



When Balance is Achieved



Digital Transformation Effect on the Economics of the Gas Market

Roundtable input by Georgia
GEORGIAN NATIONAL ENERGY AND WATER SUPPLY
REGULATORY COMMISSION (GNERC)



ERRA Natural Gas Markets and Economic Regulation Committee

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In TSO and DSO side WE don't have any digitalization targets set from by the goverment side.

Smart meters

Regarding the installation of the meters Regulatory Commission conducted a preliminary analysis.

The results of the Cost-Benefit analysis showed us that the project is **not effective** and it will **not have any benefits** to system operators.

System operators are **not obliged** to use smart meters, but Companies can install smart meters on their own.

What is the share of smart meters

System operators use smart meters in 2 parts

Control meter

Individual billing meter

*The share of smart meters in whole system is **0.33%** (No more than 5000 pieces)*

Within the 2024-2028 investment plan of licensed enterprises
The Regulatory Commission commission agreed 1 526 000 GEL project
for Installation automatic reading module to manual read meters.
it is considered in the natural gas distribution tariffs.

Cybersecurity

Critical Information Infrastructures CII

- According to Information Security law of Georgia (ISL) Critical Information Infrastructures (CII) are considered to be those public and private entities whose *uninterrupted operation of the information system are essential to the defense and/or economic security of the State, as well as to the maintenance of state authority and/or public life.*
- The list of 1st, 2nd and 3rd tier CII is approved by Prime-Minister's Order of 31st December 2021
- The list of CII is prepared for approval by Operating-Technical Agency (OTA) and Digital Governance Agency (DGA) in cooperation with Sector Regulatory bodies – in energy sector GNERC is involved in this process
- Energy CII are identified in the field of energy generation, transmission, distribution and market operation
- 3 companies are defined as Critical Information Infrastructures, in Natural Gas sector: GGTC (Tier 1), JSC Socar Georgia Gas (Tier 3), LTD Tbilisi Energy (Tier 3)

Cybersecurity

Minimum Requirements of Information Security

- According to ISL minimum requirements for cybersecurity of CII shell be based on requirements and standards defined by ISO, NIST or ISACA
- However designated Cyber Authorities (DGA &OTA) have approved ISO27001 standards as a minimum requirements for corresponding CII
- CII are obliged to fulfill minimum requirements in period of 3 years
- Most of the CII have not gone through the full cycle of the requirements yet

Year 1 - Planning of Information Security Management System

- Asset identification
- Risk Assessment
- Risk Treatment Plan

Year 2 - Implementing

- Implementing of Controls according Risk treatment Plan

Year 3 - Monitoring and Improvements

- Conduct Audit of Information Security Management System
- Measure Controls effectiveness
- Corrective Actions



**THANK YOU
FOR YOUR ATTENTION!**

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