



Roundtable update

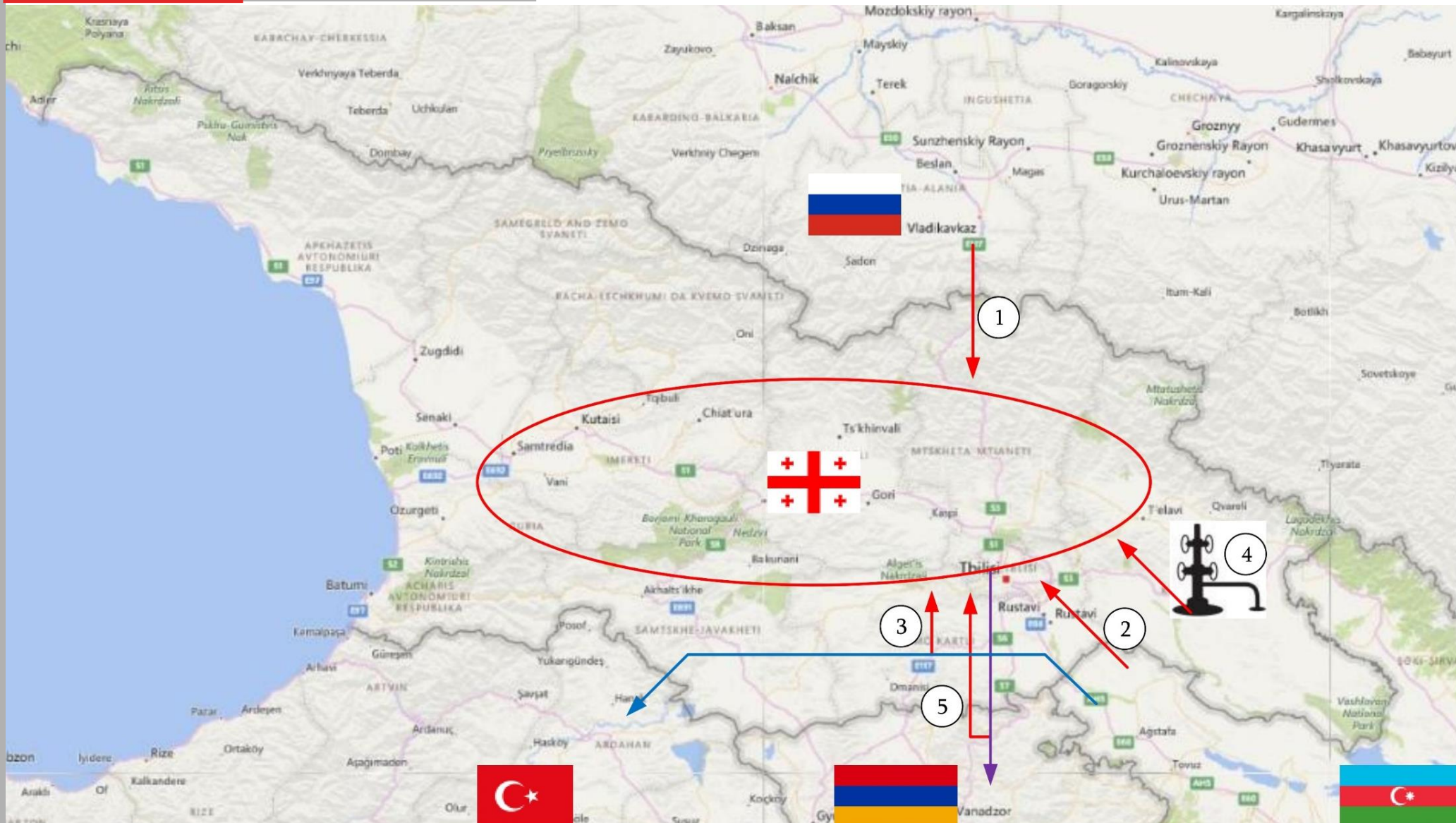
Domestic gas sector in winter 2022/23 with possible 2023/24 outlooks

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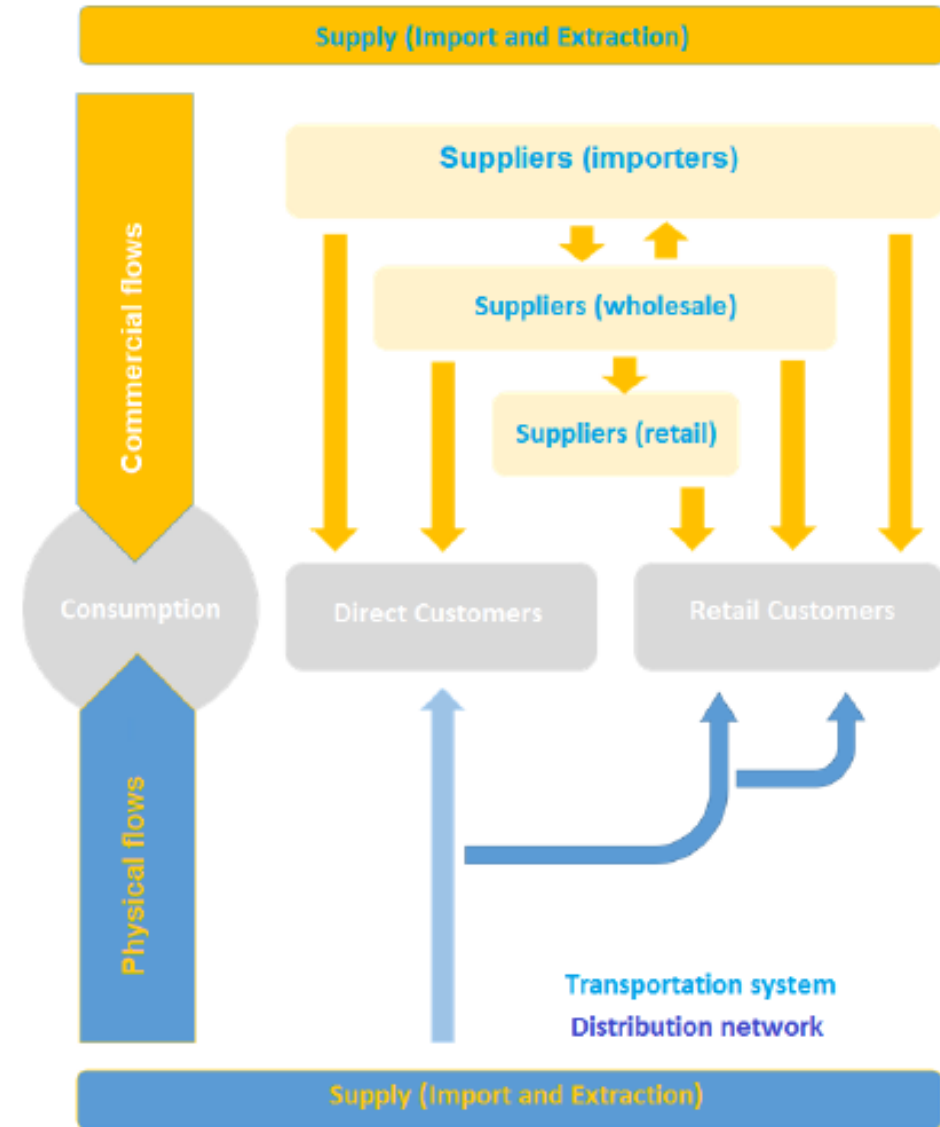


Sources for supply/structure of imports



Gas wholesale market regime

- Suppliers carry out natural gas import (or purchase small volumes of extracted natural gas) and resell it to other suppliers, while suppliers at the retail level deliver it directly to end customers.
- In 2021, 30 suppliers were operating in the natural gas market, 19 of which were active only in the retail market, and 11 - at both levels of the market



Gas wholesale market regime

- The natural gas market includes natural gas retail and wholesale markets.
- There is no organized market for natural gas in Georgia, and therefore, natural gas is traded in the wholesale market only through bilateral agreements.
- market is concentrated at both levels, and therefore, making access to natural gas at a competitive price for deregulated customers is a major challenge.

Sources for supply/structure of imports

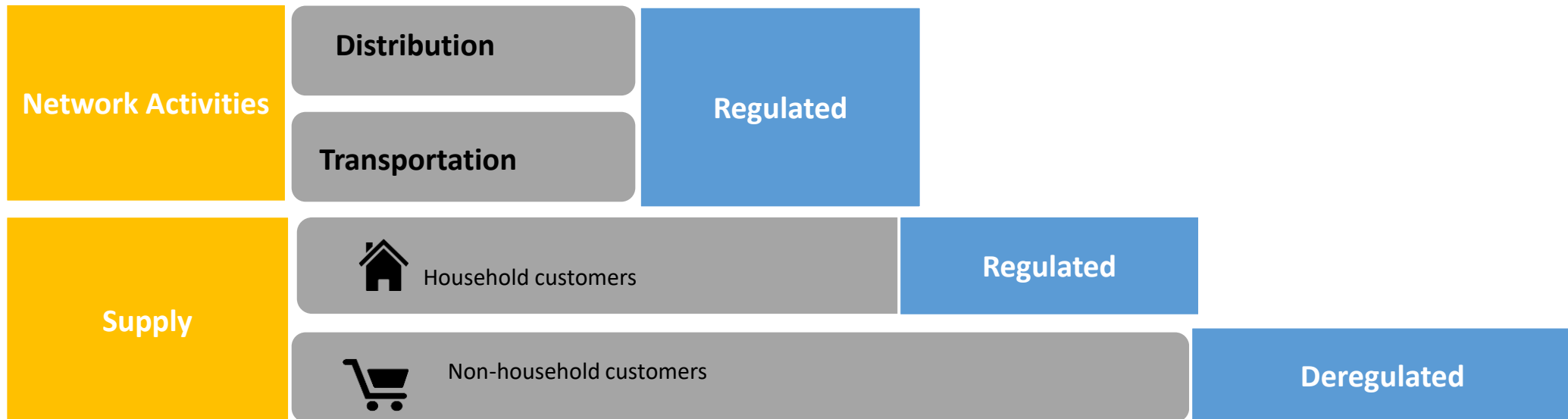
- The Republic of Azerbaijan remains the main source of natural gas supply to Georgia.
- Over the past four years, through various contracts, Georgia has received an average of 91% of the natural gas needed to meet its demand from Azerbaijan.
- At the same time, Georgia is transiting natural gas from the Russian Federation to the Republic of Armenia.

Sources for supply/structure of imports

- In total, 99.4% of Georgia's demand for natural gas was met by imports, and the rest by the local production.
- No storage facility.

Tariff/market considerations

- 5 years development plans;
- Setting tariffs for 5 years.



Tariff/market considerations

- In 2020-2021 payment of utility bills for 4 months were covered by the budget:
 - The electricity bill for a family that has consumed up to 200 Kw.h.;
 - Up to 200 cubic meters of gas.
- During the winter, more than 1 million electricity customers and 900,000 gas customers received subsidies.
- Program had a social status and has stopped in 2022.

Current developments

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- Unbundling of network and competitive activities;
- Market Model Concept;
- Market rules.



**THANK YOU
FOR YOUR ATTENTION!**

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