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# COMMENTS ON DRAFT LAW OF GEORGIA ON PROMOTING THE PRODUCTION AND USE OF ENERGY FROM RENEWABLE SOURCES

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USAID ENERGY PROGRAM

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# DATA

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## ACRONYMS

<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>DSO</b>	Distribution System Operator
<b>EC</b>	Energy Community
<b>EnCT</b>	Energy Community Treaty
<b>EU</b>	European Union
<b>EV</b>	Electric Vehicles
<b>GNERC</b>	Georgia National Energy and Water Supply Regulatory Commission
<b>GO</b>	Guarantees of Origins
<b>GoG</b>	Government of Georgia
<b>GSE</b>	Georgian State Electrosystem
<b>KW</b>	Kilowatt
<b>LCOE</b>	Levelized Costs of Electricity
<b>MoESD</b>	Ministry of Economy and Sustainable Development of Georgia
<b>MoU</b>	Memorandum of Understanding
<b>MW</b>	Megawatts
<b>MWh</b>	Terawatt-Hours
<b>NREAP</b>	National Renewable Energy Action Plan
<b>PV</b>	Photovoltaic
<b>RES</b>	Renewable Energy Sources
<b>RIA</b>	Regulatory Impact Assessment
<b>TSO</b>	Transmission System Operator
<b>USAID</b>	United States Agency for International Development
<b>VRE</b>	Variable Renewable Energy

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## INTRODUCTION

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

The ultimate goal of this Program is to enhance Georgia’s energy security through improved legal and regulatory framework and increased investments in the energy sector. The ultimate expected outcome of this Program is an energy legal and regulatory framework that complies with European requirements and encourages competitive energy trade and private sector investments.

## BACKGROUND

The GoG signed the Protocol on the Accession European Union's (EU's) EnCT in October 2016. The Accession Protocols provide specific requirements for the GoG to complete in order to comply with the EnCT.

The EU Renewable Energy Directive, 2009/28/Energy Community (EC), contains specific obligations of the Member States including the development of development and adoption of a Law on Promoting the Production and Use of Energy from Renewable Sources, Under the Accession Protocols, the GoG must also fully comply with the Directive. The main goals of the law are to: 1) establish targets for renewable energy penetration within the energy sector, 2) establish a detailed action plan that will result in the country's meeting its Renewable Energy targets, 3) develop support schemes in order to facilitate the development of Renewable Energy.

The report below provides comments from USAID Energy Program on the draft Law on Promoting the Production and Use of Energy from Renewable Sources developed in September 2018.

# COMMENTS ON DRAFT LAW OF GEORGIA ON PROMOTING THE PRODUCTION AND USE OF ENERGY FROM RENEWABLE SOURCES

## Article 1 Scope and purpose of the Law

1. The purpose of this Law is:

- a) to establish a legal basis for the promotion, facilitation and use of energy from renewable sources;
- b) to achieve mandatory national targets for the overall share of energy from renewable sources in gross final consumption of energy, as well as in transport.

## Self-Consumption

The purpose of the law is mentioned to be the promotion of the use of energy from renewable Sources. This statement would be stronger if somewhere the draft law mentioned the self-consumption from Variable Renewable Energy (VRE) (Wind Solar) and respective incentives for self-consumption.

VRE energy producers which are self-consuming all or parts of their production might be exempted from network charges, electricity tax and other electricity price components such as the surcharge paid by consumers for the electricity delivered through the grid. Self-consumption could also be beneficial to the electricity system, as it can reduce transmission losses and peak demand and thus save costs in the long term.

From the other hand, a rise in the number of prosumers creates challenges for the traditional business model of legacy generators, Distribution System Operators (DSOs) and Transmission System Operators (TSOs)<sup>1</sup>. If indeed self-consumption does not reduce maximum system demand, this means that the traditional utility companies will have to maintain the same capacity, but prosumers pay less for it, leaving grid operators in particular unable to recover their costs. This could become especially problematic if the number of prosumers rises significantly.

In view of the above provided, without the disturbance of DSO or TSO grid self-consumption might be incentivized in cases where utility scale VRE plant produced energy self-consumed without the entering DSO or TSO Grid.

## Vulnerable Customers

It might happen that at the end of the day the scheme of incentives at some extent requires the contribution from the end user/customer. Unfortunately, the renewable energy law doesn't consider the issues related to the Vulnerable customers and their exemption from the contribution to the Renewable Energy support Schemes. Vulnerable customers might be fully or partly exempted from contributing to the Renewable Energy Sources (RES) support. Thus, would be good if in the revised version of the draft the definition of Vulnerable Customer and Supply and Subsidization scheme would appear.

## Energy Storage Technologies

A variety of technologies exist to store electricity, including batteries, compressed air and chemicals, but by far the most common technology to date is pumped hydro storage. The growing need for flexibility in the energy system would benefit from new storage solutions and innovation. Some emerging storage technologies, including batteries and hydrogen, are gradually becoming competitive.

Nothing is mentioned regarding the Battery and Pump Storage Systems and incentives for storage Systems. Energy storage can contribute to better use of renewable energy in the electricity system since it can store energy produced when the conditions for renewable energy are good, but demand

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<sup>1</sup> European Parliament Briefing November 2016 EPRS | European Parliamentary Research Service Electricity 'Prosumers' [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/593518/EPRS\\_BRI\(2016\)593518\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/593518/EPRS_BRI(2016)593518_EN.pdf)



may be low. This more variable power generation pattern has significantly increased the need for flexibility in the electricity grid. Storage could help balance electricity supply and demand over several different time periods, from fast storage in seconds or minutes to longer storage over days<sup>2</sup>.

Alternatively, renewable electricity can be converted to heat or to hydrogen. Hydrogen can be combined with CO<sub>2</sub> to create synthetic methane<sup>3</sup>, or combined with other elements to produce methanol, ammonia, or other chemicals. These can be used to decarbonize other economic sectors, for example in transport as fuel, in industries as material, and in agriculture for fertilizers.

As an example, here are provided the expenses which could be incentivized in the United States in case of solar installation.

Federal Tax Credit Eligible Expenses: All solar installation packages for home or business are eligible for the solar tax credit. These include the Photovoltaic (PV) panels, inverters and other components, as well as the installation cost. Backup battery systems for dwellings or buildings that may not be grid-tied are also eligible for the investment tax credit. Any products that upgrade or expand the existing solar electric or solar water heating systems are also eligible if they include at least one photovoltaic panel<sup>4</sup>.

## **Article 2 Definitions and use of terms Subparagraph K and Article 11 Support schemes Subparagraph 5 (Next to this)**

### **Article X. Responsibilities in the field of renewable energy**

1. The Ministry of Economy and Sustainable Development [.....] and other public authorities shall be responsible for the implementation of the national policy in renewable energy according to the following provisions of this Law and the applicable laws of Georgia.

According to the GoG Resolution #70 2016 February on approval of the Ministry of Economy and Sustainable Development of Georgia (MoESD) Statute, the ministry is responsible and authorized for the development, implementation and monitoring of the state policy, strategy and state programs in the field of energy;

The statute clearly defines that development, implementation and monitoring of state policy in energy sector is authority of the MoESD. So, if other public authority has the same responsibility it should be clarified.

According to the next paragraph of same article

2. The scope of powers of the [.....] in the field of renewable energy shall be:
  1. Approving the National Renewable Energy Action Plan;
  2. Adopting of Procedure for the Development of the National Renewable Energy Action Plan (NREAP);
  3. Approving Rules and Procedures for the introduction of competitive bidding procedures to grant support to producers of energy from renewable sources;
  4. Adopting technical standards, technical or other requirements applicable to the procedure for confirmation of the status of privileged producer;
  5. Approving other secondary legislation according to the provisions of this Law.

If here [.....] is meant some agency under the MoESD then it has no authority for the approval of the National Action Plan. Action plans by the legislative acts are approved by the GoG or relevant Ministry, in this case it could be the MoESD.

if the procedure for the development of the National Renewable Energy Action Plan (NREAP) considers mandatory participation and coordination with the other ministries or administrative bodies, then it might be the GoG resolution level.

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<sup>2</sup> <https://ec.europa.eu/energy/en/topics/technology-and-innovation/energy-storage>

<sup>3</sup> "Power to gas" is a key concept when it comes to storing alternative energy. This process converts short-term excess electricity from photovoltaic systems and wind turbines into hydrogen. Combined with the greenhouse gas CO<sub>2</sub>, renewable hydrogen can be used to produce methane, which can be stored and distributed in the natural gas network. Researchers have now succeeded in further optimizing this process <https://www.sciencedaily.com/releases/2014/01/140106094557.htm>

<sup>4</sup> <https://www.wholesalesolar.com/blog/guide-solar-panel-tax-breaks/>

Moreover, the mentioned sub paragraph contradicts to the provision of the Draft Renewable Energy Law Article 4 NREAP according of which The GoG shall by its Decree (more proper might be resolution) approve a ten-year national renewable energy action plan, which is elaborated by the MoESD.

Regarding the standards, according the active law on Standardization, standards could be developed by any interested party but legal status to those standards could be assigned after the registration of draft standard in the registry of the National Agency of Standards, Technical Regulations and Metrology<sup>5</sup>. Respectively standard might be developed and then registered in the registry of National Agency of Standards, Technical Regulations and Metrology. It could be approved neither by the proposed Agency (if such proposal exists) under the MoESD nor by the MoESD. But the MoESD authorized to make those registered standards mandatory by its order or it might be mandatory by the resolution of the GoG.

Furthermore, the procedure of confirmation might be developed by the proposed Agency if it is authorized by the GoG which requires the amendment in the statue of the MoESD and the MoESD Order on approval of proposed agency statue.

It is not clear what is the purpose of confirming the status of privileged producer. It seems as if, this is some kind of predecessor or eligibility criteria to apply some support scheme which is mentioned in the Article 13.

The confirmation of the status of privileged producer seems like the certification process performed in the EU countries. Certification is also mentioned in the draft law but there is no clarity for the purpose of certification.

It would be good if the article states that before the Renewable Energy project starts pretending to become the privileged producer it should be certified according the standards for instance like in Denmark.

In Denmark the certification is a demonstration that a wind turbine is designed in accordance with the applicable standards<sup>6</sup>. The purpose of the certification is to ensure that all wind turbines set up in Denmark are designed and manufactured in accordance with the applicable standards and requirements including safety systems, mechanical and structural safety, personal safety and electrical safety. In addition, it ensures that quality conditions such as service life, performance, reliability and noise delivery are properly lit and documented. The Danish Energy Agency has overall responsibility for the scheme's content and administration, as well as coordination of the scheme's requirements with other authorities.

Thus, in making parallel with the above provided example, it might be stated that it would be good if somewhere the draft law mentions and clarifies what is the certification requirement, what is the purpose and why it is necessary to confirm the status of privilege producer.

But here might be the conceptual issue. Considering the Danish example, the efficient way to perform the certification of Renewable Energy plant would be, if the duty and authority to perform the certification process is assigned to the Agency which has a capacity for that. Without the technical capacity to check the compliance to the industry standards such as 61400 third party involvement might be required.

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<sup>5</sup> Law on Standardization Article 10 Participants of Standardization

<sup>6</sup> Wind turbine types and prototypes must as a minimum be certified in accordance with requirements stipulated in DS/EN 61400-22. [http://www.dawt.dk/media/1167/teknisk-vejledning-oversaettelse-13-12-13\\_eng-pre-draft.pdf](http://www.dawt.dk/media/1167/teknisk-vejledning-oversaettelse-13-12-13_eng-pre-draft.pdf)

## Art 2. Support schemes

### Paragraph 2

(k) "support scheme" - any instrument, scheme or mechanism applied by Georgia separately or with the Energy Community Contracting Party/group of Contracting Parties, that promotes the use of energy from renewable sources in Georgia by reducing the cost of that energy, increasing the price at which it can be sold, or increasing, by means of a renewable energy obligation or otherwise, the volume of such energy purchased. This includes, but is not restricted to, investment aid, tax exemptions or reductions, tax refunds, renewable energy obligation support schemes including those using green certificates, and direct price support schemes including feed-in tariffs and premium payments.

*If the RES Law is introducing the **green certificates scheme** it is necessary to be described the mechanism of its usage, how it works, who is issuing and the institution which is responsible for adoption the rules and regulations for green certificates scheme.*

According the Article 13 Administrative procedures, regulations and codes

1. The Georgian National Energy and Water Supply Regulatory Commission shall ensure that any rules concerning the authorization, certification and licensing procedures that are applied to plants and associated transmission and distribution network infrastructures for the production of electricity, heating or cooling from renewable energy sources, and to the process of transformation of biomass into biofuels or other energy products, are proportionate and necessary.

The licensing of new generators (but not the heating and conditioning facilities) is the authority of Georgian National Energy and Water Supply Regulatory Commission (GNERC). There is no clarity in the draft law Article X. Responsibilities in the field of renewable energy - what is meant under the certification and authorization.

Thus, if the term certification has similar meaning as the confirmation of the status of privileged producer mentioned in the Article X. Responsibilities in the field of renewable energy, then GNERC would determine how proportionate and necessary would be the technical regulations developed by the MoESD or agency under the umbrella of the MoESD.

With the consideration of above mentioned it is unclear what institutional framework is considered under the current draft for the implementation of the renewable law.

### ARTICLE 11 SUPPORT SCHEMES SUBPARAGRAPH 1

1. Ministry of Economy and Sustainable Development of Georgia shall in accordance with this Law, develop support schemes and submit them to the Government of Georgia for adoption.

If the adoption of the support scheme relates to the Tax Incentives, then it is an amendment to the Tax Code. In such case, if the proposed amendment is accepted by the GoG then it should be followed by the submission of draft amendment to the parliament and its adoption.

5. The same rules, as provided in this Article, shall apply to joint support schemes between Georgia and the European Union Member States.

### NEXT AFTER THE ARTICLE 5

#### ARTICLE A

1. Support for installations with an installed electricity capacity of less than 500 kW, except for electricity from wind energy for installations with an installed electricity capacity of up to 3 MW, or demonstration projects shall be granted in the form of a feed-in-tariff within a contract with Guaranteed Buyer. The level of support shall be based on the methodology adopted by the Georgian National Energy and Water Supply Regulatory Commission and approved by the State aid authority. The procedure for granting this support to privileged producers shall be based on [the Energy Law].

First, no State Aid authority exist in Georgia. Even the draft law provided hereunder doesn't consider the existence of such an authority. The allocation of fund for targeted aid is performed through the

state or local budget utilizing the scheme State Targeted Programs of certain Ministries and local municipalities.

Furthermore, if something like the methodology is developed by GNERC, then its adopted and approved by GNERC resolution through the public hearing. It would be legally revised in the Ministry of Justice but farther no other approval requires. Respectively, assigning the duty to the State Aid Authority on approval of the methodology seems unreasonable.

And to develop the methodology for the activity which is not the activity, regulated by the GNERC according the Energy Law, might be challenging. GNERC should allocate resources for that purposes and funding for those resources should come from fee collected from the rate regulated entities in energy sector.

With the consideration of the above mentioned, the wording of provided article should be changed to make it consistent with the existing Institutional Framework of Georgia or institutional framework should be clarified in this draft law.

Moreover, the rationale behind the installations with an installed electricity capacity of less than 500 kW, except for electricity from wind energy for installations with an installed electricity capacity of up to 3 MW should be described or justified somewhere. For the mentioned producers the support scheme considers to be granted in the form of a feed-in-tariff within a contract with Guaranteed Buyer.

Without the definition of Feed In tariff, Guaranteed Buyer or assigning the responsibility to Guaranteed buyer on purchase of electricity from the mentioned generators, the implementation of mentioned article seems challenging.

Furthermore, in this article the clarification is required, if it is the same "level of Support and Feed In Tariff". If this is true, it means that GNERC is obliged to develop Feed in Tariff Methodology.

Most countries calculate their support levels at some point, which can be based on the Levelized Costs of Electricity (LCOE) approach. The idea of an efficient support scheme implies that support levels should provide enough support to encourage investment without providing overcompensation. The most recommendable approach (and favoured by the EC) to achieve this goal is to determine price or volume elements via LCOE.

3. Any support under this Article may only be granted for a maximum period of 15 years, but in any case, only until the plant has been fully depreciated according to normal accounting rules. Any investment support previously received must be deducted.

Solar and Wind plant useful life is above 20-25 years, respectively If the depreciation mentioned in this paragraph relates to the existing plant then it should be clearly determined.

## **ARTICLE B**

1. As of 1 January 2020, and only for installations with an installed electricity capacity of more than 500 kW, except for electricity from wind energy for installations with an installed electricity capacity of more than 3 MW, the beneficiaries and the level of any operational support for the generation of electricity from renewable sources shall be determined through a competitive bidding process on the basis of clear, transparent and non-discriminatory criteria.

For the installations with the installed capacity > 500 kW, except the wind plants which installed capacity should be more than 3 MW, the level of support should be determined through a competitive bidding process on the basis of clear, transparent and non-discriminatory criteria. Comparative to the Article B, this subparagraph is missing the duty of GNERC on determining the level of support on Feed in Tariff.

So, the question is what happens if the agency, responsible for the competitive bidding process (the draft law not defines clearly which agency or ministry proposed would be authorised for the bidding process), decides not to apply the least cost criteria or list tariff criteria. What would be the approach to determine feed in tariff or level of support provided?

2. Beneficiaries of support under paragraph 1 of this Article are not selected through a competitive bidding process, but a procedure for confirmation of the status of privileged producer shall apply. The procedure shall be based on objective, transparent, non-discriminatory criteria and on a "first come first served" basis until reaching the maximum capacity determined by [the Energy Law].

The most challenging is the Grid Capability to integrate certain type of generation for instance VRE capacity which comes from both prosumers, distributed generation and utility scale generation connected to the transmission grid. For instance, currently Georgian State Electrosystem (GSE) network is under the study by the DlgSILENT (Power System Software and Engineering Company), to determine the Wind and Solar energy capacity which would be allowed to be integrated let's say in next 10 years. The results of the study would be reflected in the Ten-Year Development Plan. Usually, the integration capacity is limited in time and spatial scale. Same type of studies might be required for the distribution network.

How does the statement form the paragraph reaching the maximum capacity determined by [the Energy Law] might be in compliance with the above provided practice determining the integration capacity.

2. Paragraph 1 of this Article does not apply the cases in which it is demonstrated that:

- a) only one or a very limited number of projects could be eligible; or
- b) a competitive bidding process would lead to a higher support levels (than without a competitive bidding process); or
- c) a competitive bidding process would result in demonstrable low project realisation rates. in these cases, Article A applies.

“Very limited” is not the appropriate term which might be utilized in the law. It should be number or share of some quantitative measure. Moreover, even if the appropriate number of projects are eligible, it might happen that at one location which coincides with one connection point to the transmission grid where the integration capability of the grid was determined 40 MW there is only one applicant. This might happen because at one location Memorandum of Understanding (MoU) is signed with developer.

This means that the bidding process might be challenging and preliminary determination of Support Level or Determination of the Feed in Tariff Might become a must to assign the starting point to the bidding process.

This article need rewording with the consideration of signed MoUs for Hydro as well as VRE project, Zones for VRE development, their proposed connection points and available capacity of the grid for new generation integration.

A competitive bidding process would lead to higher support levels (than without a competitive bidding process), or if this sub paragraph is proposed to remain in the draft law, then the author should clarify or add what would be the mechanism or approach to compare the result of bidding process to the results of non- bidding process which doesn't exist if the bidding is performed.

**ARTICLE 13 ADMINISTRATIVE PROCEDURES, REGULATIONS AND CODES**

2. The Government of Georgia shall define the technical specifications which must be met by renewable energy equipment and systems in order to benefit from the support schemes.

**What is the difference between the provisions of:**

Article X. Responsibilities in the field of renewable energy	Article 13 Administrative procedures, regulations and codes
Adopting technical standards, technical or other requirements applicable to the procedure for confirmation of the status of privileged producer;	2. The Government of Georgia shall define the technical specifications which must be met by renewable energy equipment and systems in order to benefit from support schemes.

Again, with the article in first column, the MoESD or Agency of MoESD is responsible for the adoption of technical standards or requirements essential to become the privileges producer whilst in the second column to be eligible for support schemes technical specification of equipment are determined by the GoG.

If those articles have different purpose and different meaning it should be clarified. In the case of difference does it mean that confirming the privileged producer status is not enough to become the potential beneficial of support scheme?

If the purpose and meaning is the same, here the institutional framework issues also could be observed.

### **Art. 11 Support schemes**

1. The Ministry of Economy and Sustainable Development of Georgia shall in accordance with this Law, develop support schemes and submit them to the Government of Georgia for adoption.

Tax exemptions and tax refunds and other support schemes need to be developed together with the Ministry of finance.

### **Art. 16 Access to and operation of the grids**

14. The Government of Georgia in national renewable energy action plan shall assess the necessity to build infrastructure for district heating and cooling produced from renewable energy sources in order to achieve the 2030 national target. Subject to that assessment, the Government of Georgia shall, where...

Key issue in developing district heating is the role of the local municipalities except central government. The new RES law may include a chapter for the responsibilities of the local municipalities for creation of information system for infrastructure for district heating and cooling from renewable energy sources, and short term and long-term programs for promotion of the use of energy from renewable sources and biofuels.

### **Art. 22 Transitional provisions**

15. b) Within 20 months MoESD should submit for approval to the Parliament of Georgia the draft of "Major Directions of State Policy for the Promotion and Use of Energy from Renewable Sources".

June 24, 2015 the Parliament of Georgia adopted a resolution on the "Main Directions of State Policy in The Energy Sector of Georgia. The existing policy document covers all energy sectors, including the development of renewable energy sources. It seems that the future document on "Main Directions of State Policy in the Field of Promotion and Use of Energy from Renewable Sources" will duplicate some of the renewable energy sources in the existing policy document. Policy documents are more general, without any specific features. It would be more understandable to develop a Strategy for the Promotion and Utilization of Energy from Renewable Sources with a detailed action plan rather than a Policy document.

#### **General comments:**

- The new RES Law is using EU Renewable Energy Directive 2009/28/EC as a basis. Some of the texts are directly repeating the Directive with no clear vision of how they will work in local environment. EU Directives require the member states to achieve a particular result without presenting the means of achieving those results. Achieving the result is described in detail in the local legislation;
- The new RES Law is granting responsibilities to the MoESD and GNERC, without clear vision of how these responsibilities are related to these institutions and what is the principle for granting these responsibilities to these institutions;
- Supporting schemes are listed in the law but it is not clear which of them are related especially to Georgia and which of them are more appropriate for reaching the goals;
- The law is centralizing the power and the responsibilities into the central government, but in same time the role of the local authorities and municipalities is underestimated;
- Lots of the responsibilities granted to the GNERC maybe will require additional resources and reorganization of the structure of the Regulator. These issues need to be consulted with the regulators for their opinion;
- The main point, of Directive 2009/28/EC is that EU should get to 20% Renewable Energy by 2020. Other main points are:
  - Each country needs to account properly for Renewable Energy;
  - Accounting results in certification of emission reductions, reliable, tradable;
  - Renewable Energy projects should get priority access or guaranteed access to grid;
  - Transport gets sustainable through biofuels substituting for gas (petrol) or diesel;
  - People installing distributed generation need proper training and certification.

- The Regulatory Impact Assessment (RIA) finds that this law will also need significant secondary legislation to comply with Directive 2009/28/EC. There are three problems with the Law:
  - The transport sector offers great opportunity for greenhouse gas impact, by electrifying transportation and tying it to zero-emission power production. Georgia is endowed with hydro power, its grid emission factor is .5 t-CO<sub>2</sub> / MWh, like Laos or Norway, so electrification of transport is already now carbon beneficial. To the EU credit, in 2009, Electric Vehicle (EV) was in a totally different place, but this Law needs to be not in 10-years outdated basis;
  - The use of biofuels in transportation is fraught with accounting and tracking problems, but unfortunately Directive 2009/28/EC focuses on transport emissions reduction on it, and less on public transport and none of electrification of transportation. The reason for biofuels fixation is that many problems circa 2009 were encountered by EU coal plants co-firing by using imported biofuels and some people realized that by depending on the supply chain the carbon impact was not negative, it increased carbon;
  - Priority access or guaranteed access is fiendishly difficult to implement. Hard to up rules that will ensure such. The grid is just too complicated. And who pays? The law doesn't touch, nor does RIA, foundational issues and steps necessary to make this (priority access) happen. Good paper on this is: <http://www.iec.ch/whitepaper/pdf/iecWP-gridintegrationlargecapacity-LR-en.pdf>;
  - Georgia's dominant position in hydropower make it uniquely poised to be regionally impactful as a zero-carbon balancing mechanism. Armenia is uniquely positioned also in this respect with its nuclear resource. Hence the inter-country linkages are vital, to create Guarantees of Origins (GO) valuable for backing off thermal generation in Azerbaijan and Turkey.
- Main point is structure and focus of the Law with respect to transport is all wrong, the carbon reduction opportunity is great here, great now, due to hydropower and EV.

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