

LAW OF GEORGIA

ON PROMOTING THE GENERATION AND CONSUMPTION OF ENERGY FROM RENEWABLE SOURCES

Article 1 – Purpose and scope of the Law

1. The purpose of this Law is to:

- a) create legal grounds for the encouragement, promotion and consumption of energy received from renewable sources;
- b) determine the mandatory national common target indicators of the total share of energy received from renewable sources in the total final consumption of energy and in the consumption of energy by transport.

2. This Law establishes norms related to support schemes, statistical transfers between Georgia and the contracting parties of the Energy Community, the joint projects of Georgia and the contracting parties of the Energy Community, the joint projects of Georgia and third countries, certificates of origin, administrative procedures, information support and trainings, the accessibility of energy received from renewable sources and biogas to the electric power network and to the natural gas network. It also establishes sustainability criteria for biofuel and bioliquids.

Article 2 – Definition of terms

1. For the purposes of this Law, the terms used herein shall have the following meanings:

- a) aerothermal energy – energy accumulated in the ambient air in the form of heat;
- b) biomass – biodegradable elements in agricultural products and waste of biological origin (including plant and animal substances), wood waste and forestry residue, agricultural-based industrial waste, including waste from fish farming and fish processing enterprises, aquaculture waste, and biodegradable elements in industrial and municipal waste;
- c) bioliquid – a liquid fuel used for energy purposes, except for transport, which includes electric power generated from biomass, heating, and cooling;
- d) biofuel – a liquid or gaseous fuel produced from biomass and used for vehicles;
- e) energy received from renewable sources – energy which is received from renewable sources, in particular wind, sun and ocean energy, aerothermal energy, geothermal energy, hydrothermal energy, hydro power, biomass, gas generated from the decomposition of organic matter at landfills, gas generated in a wastewater treatment facility, and biogas;
- f) obligation related to renewable energy – a national support scheme, which requires that an energy producer includes in its production a given proportion of energy received from renewable sources, or requires that an energy supplier includes in its supply a given proportion of energy received from renewable sources, or requires that an energy consumer includes in its consumption a given proportion of energy received from renewable sources. This scheme includes schemes within the frameworks of which such requirements may be fulfilled by the use of a green certificate;
- g) national action plan for renewable energy – a ten-year action plan, which includes national targets for the share of energy received from renewable sources in electric power supply and consumption, use by transport, and for heating and cooling, and which determines a list of measures for reaching national targets for a mandatory share in the total final consumption of energy received from renewable sources;
- h) geothermal energy – energy accumulated in the form of heat under the solid soil surface;
- i) economic agent – a person, who (irrespective of residence and legal form of enterprise) carries out entrepreneurial activities, as



well as non-entrepreneurial (non-commercial) legal person, or other association, which is a market participant and/or carries out entrepreneurial activities;

j) total final consumption of energy – goods containing energy, supplied for energy purposes to industry, transport, the household sector, and service areas, including public service areas, agriculture, the forest industry, fish farming and fish processing enterprises, the consumption of electric power and heat by power facilities generating electric power and heat, and the loss of electric power and heat during the distribution and transmission thereof;

k) competitive auction – a non-discriminatory, transparent and competitive process of trade based on principles established by this Law, in which a significant number of electric power producers (one or several) participate, and support for which is limited by a budget volume of auction. The rules of announcing and conducting a competitive auction shall consider the preference of innovative technologies in regard to the price of energy generated. Prior to approval, the rules for competitive auction shall be agreed with a state body authorised in the area of state aid by the legislation of Georgia;

l) third country – a country which is not a contracting party of the Energy Community;

m) green certificate – a marketable document, which certifies that a given share or quantity of energy is generated from renewable sources and which may be traded autonomous from a renewable energy producer. The price of a green certificate may be determined as a minimum guaranteed price;

n) support scheme – an instrument, a scheme or a mechanism, which is used by Georgia independently, or together with one or several contracting parties of the Energy Community, and which facilitates the use of energy received from renewable sources in Georgia by reducing its cost, increasing a selling price, or by means of obligations related to renewable energy, and/or otherwise increases the purchased volume of said energy. This scheme also covers (but is not limited to) investment aid, the relief from or decrease in a tax, tax rebates, support schemes for obligations related to renewable energy, including schemes which use green certificates, and direct price support schemes which include a special green tariff and a premium tariff;

o) premium tariff – an instrument of tariff policy whereby the electric power produced by a renewable energy producer may include a fixed premium payment which is added to the wholesale price. A premium tariff may vary. A varying premium tariff shall be estimated as the difference between a wholesale price and a pre-determined guaranteed price;

p) standard value – a value received from a typical value by using pre-determined factors, which may be used instead of a factual value in the cases defined by this Law;

q) special green tariff – an instrument of tariff policy whereby the electric power produced by a renewable energy producer may be traded by a fixed payment, with the wholesale price excluded;

r) typical value – an assumed saving of a given greenhouse gas emission for a specific biofuel production method;

s) price difference agreement – an agreement based on which a contracting party is obliged to cover the difference between a guaranteed price and a wholesale price in favour of a producer of renewable energy if the guaranteed price is higher than the wholesale price. If a wholesale price is higher than a guaranteed price, a producer of renewable energy is obliged to cover the difference between the wholesale price and the guaranteed price in favour of the contracting party;

t) factual value – a saving of greenhouse gas emissions at any or all stages of specific biofuel production, which is estimated in accordance with the methodology determined by procedures estimating the impact of greenhouse gases in biofuel, bioliquids and their fossil fuel comparators;

u) central heating or central cooling – the distribution of thermal energy through a network in the form of steam, hot water or cooled liquid from a central source of generation in various buildings and parcels of land to heat or cool a space or a technological process;

v) certificate of origin – an electronic document the only function of which is to prove to a final user that a given share or quantity of energy is generated from renewable sources;

w) hydrothermal energy – energy in the form of heat accumulated in surface water;

x) statistical transfer – the transmission of a specified quantity of energy received from renewable sources by means of a green certificate by Georgia to one or several contracting parties of the Energy Community, or by one or several contracting parties of the Energy Community to Georgia (including purchase), on the basis of which the transmitted energy is added to the mandatory national common target indicators of a recipient party and is deducted from the mandatory national common target indicators of a transmitting party.



2. The terms used in this Law, except for the terms defined in paragraph 1 of this article, shall have the meanings given in the Law of Georgia on Energy and Water Supply.

Article 3 – Determination of mandatory national common target indicators and measures for use of energy received from renewable sources

1. The Government of Georgia shall ensure that the share of energy received from renewable sources in the total final consumption of energy is equal to the mandatory national common target indicators of Georgia of the share of energy received from renewable sources determined by Annex I of this Law by, at least, the target year.

2. To achieve the goals defined by this article, the Ministry of Economy and Sustainable Development of Georgia (the Ministry) shall develop measures to encourage and promote energy efficiency and energy saving when implemented.

3. The Ministry shall develop effective measures to ensure that the share of energy received from renewable sources is equal to or exceeds the share given in the reference indicator determined by paragraph 2 of Annex I of this Law.

4. To achieve the goals determined by paragraphs 1-3 of this article, the Government of Georgia may implement the following measures in addition to other measures in the cases, and in accordance with the procedures, determined by this Law:

a) to develop support schemes;

b) to cooperate with the contracting parties of the Energy Community and/or third countries.

5. The Government of Georgia may make decisions regarding the extent of support of energy received from renewable sources which is produced in the territory of a contracting party of the Energy Community or a third country by a relevant legal act.

6. The Government of Georgia shall ensure that by 2030 the share of consumption of energy received from renewable sources by all types of transport makes up, at least, 10 % of the final consumption of energy by transport in the territory of Georgia.

7. In transport, the share of energy received from renewable sources shall be estimated by a normative act developed and approved by the Government of Georgia, in particular:

a) petrol, diesel and biofuel used by motor transport and railway transport, as well as electric power, shall be taken into account to estimate a denominator indicating the total quantity of energy consumed by all types of transport;

b) all types of energy received from renewable sources consumed by all types of transport shall be taken into account to estimate a numerator indicating the total quantity of energy consumed by all types of transport;

c) for the purposes of sub-paragraphs (a) and (b) of this paragraph, in order to estimate the share of energy received from renewable sources and the share of electric power consumed by all types of electric vehicle, the Government of Georgia shall use the share of electric power received from renewable sources estimated two years prior to the year considered;

d) to estimate electric power received from renewable sources consumed by road electric vehicles, it shall be deemed that said consumption shall be equal to the energy content of electric power received from renewable sources multiplied by 2.5.

Article 4 – National action plan for renewable energy

1. The Government of Georgia shall approve the national action plan for renewable energy by a normative act, upon the recommendation of the Ministry. This plan shall be updated by the Ministry twice a year and shall be submitted to the Government of Georgia for approval.

2. The national common target indicators of Georgia for the share of energy received from renewable sources which is consumed in the areas of transport, the electric power industry, and heating and cooling, shall take into account the effect of other measures of appropriate policy related to the energy efficiency of final consumption of energy. Moreover, the national action plan for renewable energy shall determine adequate measures for reaching the national common target indicators of Georgia, including cooperation among state, autonomous republic, and municipality bodies, planned statistical transfers, the implementation of state



policy for joint projects, the development of existing biomass resources and the mobilisation of various applications of new resources of biomass, as well as other measures, in order to fulfil the requirements of this Law.

3. The Government of Georgia shall ensure that the national action plan for renewable energy is published 6 months before its approval and a forecasting document is submitted to the the Energy Community Secretariat. This document shall include the following information:

a) the estimated excessive generation of energy received from renewable sources compared to a reference indicator which might have been transmitted to another contracting party of the Energy Community or a third country in accordance with this Law, as well as the estimated potential of joint projects by 2030;

b) the demand for energy received from renewable sources which by 2030 should be satisfied by other means, except for national production.

4. The information provided for by paragraph 3 of this article may cover issues related to expenses, benefits and financing.

5. When preparing reports provided for by this Law, the Ministry shall develop a forecasting document and submit it to the Government of Georgia for approval.

6. If, for previous two years, the share of energy received from renewable sources is less than the share given in the reference indicator determined by paragraph 2 of Annex I of this Law, the Government of Georgia, by June 30 of the following year, shall submit to the Energy Community Secretariat an amended draft national action plan for renewable energy which shall determine adequate and proportional measures be implemented so as to ensure that the share of energy received from renewable sources returns to the share level determined by paragraph 2 of Annex I of this Law, within a reasonable period.

7. Where the Energy Community issues recommendations on the draft national action plan for renewable energy, or on an amended draft national action plan for renewable energy, the Government of Georgia shall be authorised to take these recommendations into account, in the light of the measures determined by Article 3(3) and (4) of this Law.

8. The draft national action plan for renewable energy shall be developed in accordance with the procedure for the development of minimum requirements for a harmonised model of the national action plan for renewable energy.

Law of Georgia No 7023 of 15 July 2020 – website, 28.7.2020

Article 5 – Estimation of the share of energy received from renewable sources

1. The total final consumption of energy received from renewable sources in Georgia shall be estimated as the sum of the following indicators:

a) the total final consumption of electric power generated from renewable sources;

b) the total final consumption of energy received from renewable sources for heating and cooling;

c) the final consumption of energy received from renewable sources by transport.

2. In the indicators determined by paragraph 1 of this article, gas, electric power and hydrogen received from renewable sources shall be taken into account only once when estimating the share of the total final energy received from renewable sources.

3. Biofuel and bioliquid which do not comply with the sustainability criteria established by this Law shall not be taken into account when estimating the share of the total final consumption of energy received from renewable sources.

4. If the Government of Georgia decides that, due to circumstances of force majeure, it is unable to satisfy the indicator of the share of energy received from renewable sources in the total final consumption of energy by 2030, this should be notified to the Energy Community Secretariat as soon as possible.

5. The total final consumption of electric power received from renewable sources shall be estimated as the quantity of electric power produced in Georgia from renewable sources. The volume of this electric power does not include electric power generated from water which was repeatedly pumped from a hydroelectric power station previously.



6. In power stations operating on various types of fuels which use renewable and fossil (non-renewable) sources of energy, only that part of electric power received from renewable sources shall be taken into account. For this purpose, the share of each energy source shall be estimated on the basis of its energy content.
7. Electric power generated by a hydro power station and a wind power station shall be included in the total final consumption of electric power generated from renewable sources which is defined by a legal act of the Ministry on the Procedure for Approval of Normalisation of Registration of Electric Power Generated from Hydro Power and Wind Power.
8. The total final consumption of energy received from renewable sources for heating and cooling shall be estimated as the sum of other energies produced in the territory of Georgia from renewable sources used for the quantity of central heating and central cooling and for heating, cooling and treatment processes, which are used in industry, the household sector, service sectors, agriculture, the forest industry, and fish farming.
9. In power stations operating on various types of fuels which use renewable and fossil (non-renewable) sources of energy, only the part of electric power generated from renewable sources for heating and cooling shall be taken into account. For this purpose, the share of each energy source shall be estimated on the basis of its energy content.
10. Aerothermal energy, geothermal energy, and hydrothermal energy generated from heat pumps shall be taken into account in the total final consumption of energy received from renewable sources for heating and cooling provided that final generation of energy significantly exceeds the quantity of energy supplied initially which is necessary to put the heat pumps into operation. For the purposes of this Law, the quantity of heat to be deemed energy received from renewable sources shall be estimated in accordance with the methodology determined by the procedure for the registration of energy generated by heat pumps.
11. Heat energy generated by passive energy systems within which passive, low consumption of energy has been reached by means of structure designs, or by heat received from fossil (non-renewable) energy sources, shall not be taken into account in the total final consumption of energy received from renewable sources for heating and cooling.
12. The energy content in transport fuels listed in Annex II of this Law shall be determined in accordance with the same Annex. Annex II of this Law may be adapted in accordance with technical and scientific progress.
13. To estimate the share of energy received from renewable sources, the total final consumption of energy received from renewable sources shall be divided by the total final consumption of energy received from all sources. This share shall be expressed in percent.
14. For the purposes of paragraph 13 of this article, the sum of indicators referred to in paragraph 1 of this article shall be clarified in accordance with statistical transfers, results of joint projects, and joint support schemes, as provided for by this Law.
15. When estimating the total final consumption of energy by Georgia, for the purpose of evaluating compliance between the target indicators and the reference indicators determined by this Law, it shall be deemed that the quantity of energy consumed in aviation does not exceed 6.18 % of the total final consumption of energy by Georgia.
16. The methodology for estimating the energy received from renewable sources shall be approved by a normative act of the Government of Georgia, upon the recommendation of the Ministry.

Article 6 – Statistical transfer between Georgia and a contracting party of the Energy Community

1. Georgia and a contracting party of the Energy Community may agree and implement measures for the statistical transfer of energy of a specified quantity received from renewable sources from Georgia to the territory of a contracting party of the Energy Community or from the territory of a contracting party of the Energy Community to Georgia. The quantity of transmitted energy shall be:
 - a) deducted from the quantity of energy received from renewable sources which shall be taken into account by a country making a statistical transfer when evaluating compliance with the requirements of mandatory national common target indicators;
 - b) added to the quantity of energy received from renewable sources which shall be taken into account by a country receiving a statistical transfer when evaluating compliance with the requirements of mandatory national common target indicators.
2. When a statistical transfer is made by Georgia, this transfer shall not have a negative effect on the achievement of the national common target indicator of Georgia.



3. A statistical transfer may continue for a period of one or more years. The Energy Community Secretariat shall be informed about such measure not later than 3 months after the end of each year of its implementation. Information sent to the Energy Community Secretariat shall contain information on the quantity and cost of the consumed energy.

4. A statistical transfer shall enter into force only after all contracting parties involved notify the Energy Community Secretariat thereof.

5. This article shall also apply to statistical transfers with a member state of European Union, either from the territory of the European Union to Georgia or from Georgia to the territory of the European Union.

Article 7 – Joint project of Georgia and a contracting party of the Energy Community

1. The Government of Georgia and an authorised body (bodies) of one or several contracting parties may cooperate during the implementation of any kind of joint projects related to electric power, and heating and cooling, generated from renewable sources. Private operators may be involved in such cooperation.

2. The Government of Georgia shall notify the Energy Community Secretariat about the proportion or quantity of electric power, or heating or cooling, received from renewable sources which is produced in Georgia (except for the occupied territories of Georgia) within the frameworks of any joint project between Georgia and a contracting party of the Energy Community, and which was put into utilization after the entry of this Law into force, or on the basis of an increased volume of installation which was renewed after the entry of this Law into force. This notification shall be taken into account when another contracting party of the Energy Community makes an estimation for the purpose of evaluating compliance with the requirements of national common target indicators.

3. The notification referred to in paragraph 2 of this article shall:

a) describe a proposed installation or identify a renewed installation;

b) indicate the proportion or quantity of electric power, or heating or cooling, generated by a relevant installation which should be taken into account when another contracting party of the Energy Community estimates a national common target indicator;

c) determine the contracting party of the Energy Community in whose favour this notification was prepared;

d) determine a period encompassing calendar years, during which the electric power, or heating or cooling, generated from renewable sources by an installation should be taken into account by another contracting party of the Energy Community while estimating a national common target indicator.

4. A period as referred to in paragraph 3(d) of this article may not last beyond 2030. The duration of a joint project may last beyond 2030.

5. A notification prepared by the Government of Georgia in accordance with this article may not be changed or recalled without the joint consent of the Government of Georgia and an authorised body (bodies) of a contracting party of the Energy Community, as determined paragraph 3(c) of this article.

Article 8 – Results of a joint project of Georgia and a contracting party of the Energy Community

1. The Ministry shall prepare a written notification within 3 months after the end of each year falling under the period during which electric power, or heating or cooling, generated from renewable sources by a relevant installation, should be taken into account while estimating a national common target indicator of another contracting party of the Energy Community in accordance with this Law. This notification shall indicate:

a) the total quantity of electric power, and heating and cooling, generated from renewable sources by a relevant installation during the whole year, which was the subject of a notification prepared in accordance with Article 7 of this Law;

b) the total quantity of electric power, and heating and cooling, generated from renewable sources by a relevant installation during the whole year, which should be reflected in regard to a national common target indicator of another contracting party of the Energy Community, in accordance with conditions under the notification.



2. The Government of Georgia shall send a notification as referred to in paragraph 1 of this article to the contracting party of the Energy Community in favour of which it was prepared, and to the Energy Community Secretariat.

3. To evaluate the compliance of target indicators with the requirements of this Law concerning national common target indicators, the quantity of electric power, and heating and cooling, generated from renewable sources on which a notification was prepared and sent in accordance with paragraph 1(b) of this article, shall be deducted from the quantity of electric power, and heating and cooling, generated from renewable sources, which will be taken into account while estimating the compliance of Georgia with national common target indicators.

Article 9 – Joint project of Georgia and a third country

1. Georgia, independently or together with one or several contracting parties of the Energy Community, may cooperate with one or several third countries when implementing any type of joint projects related to the generation of electric power received from renewable sources.

2. Electric power generated from renewable sources in a third country shall be taken into account only for the evaluation of compliance with the requirements of this Law concerning national common target indicators, provided that the following conditions are met:

a) electric power generated from renewable sources is consumed by Georgia. This requirement shall be considered fulfilled if:

a.a) the quantity of electric power equivalent to registered electric power is strictly nominated by all transmission system operators responsible for distributed cross-border flow capacity both in the country of origin and in Georgia and, as appropriate, in each transit third country;

a.b) the equivalent quantity of registered electric power is properly registered in a balance schedule by a responsible transmission system operator on the Georgian side of an intersystem transmission network (interconnector);

a.c) the nominated capacity and the generation of electric power received from renewable sources by an installation, provided for in sub-paragraph (b) of this paragraph, are related to the same period;

b) electric power is generated by a newly constructed installation which was put into utilization after the entry of this Law into force, or after 30 June 2018, by an increased capacity of a renewed installation, within the frameworks of a joint project provided for by paragraph 1 of this article;

c) the quantity of electric power generated and exported has not benefited from privileges provided for in a support scheme of a third country, except for investment aid provided for a relevant installation.

3. For the purposes of Article 5 of this Law, the Government of Georgia may apply to the Energy Community Secretariat in order that the electric power generated from renewable sources in a third country and consumed by Georgia is taken into account in the context of a long-term project for the construction of an intersystem transmission network (interconnector) between Georgia and said third country, provided that the following conditions are met:

a) the construction of the intersystem transmission network (interconnector) shall start by 31 December 2027;

b) the intersystem transmission network (interconnector) cannot be put into utilization by 31 December 2030; however, it can be put into utilization by not later than 31 December 2032;

c) after an intersystem transmission network (interconnector) is put into utilization, it will be used to export electric power generated from renewable sources to the Energy Community in accordance with paragraph 2 of this article;

d) a relevant application applies to a joint project which satisfies the requirements of of paragraph 2(b) and (c) of this article, and uses an intersystem transmission network (interconnector) after it is put into operation, and is related to the quantity of electric power which does not exceed the quantity of electric power exported to the Energy Community after putting the intersystem transmission network (interconnector) into utilization.

4. The Energy Community Secretariat shall be informed about the proportion or quantity of electric power produced in the territory of a third country by a relevant installation, which should be taken into account when estimating national common



target indicators by a contracting party of the Energy Community, including Georgia. If several contracting parties of the Energy Community are involved, the Energy Community Secretariat shall be informed about the distribution of the proportion and quantity of electric power among the contracting parties of the Energy Community. This proportion and quantity shall not exceed the proportion and quantity of electric power actually exported to and consumed by the Energy Community, which, in its turn, shall comply with the quantities indicated in paragraph 2(a.a) and (a.b) of this article and shall satisfy the requirements of paragraph 2(a) of this article. The Government of Georgia, on the basis of notification from the Ministry, shall inform the Energy Community Secretariat about the proportion or quantity of electric power to be taken into account when estimating national common target indicators.

5. A notification referred to in paragraph 4 of this article shall:

- a) describe a proposed installation or identify a renewed installation;
- b) describe the proportion and quantity of generated electric power which is to be taken into account by Georgia when estimating national common target indicators, and describe appropriate financial measures in accordance with confidentiality requirements;
- c) determine a period encompassing calendar years, in order that electric power generated during this period is taken into account by Georgia when estimating a national common target indicator;
- d) contain a written acknowledgement from a third country in the territory of which a relevant installation shall be put into utilization, that the data referred to in sub-paragraphs (b) and (c) of this paragraph are taken into account, and indicate the proportion and quantity of electric power generated by the installation and consumed by the third country.

6. The period referred to in paragraph 5(c) of this article may not last beyond 2030. The duration of a joint project may last beyond 2030.

7. A notification prepared and sent in accordance with this article may not be changed or recalled without the joint consent of the Government of Georgia and the third country with which the joint project was agreed in accordance with paragraph 5(d) of this article.

Article 10 – Results of a joint project of Georgia and a third country

1. Within 3 months after the end of each year falling within the period provided for by Article 9(5)(c) of this Law, the Ministry shall prepare a written notification in accordance with the same article. The following information shall be indicated in this notification:

- a) the total quantity of electric power generated from renewable sources by a relevant installation during the whole year, which was the subject of a notification prepared in accordance with Article 9 of this Law;
- b) the quantity of electric power generated from renewable sources by a relevant installation during the whole year, which shall be reflected in regard to a national common target indicator of Georgia, in accordance with conditions under a notification prepared and sent in accordance with Article 9;
- c) confirmation of compliance with the requirements of Article 9(2) of this Law.

2. In order to notify them, the Government of Georgia shall send a letter to the Energy Community Secretariat and the third country which agreed on a joint project in accordance with Article 9(5)(d) of this Law.

3. To evaluate the compliance of target indicators with the requirements of this Law concerning national common target indicators, the quantity of electric power generated from renewable sources about which a notification was prepared and sent in accordance with paragraph 1(b) of this article, shall be added to the quantity of energy produced from renewable sources which is taken into account when evaluating the compliance of Georgia.

Article 11 – Support schemes

1. The Ministry shall develop support schemes in accordance with this Law and submit them to the Government of Georgia for approval. Before approval, to take into account competition principles, a support scheme shall be agreed with a state body



authorised by the legislation of Georgia on state aid. A support scheme also covers (but is not limited to) investment aid, relief from or a decrease in tax, a tax rebate, support schemes of obligation related to renewable energy, including schemes which use green certificates, and direct price support schemes which cover a special green tariff and a premium tariff.

2. Taking into account the obligations defined by this Law, Georgia and one or several other contracting parties of the Energy Community may decide upon a combination or a partial coordination of their national support schemes on a voluntary basis. In such cases, the determined quantity of energy received from renewable sources in the territory of one of the contracting parties of the Energy Community, including Georgia, may be taken into account when estimating a mandatory national common target indicator of one of the contracting parties of the Energy Community, including Georgia, provided that the interested contracting parties of the Energy Community shall:

a) make a statistical transfer of a defined quantity of energy received from renewable sources in accordance with Article 6 of this Law from the territory of one of the contracting parties of the Energy Community, including Georgia, to the territory of another contracting party of Energy Community, including Georgia;

b) establish a procedure for distribution agreed with the contracting parties of the Energy Community, including Georgia, for the distribution of energy received from renewable sources among the contracting parties of the Energy Community, including Georgia. The Government of Georgia shall inform the Energy Community Secretariat about the procedure for distribution not later than 3 months from the end of the first year after the entry into force of this procedure.

3. In accordance with paragraph 2(b) of this article, within 3 months after the end of each year, the Government of Georgia shall send a letter to the Energy Community Secretariat to notify them about the total quantity of electric power, or heating or cooling, generated from renewable sources during the whole year, which is subject to the procedure for distribution.

4. For the purposes of evaluating compliance with the requirements of this Law concerning national common target indicators, the quantity of electric power, or heating or cooling, generated from renewable sources on which the information was sent to the Energy Community Secretariat in accordance with paragraph 3 of this article, shall be redistributed in accordance with the procedure for distribution among the contracting parties of the Energy Community, including Georgia.

5. Rules similar to the rules determined by this article shall regulate joint support schemes implemented by Georgia and the member states of the European Union.

Article 12 – Increase of capacity

For the purposes of Article 7(2) and Article 9(2)(b) of this Law, units of energy received from renewable sources which have an impact on the increase of capacity of a relevant installation shall be considered generated by a separate installation which was put into utilization at the moment of the increase of capacity. Energy generated by such separate installation shall be taken into account in a report on the fulfilment of national common target indicators.

Article 13 – Principles for the implementation of administrative procedures, regulatory norms and rules

1. The procedures for the generation of electric power, and heating and cooling, from renewable sources, the procedures for production related to the process of the transformation of biomass into biofuel or other energy goods, as well as any procedure defining the authorisation, certification and licensing of transmission, and the distribution networks related to this production, shall be necessary and proportionate to this necessity.

2. For the purpose of this Law, appropriate authorised bodies shall take into account the following principles when implementing administrative measures:

a) the clearly determined responsibility of state, autonomous republic, and municipality bodies for implementing authorisation, certification and licensing, and spatial planning procedures, and the implementation of coordinated actions, including the existence of a transparent schedule of the determination of an application on planning and construction;

b) the existence of complete information on the processing of an application on authorisation, certification and licensing, as well as the possibility (availability) of providing assistance to applicants at an appropriate level;

c) the improvement of administrative procedures and the acceleration of their implementation at the appropriate stage of



administrative proceedings;

d) the impartiality, transparency and proportionality of regulatory rules of authorisation, certification and licensing, the adoption of a non-discriminatory attitude towards applicants by means of these rules, and by taking into account the particularity of each technology of renewable energy;

e) the transparency of administrative fees paid by consumers, designers, architects, builders, assemblers and suppliers of equipment and systems, and the proportionality of said fees with expenses incurred;

f) for minor projects, and decentralised devices which generate energy from renewable sources, the establishment of simplified and less burdensome procedures involving the implementation of a process on the basis of a simple notification, which shall be provided for by appropriate regulatory legislation.

3. The Government of Georgia shall determine the technical characteristics, in a relevant support scheme, which are to be met by equipment and systems of renewable energy, in order to apply the support scheme. These technical characteristics shall not be less than the minimum technical requirements determined by the legislation of Georgia for similar equipment and systems of renewable energy.

4. The Government of Georgia shall give a recommendation to autonomous republic and municipality bodies in order that equipment and systems are installed so as to use electric power, and heating and cooling, and central heating and central cooling, received from renewable sources, when industrial and residential territories are being planned, designed, constructed and renovated.

5. The Government of Georgia shall encourage the bodies of autonomous republics and municipalities in order that they take into account heating and cooling received from renewable sources when planning the infrastructure of populated areas.

6. The Government of Georgia, within the scope of its authority, shall ensure that appropriate regulatory norms are introduced through construction regulatory legal acts, in order to increase the share of all types of energy received from renewable sources in the construction sector.

7. When determining measures provided for by this article or developing support schemes, the Government of Georgia shall be authorised to take into account measures of national importance determined with regard to the significant increase of energy efficiency, cogeneration, and buildings with passive, low or zero energy expense.

8. The Government of Georgia, within the scope of its authority, shall ensure that the obligation to use a minimum level of energy received from renewable sources in new buildings, as well as in existing buildings requiring fundamental reconstruction, is provided for in construction regulatory legal acts by 31 December 2024. The Government of Georgia shall ensure the fulfilment of the obligation to abide by the above-mentioned minimum level, including by using a significant share of renewable sources in central heating and central cooling systems.

9. The requirement of paragraph 6 of this article shall apply to Defence Forces only insofar as the fulfilment of this requirement does not conflict with the nature and primary goals of the activities of Defence Forces, except for the requirement related to materials used only for military purposes.

10. The Government of Georgia shall ensure that in new public buildings, as well as in existing buildings requiring fundamental reconstruction, compliance with the requirements of this Law is ensured at central, regional and local levels from 1 January 2022.

11. The Government of Georgia shall be authorised to determine the possibility of fulfilling the obligations provided for by this article by means of meeting standards for buildings with little to zero energy expense, as defined by the legislation of Georgia, or by means of ensuring that a third party fits roofs on public, or mixed type, private/public buildings, with installations generating energy from renewable sources.

12. The Government of Georgia shall promote taking into account the obligation to use heating and cooling systems, and devices generating energy from renewable sources in the construction regulatory legal, in order to significantly decrease the consumption of energy. The Government of Georgia shall use energy labels or ecolabels or other appropriate certificates or standards as a basis for promoting such systems and devices.

13. The Government of Georgia shall ensure the implementation of measures which, in the case of biomass, promote a processing that enables at least 85 % processing efficiency when used for household or commercial purposes, and at least 70 % efficiency when used for industrial purposes.

14. The Ministry shall ensure the implementation of measures which, in the case of heat pumps, promote technologies meeting



minimum requirements for the ecolabelling of heat pumps as determined by ecolabelling regulatory legal acts, in particular environmental criteria for ecolabelling electrical, gas and gas absorption heat pumps.

15. The Ministry shall ensure the implementation of measures which, in the case of solar thermal energy, promote the use of certified devices and systems meeting European standards, including ecolabelling, energy labelling and other standard technical systems as established by European standardisation bodies.

16. For the purposes of this article, when evaluating the conversion efficiency of systems and devices, as well as the coefficient of input and output indicators, the procedures of the Energy Community, and where one does not exist, international procedures (if any), shall be used.

Law of Georgia No 7023 of 15 July 2020 – website, 28.7.2020

Article 14 – Information support and trainings

1. On the recommendation of an authorised body, the Government of Georgia shall ensure that information on support measures is available for all active parties, in particular consumers, architects, builders, assemblers and suppliers of heating, cooling, and electrical appliances, and systems and vehicles operating on energy generated from renewable sources.

2. On the recommendation of an authorised body, the Government of Georgia shall ensure that suppliers of equipment and systems, or other competent authorities of Georgia, make available information on the net benefit, the energy value, and the energy efficiency of equipment and systems used to receive electric power, and heating and cooling, from renewable sources.

3. On the recommendation of an authorised body, the Government of Georgia shall ensure the introduction/availability of mechanisms for assemblers to acquire appropriate skills/competence on the basis of mechanisms of certification of small scale biomass boilers and ovens, solar photoelectric systems and solar thermal systems, surface geothermal systems and heat pumps, and/or on the basis of a national qualifications framework and a classifier of fields of study.

4. On the recommendation of an authorised body, the Government of Georgia shall recognise a certificate issued by a contracting party of the Energy Community in accordance with appropriate criteria.

5. On the recommendation of an authorised body, the Government of Georgia, for the purpose of the transparency of relevant processes and in order to provide interested persons with information, shall ensure the publicity of mechanisms of certification and/or mechanisms of acquisition of appropriate skills/competence referred to in paragraph 3 of this article.

6. On the recommendation of an authorised body, the Government of Georgia shall be authorised to make available a list of assemblers certified and qualified, in accordance with paragraph 3 of this article.

7. On the recommendation of an authorised body, the Government of Georgia shall ensure the availability of guidelines for designers, architects and other relevant parties to enable them to appropriately take into account the combination of energy received from renewable sources, high efficiency technologies, and central heating and central cooling, when designing, constructing and reconstructing industrial and residential territories.

8. The Government of Georgia shall ensure the development of appropriate information, awareness raising, guidance or training programmes, in order to deliver information to the citizens of Georgia on the development of production and the advantages and functionalities of using energy generated from renewable sources, with the participation of autonomous republics and municipality bodies.

Law of Georgia No 7023 of 15 July 2020 – website, 28.7.2020

Article 15 – Certificates of origin of electric power, heating, and cooling, received from renewable sources

1. To confirm the share or quantity of energy received from renewable sources in the mixture of energy of an energy supplier for a final consumer, the Georgian National Energy and Water Supply Regulatory Commission and the Ministry shall ensure that confirmation of origin of electric power received from renewable sources is guaranteed within this Law, in accordance with impartial, transparent and non-discriminatory criteria. For this purpose, the Georgian National Energy and Water Supply Regulatory Commission shall approve the Procedure for the Issuance of a Certificate of Origin of Electric Power Received from



Renewable Sources by a resolution, and the Ministry shall approve the Procedure for the Issuance of a Certificate of Origin of Heating and Cooling Received from Renewable Sources by an order.

2. A transmission system operator of Georgia shall issue a certificate of origin of electric power received from renewable sources in response to a request from a producer of electric power received from renewable sources.

3. The Ministry shall be authorised to organise the issuance of certificates of origin of heating and cooling received from renewable sources in response to a request from producers of heating and cooling received from renewable sources. This measure may be subject to the minimum capacity limit.

4. In the case of the generation of electric power from renewable sources, a certificate of origin of electric power received from renewable sources shall be standard and it shall be issued for the generation of electric power of 1 megawatt per hour. Only one certificate of origin shall be issued for each unit of generated electric power.

5. One unit of energy received from renewable sources shall be taken into account only once.

6. On the recommendation of the Ministry, the Government of Georgia shall be authorised to revoke, fully or partially, the right of an energy producer who benefits from the same certificate of origin of energy to use a support scheme.

7. A certificate of origin is not a document certifying compliance with the national common target indicators determined by Article 3 of this Law. Granting a certificate of origin both separately and with physical transmission of energy shall not affect a decision of the Government of Georgia to make statistical transfers or implement joint projects or support schemes for the purpose of determining compliance with national common target indicators, or when estimating the total final consumption of energy received from renewable sources.

8. A certificate of origin shall be used within 12 months from the generation of the relevant energy.

9. A certificate of origin shall be revoked upon its use.

10. The Georgian National Energy and Water Supply Regulatory Commission shall supervise the process of issuance, granting and revocation of a certificate of origin of electric power received from renewable sources by a transmission system operator of Georgia.

11. The Georgian National Energy and Water Supply Regulatory Commission and the Ministry are obliged to introduce mechanisms ensuring the issuance, granting and revocation of certificates of origin in an electronic form that shall guarantee its accuracy and reliability and protection from falsification.

12. A certificate of origin shall indicate:

a) the energy source generating energy and the dates of the start and the end of its production;

b) whether a certificate of origin applies to electric power, heating, or cooling;

c) identification data, including the location, type and capacity of installation which generates the energy;

d) whether and how the installation has benefitted from investment aid, and/or whether and how the energy unit has used a support scheme, and if so, the type of support scheme;

e) the date the installation was put into utilization;

f) the date of issue of a certificate of origin, the issuer country, and the unique identification number.

13. The quantity of energy received from renewable sources which is in conformity with a certificate of origin granted to a third party by a supplier of electric power shall be deducted from the share of energy produced from renewable sources in its energy mix.

14. A certificate of origin issued by another contracting party of the Energy Community shall be recognised by the Georgian National Energy and Water Supply Regulatory Commission only as a confirmation of elements referred to in paragraph 1 of this article and paragraph 12(a–f). The Georgian National Energy and Water Supply Regulatory Commission shall be authorised to refuse the recognition of a certificate of origin only where it has a reasonable doubt regarding the accuracy, reliability or authenticity of a relevant guarantee. The Georgian National Energy and Water Supply Regulatory Commission is obliged to



inform the Energy Community Secretariat on the refusal provided for by this paragraph and submit grounds for its decision.

15. The Georgian National Energy and Water Supply Regulatory Commission shall be authorised to take into account a recommendation of the Energy Community Secretariat on the recognition of a certificate of origin which has been refused recognition by the Commission.

16. The Georgian National Energy and Water Supply Regulatory Commission shall be authorised to establish impartial, transparent and non-discriminatory criteria for the use of a certificate of origin meeting the requirements of this Law in accordance with the legislation of Georgia. These criteria shall be reflected in the procedure of the issuance of a certificate of origin of energy received from renewable sources.

17. If an energy supplier sells energy received from renewable sources to consumers indicating environmental or other benefits, the Georgian National Energy and Water Supply Regulatory Commission shall be authorised to request that this supplier make available, in a summarised form, information on the share or quantity of energy received from renewable sources, generated by installations put into utilization after 18 December 2022, or from increased capacity.

Article 16 – Access to a network and its operation

1. The Government of Georgia, the Georgian National Energy and Water Supply Regulatory Commission, and network operators, within the scope of their competence granted by the legislation of Georgia, shall take appropriate steps to develop transmission and distribution network infrastructure, smart networks, storage devices, and the electric power system of Georgia, to ensure the safe operation of the electric power system which serves for the generation of electric power received from renewable sources, including the development of interconnections between Georgia and a contracting party of the Energy Community, as well as between Georgia and a third country.

2. In compliance with the requirements for observation of the reliability and safety of a network, the following shall be ensured in accordance with transparent and non-discriminatory criteria established by the Georgian National Energy and Water Supply Regulatory Commission:

a) a transmission system operator and a distribution system operator of Georgia shall guarantee the transmission and distribution of energy generated from renewable sources in its own territory;

b) priority or guaranteed access to the network of electric power generated from renewable sources;

c) during the dispatch of installations generating electric power, a transmission system operator of Georgia shall give priority to the use of renewable sources insofar as the safe functioning of the electric power system of Georgia permits same, provided that the transparent and non-discriminatory criteria established by the Georgian National Energy and Water Supply Regulatory Commission are met;

d) the implementation of appropriate utilization measures related to the network and to the market to minimise the limit of electric power generated from renewable sources.

3. For the purpose of ensuring the safety of the electric power system of Georgia and the energy supply, when taking important measures to minimise energy received from renewable sources, a transmission system operator of Georgia shall inform the Georgian National Energy and Water Supply Regulatory Commission of these measures and indicate corrective measures to be implemented in order to prevent the improper reduction of energy received from renewable sources.

4. A transmission system operator and a distribution system operator of Georgia shall make public standard rules related to covering the expenses and to the distribution necessary for technical changes (connection to network, network reinforcement, improvement of network operation), as well as conditions for the observation of the "network rules" approved by a resolution of the Georgian National Energy and Water Supply Regulatory Commission in a non-discriminatory manner, which are necessary for the integration of a new producer supplying electric power generated from renewable sources to the interconnection network. The rules and conditions provided for by this paragraph shall be developed and approved in accordance with the requirements of the Law of Georgia on Energy and Water Supply.

5. The rules provided for by paragraph 4 of this article shall be based on impartial, transparent and non-discriminatory criteria, and shall provide for all expenses and benefits related to the connection of an appropriate producer to the network, as well as special circumstances related to producers located in high mountain regions, and in regions with a low density of population. Various types of connection to the network may be determined by these rules.



6. The Georgian National Energy and Water Supply Regulatory Commission may, as appropriate, request that a transmission system operator and a distribution system operator of Georgia cover the expenses provided for by paragraph 4 of this article, fully or partially. Measures necessary to improve guidelines related to procedures for the coverage of these expenses and to distribution shall be reviewed and implemented by the Georgian National Energy and Water Supply Regulatory Commission by 30 June 2021, and, in order to ensure the integration of a new producer as defined by paragraph 4 of this article, every two years thereafter.

7. A transmission system operator and a distribution system operator of Georgia are obliged to provide a new producer of energy received from renewable sources, intending to connect to a system, with complete and necessary information in accordance with this Law, the Law of Georgia on Energy and Water Supply and the "network rules" approved by a resolution of the Georgian National Energy and Water Supply Regulatory Commission, including:

- a) a comprehensive and detailed costs estimate for connection to the network;
- b) reasonable and precise time limits for receiving and processing requests for connection to the network;
- c) a reasonable reference schedule for connection to the network.

8. If a network operator connects to a power station network operating on a renewable source by means of a third party, a producer of electric power received from renewable sources intending to connect to the network shall be entitled to participate in a process of purchasing aimed at the performance of construction works to connect the producer to the network, and to perform these works on its own if he/she offers better conditions, in accordance with the legislation of Georgia and compared to other contenders, and/or he/she meets the requirements of a relevant network operator.

9. The expenses provided for by this article shall be shared on the basis of a mechanism relying on impartial, transparent and non-discriminatory criteria, which take into account the benefits gained by a producer connected to the network, a transmission system operator and a distribution system operator of Georgia, by virtue of connection to the network, both initially and in the following stages, in accordance with the procedures established by the legislation of Georgia.

10. The Georgian National Energy and Water Supply Regulatory Commission shall ensure that transmission and distribution tariffs are not discriminatory for electric power generated from renewable sources, particularly in high mountain regions, in particular, in isolated power supply areas, and in regions with a low density of population. The Georgian National Energy and Water Supply Regulatory Commission shall also ensure that transmission and distribution tariffs are not discriminatory as regards natural gas received from renewable sources.

11. The Georgian National Energy and Water Supply Regulatory Commission shall ensure that tariffs set by the transmission system operator and the distribution system operator of Georgia for the transmission and distribution of electric power generated by a power station operating on a renewable source reflect expenses to be covered and benefits to be gained which are related to the connection of the power station to the network. Such expenses and benefits may arise from the direct use of a low voltage network.

12. As appropriate, the Georgian National Energy and Water Supply Regulatory Commission shall assess the necessity of an increase in the infrastructure of an existing gas network for the purposes of promoting the integration of gas received from renewable sources.

13. As appropriate, the Georgian National Energy and Water Supply Regulatory Commission shall request that a transmission system operator and a distribution system operator in the territory of Georgia publish technical rules related to network connection rules, and also containing requirements related to gas quality, gas odourisation and gas pressure. The Georgian National Energy and Water Supply Regulatory Commission shall also request that a transmission system operator and a distribution system operator publish tariffs of network connection, in order to connect gas to the network of renewable sources on the basis of impartial, transparent and non-discriminatory criteria, in accordance with the Law of Georgia on Energy and Water Supply and this Law.

14. In the national action plan for renewable energy, the Government of Georgia shall assess the necessity of the construction of infrastructure for central heating and central cooling received from renewable sources, to reach national common target indicators in 2030. As a result of this assessment, the Government of Georgia shall take steps for the development of infrastructure for central heating in order to develop the production of central heating and central cooling from large size biomass, solar and geothermal facilities.

Article 17 – Sustainability criteria for biofuel and bioliquids



1. Energy received from biofuel and bioliquids, irrespective of whether it was cultivated in or outside the territory of Georgia, shall be taken into account for the purposes of sub-paragraphs (a), (b) and (c) of this paragraph only if the criteria for biofuel and bioliquids established by the legislation of Georgia are met:

- a) the determination of compliance with the requirements of this Law as regards national common target indicators;
- b) the determination of compliance with the obligation related to renewable energy;
- c) the authority to receive financial support for the consumption of biofuel and bioliquids.

2. For the purposes of this Law, except for agricultural, aquaculture, and fishing waste, and forestry residue, biofuel and bioliquids produced from other waste for the purposes defined by paragraph 1 of this article shall meet criteria established by the legislation of Georgia for biofuel and bioliquids only.

Article 18 – Verification of compliance of biofuel and bioliquids with sustainability criteria

1. If biofuel and bioliquids are to be considered for the purposes provided for by Article 17(1)(a), (b) and (c) of this Law, the Government of Georgia shall be authorised to request that an economic agent confirm that the sustainability criteria established by the legislation of Georgia for biofuel and bioliquids are taken into account.

2. For the purposes of paragraph 1 of this article, the Government of Georgia, upon the recommendation of the Ministry, shall impose an obligation to use a mass balance system in relation to an economic agent, which shall:

- a) enable the mixture of batches of raw materials or biofuel with different sustainability characteristics;
- b) require that a mixture is accompanied by information on the sustainability characteristics and sizes of batches of raw materials referred to in sub-paragraph (a) of this paragraph;
- c) ensure that the sum of the batch of all raw materials taken out of a mixture is described in the same amount and by the same characteristics of sustainability which describe the sum of the batch of all raw materials added to the mixture.

3. The Ministry shall ensure that an economic agent submits reliable information, and upon the request of an authorised body, makes available the data which served as the basis for the preparation of this information. The Ministry shall request that an economic agent introduce appropriate standards for conducting an independent audit of submitted information, and present appropriate evidence. An independent audit shall confirm that the systems used by an economic agent are accurate, reliable and protected from falsification. When conducting an independent audit, the frequency and methodology of sampling and the reliability of data shall be estimated.

4. The information referred to in paragraph 3 of this article shall include information on the compliance of biofuel and bioliquids with sustainability criteria, and appropriate and relevant information on measures taken to protect soil, water and air, to restore degraded soil, and to prevent excessive consumption of water in territories with water scarcity.

5. The obligations provided for by this article shall be fulfilled irrespective of whether biofuel and bioliquids are produced in the territory of a contracting party of the Energy Community or imported.

6. The Government of Georgia, together with the Ministry, shall ensure that information provided for by paragraph 3 of this article is submitted to the Energy Community Secretariat in a unified form.

7. National and international voluntary schemes, establishing standards for biomass products, shall comply with reliability and transparency standards as well as appropriate standards for conducting an independent audit. If these schemes measure the net saving of greenhouse gas emissions, they shall also meet the requirements of methodologies defined by rules estimating the impact of greenhouse gases in biofuel, bioliquids and their fossil fuel comparators.

Article 19 – Special provisions related to the energy generated from renewable sources used in transport

1. The Government of Georgia shall ensure that the public is provided with information on the availability and environmental benefit of energy generated from all types of renewable sources used in transport. If a percentage of the share of biofuel exceeds 10



% when mixed with mineral oil derivatives of biofuel, the Government of Georgia shall be authorised to establish the requirement that this should be indicated in paragraphs related to sales.

2. The share of biofuel received from waste, non-food cellulose material and lingocellulosic material shall be considered two times more than the share of other biofuel, in order to demonstrate compliance with common national obligations, imposed on economic agents, related to energy received from renewable sources and used in all types of vehicles with the national common target indicator determined by Article 3(6) of this Law.

Article 20 – Obligation of Georgia to submit a report

1. By 31 December 2024 and once every two years thereafter, the Government of Georgia shall submit to the Energy Community Secretariat a report on the promotion of energy generated from renewable sources and the progress reached in the process of using such energy.

2. The report provided for by paragraph 1 of this article shall contain the following information in detail:

a) the sectoral share and total share of energy received from renewable sources (electric power, heating and cooling, transport) for the previous two calendar years, as well as measures taken or planned at the national level to increase energy received from renewable sources, which take into account a reference indicator determined by paragraph 2 of Annex I of this Law in accordance with Article 5 of this Law;

b) the introduction and functioning of support schemes, and other measures taken for the promotion of energy received from renewable sources, and measures determined under the national action plan for renewable energy;

c) as appropriate, information on how the Government of Georgia has structured support schemes, taking into account that the use of certain types of renewable energy compared to other types of energy give additional benefits, however it may require more expenses, in particular the use of biofuel received from waste, non-food cellulose material and lingocellulosic material;

d) the functioning of a system of issuance of certificates of origin of electric power, and heating and cooling, received from renewable sources, as well as measures implemented to ensure the reliability of this system and to prevent its falsification;

e) the progress reached in the process of the assessment and improvement of administrative procedures implemented to remove regulatory and non-regulatory barriers in the development of the production of energy received from renewable sources;

f) as appropriate, measures taken to improve the rules for ensuring the transmission and distribution of electric power received from renewable sources, as well as rules for covering expenses, and for distribution, as provided for in Article 16(4) and (5) of this Law;

g) the increase in the availability and use of biomass resources for energy purposes;

h) changes in the price of consumer goods and land use in the territory of Georgia, related to the increased use of biomass and other types of energy received from renewable sources;

i) the development and share of biofuel received from waste, non-food cellulose material, and lingocellulosic material;

j) the assumed impact of the production of biofuel and bioliquids on biodiversity, water resources, water quality and soil quality, in the territory of a contracting party of the Energy Community;

k) the assumed net saving of greenhouse gas emissions using energy received from renewable sources;

l) the excessive generation of energy received from renewable sources compared to a reference indicator which might have been transmitted to another contracting party of the Energy Community, as well as the estimated potential of joint projects by 2030;

m) the estimated demand for energy received from renewable sources which, by 2030, shall be satisfied by other means, except for national production;

n) the estimated share of biodegradable waste in the content of waste used for the generation of energy, as well as steps taken to improve and recheck the estimation.



3. When estimating the net savings of greenhouse gas emissions using biofuel, for the purposes of the report provided for by paragraph 1 of this article, the Government of Georgia may use typical values determined by rules for estimating the impact of greenhouse gases in biofuel, bioliquids and their fossil fuel comparators in accordance with this Law.
4. In the report referred to in paragraph 1 of this article submitted to the Energy Community Secretariat, the Government of Georgia shall indicate whether or not it plans to:
 - a) create an administrative body responsible for processing an application on the authorisation, certification and licensing of renewable energy installations, as well as for providing assistance to applicants;
 - b) ensure automatic approval of applications for designing renewable energy installations and obtaining an appropriate permit if a body authorised to authorise these installations fails to respond;
 - c) determine an appropriate geographical location for the utilization of energy received from renewable sources, for the planning of land use, and for development of central heating and central cooling.
5. The Government of Georgia may amend the data of a previous report provided for in paragraph 1 of this article.

Article 21 – Transitional provisions

1. Until the complete restoration of the jurisdiction of Georgia in the occupied territories of Georgia, energy received from renewable and non-renewable (fossil) sources generated and/or used in these territories shall not be taken into account for the purposes of this Law, except for electric power generated by Engurhesi and Vardnilhesi supplied to the territory of Georgia fully falling under jurisdiction of Georgia. Moreover, energy supplied to the occupied territories of Georgia during the period of deficiency shall not be taken into account for the purposes of this Law.
2. This Law shall not apply to agreements related to the construction, possession and/or operation of a power station operating on renewable sources, which had been concluded before the entry into force of the subordinate legislative acts provided for by paragraph 5(c) and (d) of this article.
3. If the right to construct, possess and/or operate a power station operating on renewable sources in accordance with rules established by the Law of Georgia on Public-Private Partnership and the subordinate legislative acts adopted on the basis of this Law, support schemes and/or other mechanisms provided for by this Law may be made use of, including agreements on the guaranteed purchase of electric power determined by a relevant agreement concluded with the Government of Georgia.
4. Before the rules for certification of assemblers of devices generating energy from renewable sources are approved, appropriate relationships shall be regulated in accordance with the rules existing before the approval of these rules.
5. Upon the entry of this Law into force, on the recommendation of the Ministry, the Government of Georgia shall:
 - a) ensure the approval of a methodology for estimating energy received from renewable sources, within 6 months;
 - b) ensure the approval of the national action plan for renewable energy, within 12 months;
 - c) ensure the approval of support schemes for the generation and use of energy from renewable sources, within 12 months;
 - d) ensure the approval of the rules for announcing and conducting a competitive auction for the promotion of the generation of energy from renewable sources, except for electric power generated from a small capacity power station, and the rules for granting and revoking the status of privileged producer of energy from renewable sources, within 18 months;
 - e) ensure the approval of the rules for announcing and conducting a competitive auction for the promotion of the generation of electric power from renewable sources by a small power station, within 19 months;
 - f) ensure the approval of rules for the certification and compliance of biofuel, biogas and bioliquid, within 24 months;
 - g) ensure the approval of rules for licensing and pricing the production of biofuel, biogas and bioliquid, within 24 months;
 - h) ensure the establishment of sustainability criteria for biofuel and bioliquids, within 24 months;



i) ensure the approval of rules for estimating the impact of biofuel, bioliquids and their fossil fuel comparators, within 24 months.

6. Upon the entry of this Law into force, on the recommendation of an authorised body, the Government of Georgia shall:

- a) ensure the approval of the rules for the development of minimum requirements for a harmonised model of the national action plan for renewable energy, within 1 month;
- b) ensure the approval of the procedure for the registration of energy received from heat pumps, within 1 month;
- c) ensure the adoption of a subordinate act on minimum requirements for the ecolabelling of heat pumps, within 12 months;
- d) ensure the approval of a list of certified and qualified assemblers, in accordance with Article 14(3) of this Law, within 12 months;
- e) ensure the approval of a standard form of agreement on price differences to be concluded with a privileged producer of energy from renewable sources and of rules for the certification of assemblers of devices generating energy from renewable sources, within 24 months.

7. Upon the entry of this Law into force, the the Georgian National Energy and Water Supply Regulatory Commission shall:

- a) ensure the approval of the rules for the issuance of a certificate of origin of electric power received from renewable sources, within 24 months;
- b) ensure the compliance of appropriate subordinate acts with this Law, within 24 months.

8. Upon the entry of this Law into force, the Ministry shall:

- a) ensure the approval of the procedure for the normalisation of the registration of electric power generated from hydro power and wind power, within 1 month;
- b) ensure the approval of the rules for the issuance of certificates of origin of heating and cooling received from renewable sources, within 24 months.

Article 22 – Entry into force of the Law

This Law shall enter into force upon its promulgation.

President of Georgia

Salome Zourabichvili

Tbilisi

20 December 2019

N5652-6b

Annex I

National common target indicators of Georgia of the share of energy received from renewable sources in the total final consumption of energy determined by 2030



1. National common target indicators

| | |
|---|--|
| The share of energy received from renewable sources in the total final consumption of energy, 2019 (S_{2019}) | National common target indicators of the share of energy received from renewable sources in the total final consumption of energy, 2019 (S_{2030}) |
| 29.5 % | 35 % |

2. Reference indicator

A reference indicator provided for by Article 3(3) of this Law shall comprise of the following shares of energy received from renewable sources:

$S_{2019} + 0.20 (S_{2030} - S_{2019})$, as an average indicator for the period of two years (2021-2022)

$S_{2019} + 0.30 (S_{2030} - S_{2019})$, as an average indicator for the period of two years (2023-2024)

$S_{2019} + 0.45 (S_{2030} - S_{2019})$, as an average indicator for the period of two years (2025-2026)

$S_{2019} + 0.65 (S_{2030} - S_{2019})$, as an average indicator for the period of two years (2027-2028)

where:

S_{2019} = share of Georgia in 2019, given in paragraph 1 of this Annex;

S_{2030} = share of Georgia in 2030, given in paragraph 1 of this Annex.

3. To reach the national common target indicators provided for by this Annex and to protect the environment, guiding rules for state support shall recognise the necessity of the continuous existence of national mechanisms to promote renewable energy sources.

Annex II

Energy content in transport fuel

| Type of fuel | Energy content by fuel weight (lower calorific value, MJ/kg) | Energy content by fuel weight (lower calorific value, MJ/kg) |
|---|--|--|
| Bioethanol (ethanol produced from biomass) | 27 | 21 |
| Ethyl tert-butyl ether (ETBE) (produced on the basis of bioethanol) | 36 (37 % of which is received from renewable sources) | 27 (37 % of which is received from renewable sources) |



| | | |
|--|---|---|
| biomethanol (methanol produced from biomass, used as biofuel) | 20 | 16 |
| Methyl tert-butyl ether (MTBE) (produced on the basis of biomethanol) | 35 (22 % of which is received from renewable sources) | 26 (22 % of which is received from renewable sources) |
| Bio-dimethyl ether (DME) (dimethyl ether produced from biomass, used as biofuel) | 28 | 19 |
| Bio-tert-Amyl ethyl ether (TAEE) (produced on the basis of bioethanol) | 38 (29 % of which is received from renewable sources) | 29 (29 % of which is received from renewable sources) |
| biobutanol (butanol produced from biomass, used as biofuel) | 33 | 27 |
| biodiesel (methyl ether of diesel quality produced from oil of vegetable or animal origin, used as biofuel) | 37 | 33 |
| Fischer-Tropsch diesel fuel (synthetic hydrocarbon or a mixture of synthetic hydrocarbon produced from biomass) | 44 | 34 |
| Hydrated vegetable oil (vegetable oil chemically filtered with hydrogen) | 44 | 34 |
| Pure vegetable oil (produced from oil plant through compression, extraction or similar procedure, raw or refined, however chemically unchanged, oil which is compatible with types of engines and meets appropriate emission requirements) | 37 | 34 |
| biogas (fuel gas received from biodegradable elements of biomass and/or waste of biological origin, which may be filtered to the quality of natural gas and may be used as biofuel, or oil received from wood material) | 50 | 34 |
| Petrol | 43 | 32 |
| Diesel | 43 | 36 |

