreement of the Technical Project and Preparation for Operation			
Does the package provide technical project prepared based on issued technical conditions and connection agreement for the submission to Dispatch Licensee?			
Does the package provide agreed connection point drawings and charts prepared for each electrical equipment-installation annexed to the technical project?			
Does the stamp of connection point drawings entail name and surname of authorized persons, dates and signatures?			
Does the package include document certifying payment of the second stage connection fee or agreement on the distribution of the second stage connection fee?			
Does the package include written notification to the respective transmission licensee on being ready for connection after the successful completion of preliminary testing?			
Does the package include precise specifications, drawings and charts of the basic equipment?			
Does the package include information on technological, relay protection and automation equipment?			
Does the package include copies of security rules and instructions of Declarant's electrical equipment/ installations and list of responsible staff?			
Does the package include information on contact persons who are fully authorized to make decisions on behalf of the applicant?			
Does the package include a technical service plan offered by the applicant?			
Does the package include information on testing procedures of connection point and applicant's electrical equipment/installations?			
Does the package include reports on testing readiness of electrical equipment/installations for connecting to the transmission network?			

CHECKLIST FOR ELECTRICITY GENERATION LICENSE

AGENCY TO BE SUBMITTED TO: GNERC

REQUIREMENTS TO APPLY FOR ELECTRICITY GENERATION LICENSE	STATUS		COMMENT
	YES	NO	
Does the application include the name of the administrative body the application is meant for?			
Does the application include the identity, address, and signature of the applicant?			
Does the application provide date of application submission?			
Does the application provide a list of the annexed documents and defines the type of license the applicant is applying for?			
Does the package include an extract from the Public Registry on the legal entity or individual entrepreneur?			

Does the package include an extract from the Public Registry on ownership and use of generation facilities and cadastral map?			
Does the package include the conclusion on the conformity with state standards and norms of the technical condition of the generation facility issued by State Inspection of Technical Supervision of Georgia?			
Does the package include a list of assets and the conclusion of audit of the enterprise?			
Does the package include the technical condition issued by the relevant transmission and distribution licensee?			
Does the package include an electric network scheme relevant to the requested license?			
Does the package include an environmental decision issued by Ministry of Environmental Protection and Agriculture and permit conditions?			

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