



Roundtable discussion on 2024 domestic electricity sector development trends

Update by **Georgian National Energy and Water Supply Regulatory Commission / GNERC**

Lia Gvazava

Acting Director of Tariffs and
Economic Analysis Department



Background



Activity	Regulatory period	Tariffs	Degree of regulation
Transmission	5 years	Volume based tariff	Regulated Monopoly
Distribution	5 years	Volume based tariff	Regulated Monopoly
Generation *	3 years for HPP	Volume based tariff	Only 9 HPPs remain in Tariff Regulation, rest are deregulated (under 70 MW)
	1 year for TPP	Guaranteed Capacity Fee and Generation tariff	Regulated and Centrally Dispatched
Market Operator **	1 year	Service fee	
Supply	1 year	End consumer tariffs - USS, PSS, SoLR	Regulated PSOs (Free Suppliers starting to emerge)

* GNERC sets tariffs only for those generators that have been assigned the public service obligation by the Georgian Government;

** Market operators (GENEX, BMO) were licensed by GNERC in 2020, but operations have not yet started as the market has not yet opened.

Current domestic electricity sector/market development

- The market opening date is July 1, 2024*
- For suppliers, new tariffs have been established for the period of validity from January 1, 2024 to July 1, 2024 (*USS, PSS, SoLR*)
- GNERC establishes the so-called “block” tariffs for household users (*Based on electricity consumed in 1 month*) and there is no cross-subsidy of the electricity End-user tariff**
- Post energy crisis did not affect the end-user tariff of electricity

**The opening of the market has been postponed from July 1, 2023 to July 1, 2024*

***Block tariffs are supplied cheap energy from tariff-regulated sources*



**THANK YOU
FOR YOUR ATTENTION!**

Lia Gvazava
l.gvazava@gnerc.org