



ANNUAL REPORT

2022

WHEN BALANCE IS ACHIEVED

CONTENT

04 ELECTRICITY SECTOR

20 NATURAL GAS SECTOR

32 WATER SUPPLY SECTOR

39 METHODOLOGICAL ACTIVITIES

41 COMMERCIAL SERVICE QUALITY

43 PROTECTION OF CONSUMER RIGHTS

48 INTERNATIONAL RELATIONS

52 PUBLICITY OF THE INFORMATION

55 MEMORANDA



Dear reader,

I would like to present the 2022 activity report of the Georgian National Energy and Water Supply Regulatory Commission (hereinafter “the Commission”).

2022 was a year full of challenges and opportunities for the energy sector. Despite the challenging geopolitical environment, the Commission has successfully maintained energy price stability, demonstrating our unwavering commitment to our values and priorities.

Last year was important for the GNERC in terms of protection of consumer rights and development of renewable energy. Our top priority is to ensure that consumers have access to high-quality services. In addition, we work to improve the quality of services in regulated sectors. Our goal is that consumers have access to new technologies and innovative services, which will help them to solve energy and water supply issues in the most effective way. The Commission is actively introducing digital technologies of service and data analysis, which improves the quality of regulation.

In 2022, we hosted a renewable energy investment conference in cooperation with international organizations, which received positive feedback. Representatives of more than 30 countries participated in the investment conference. I am proud to announce that we have the honor to host one of the most important international events in the energy industry of Georgia, the World Forum on Energy Regulation (WFER), which will be held in 2026. This event brings together leaders, experts and other stakeholders from around the world to discuss the latest developments and innovations in the energy sector.

Another significant event of 2022 was the establishment of the Elizbar Eristavi Energy Training Center, which is a valuable platform for the professional development of energy specialists and other stakeholders.

I hope that 2022 Activity Report of the Commission will provide readers with interesting information and insights into the regulation of the energy and water supply sectors.

Sincerely,

THE CHAIRMAN

DAVIT NARMANIA



ELECTRICITY SECTOR

The Year of 2022

Electricity generation (busbar delivery) has increased by 12.5% compared to 2021, and by 27.8% compared to 2020;

Domestic electricity consumption has increased by 3.6% compared to 2021, and by 17.3% compared to 2020;

Electricity consumption by direct consumers has increased by 4.8% compared to 2021, and by 52.8% compared to 2020;

Electricity supplied to Abkhazia has increased by 2.5% compared to 2021, and by 18.7% compared to 2020;

The volume of electricity generated from thermal power plants exceeded the volume of 2021 by 42%;

Electricity import has decreased by 23.6% compared to 2021, and by 4.8% compared to 2020;

Electricity export was 2.5 times more than that of 2021, and 6.3 times more than the figure of 2020;

Transit of 3,160 million kWh of electricity was carried out, which is 2.7 times more than that of 2021, and 31 times more than the volume of 2020;

The actual electricity losses in the electricity system amounted to 6.08%, including:

- 1.97% in the transmission network;
- 4.11% in the distribution network.

The values of the normative losses set for the electricity transmission and distribution system operators are:

- 1.92 % in the “Georgian State Electrosystem” JSC network;
- 5.57% in the “Telasi” JSC network;
- 9.8% in the “Energo-Pro Georgia” JSC network.

The actual losses in the “Energo-Pro Georgia” JSC network amounted to 9.99%, and 6.07% in the “Telasi” JSC network;

The actual losses in the “Energo-Pro Georgia” JSC network amounted to 9.99%, and 6.07% in the “Telasi” JSC network;

In 2022, 7 small-capacity power plants were put into operation, with a total installed capacity of 26.92 MW.

In 2012-2022

4.5% >

Domestic electricity consumption increases by 4.5% on average every year;

4.0% >

Electricity production (busbar delivery) increases by 4% on average;

THE NEW RULE FOR CONNECTION TO THE ELECTRICITY DISTRIBUTION NETWORK FOR SMALL POWER PLANTS UP TO 15 MW WAS APPROVED:

- The Rule defines the transparent and fair principles of connecting small capacity power plants to the distribution network, which in turn includes the readiness of the electricity distribution network and the capability to connect to the distribution network for an appropriate fee;
- The Rule provides a non-discriminatory approach to investors and allows them to pre-determine the costs and terms of connection to the distribution network.

MARKET RULES OF BILATERAL AGREEMENTS WERE APPROVED

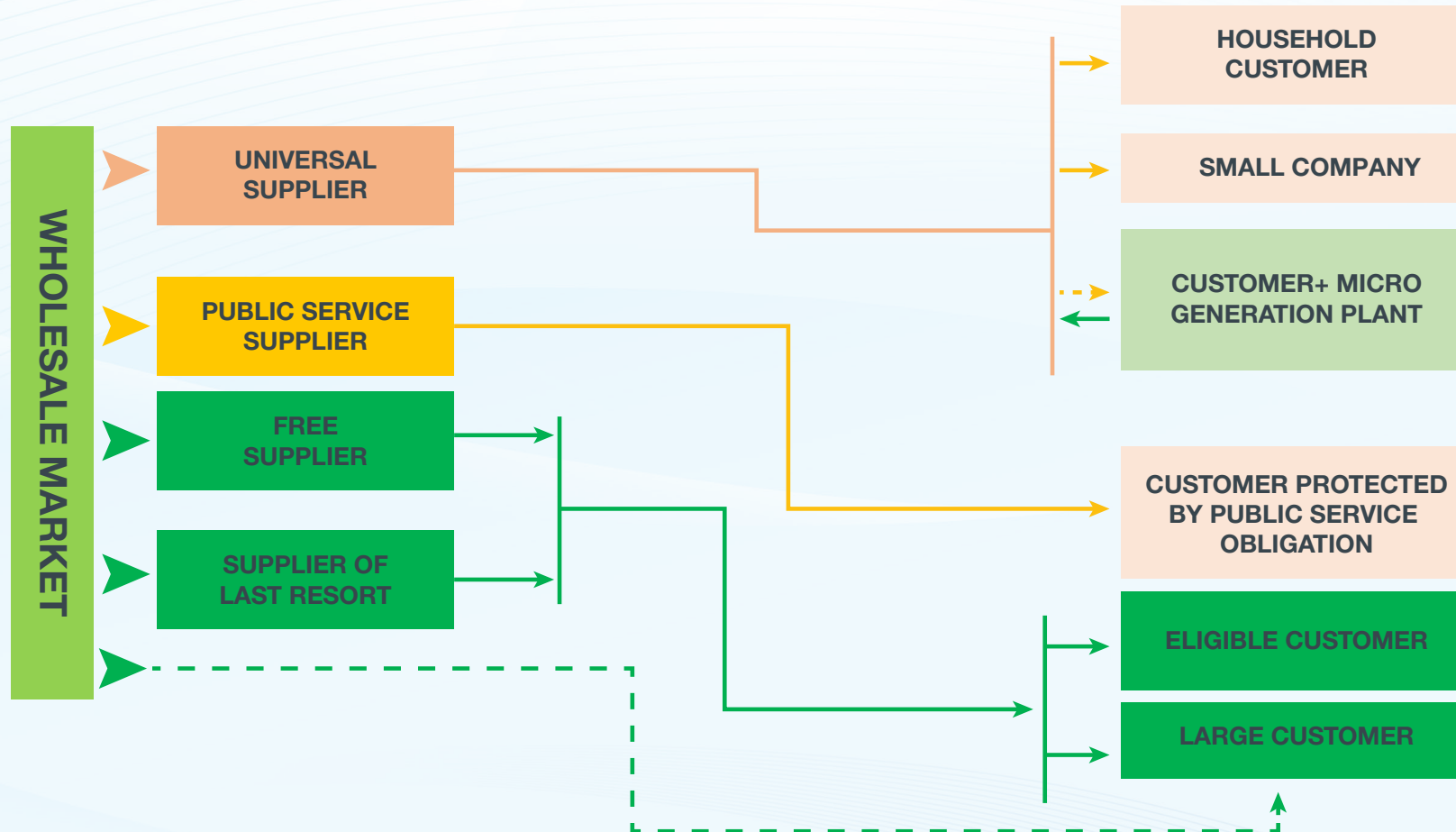
- The Rules ensure the regulation of the fundamental issues of bilateral agreements related to the organization of trade in the wholesale electricity market;

THE APPLICATION FORM FOR OPENING AN ACCOUNT IN THE REGISTER OF ELECTRICITY CERTIFICATES OF ORIGIN WAS APPROVED.

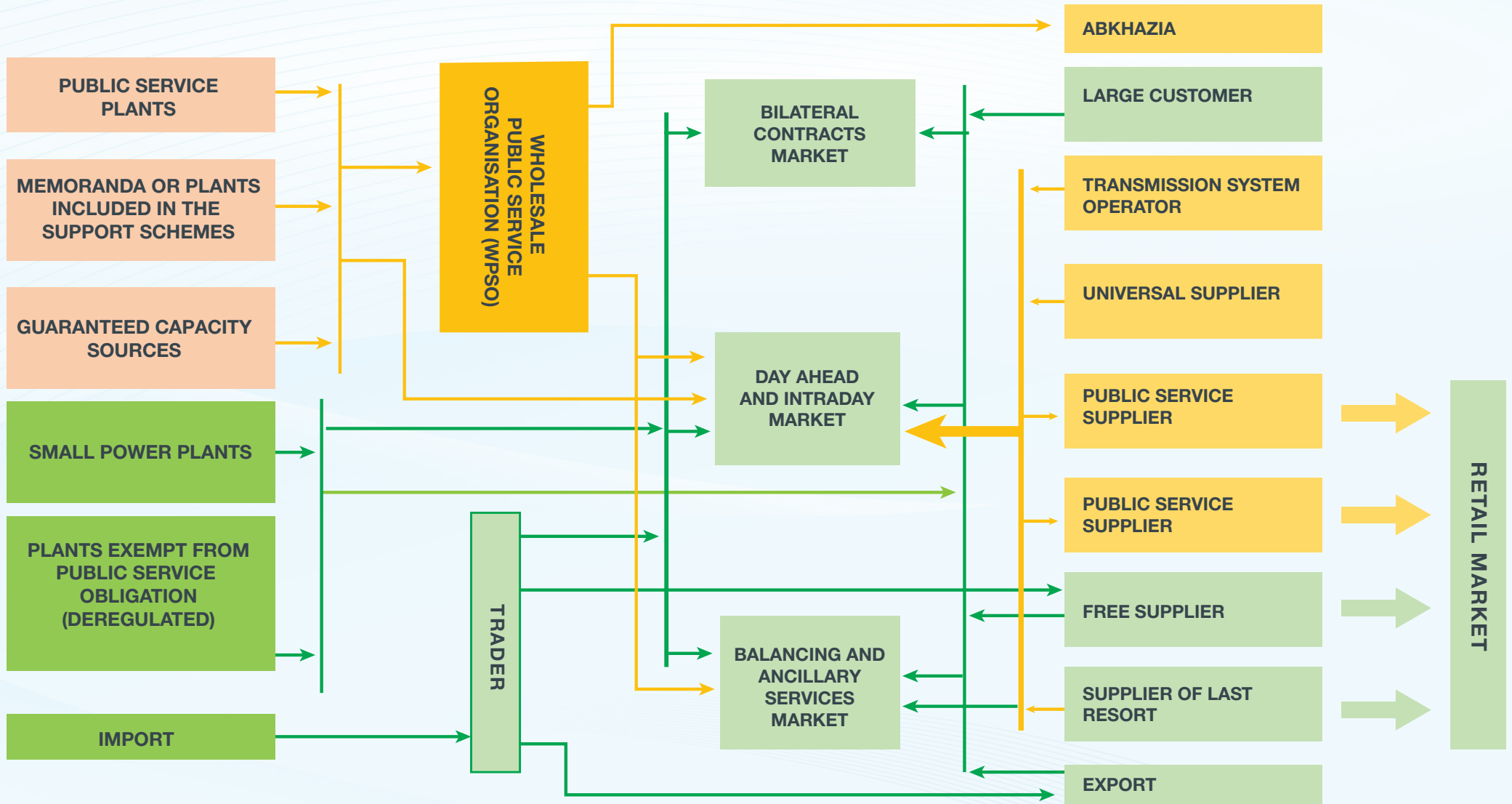
- The certificates of origin allow consumers to record the share of renewable energy in the total electricity consumption.

ELECTRICITY MARKET TRANSFORMATION

The year of 2022 was important in terms of the structural reorganization of the electricity market, as far as in 2022 the new legislative base was formed and improved in accordance with the requirements of the Law of Georgia “On Energy and Water Supply”. The process is fully harmonized with the Directives and Regulations of the 3rd European Energy Package, as well as with the Accession Protocol to the Energy Community.



In accordance with the **Electricity Market Concept Design** (hereinafter - the Concept Design), market liberalization process, which started in 2020 and will take place in the following years including 2026, involves the opening of the market and transition to the wholesale and retail competitive market of both the **supply** and **consumption** sides.



WHOLESALE MARKET IN TRANSITION PERIOD

IN 2022, THE MARKET SHARES OF THE THREE LARGEST PRODUCERS OF ELECTRICITY WERE DISTRIBUTED AS FOLLOWS:

26.6%

“Enguri HPP” LLC

12.2%

“Energo-Pro
Georgia Generation”
LLC

8.0%

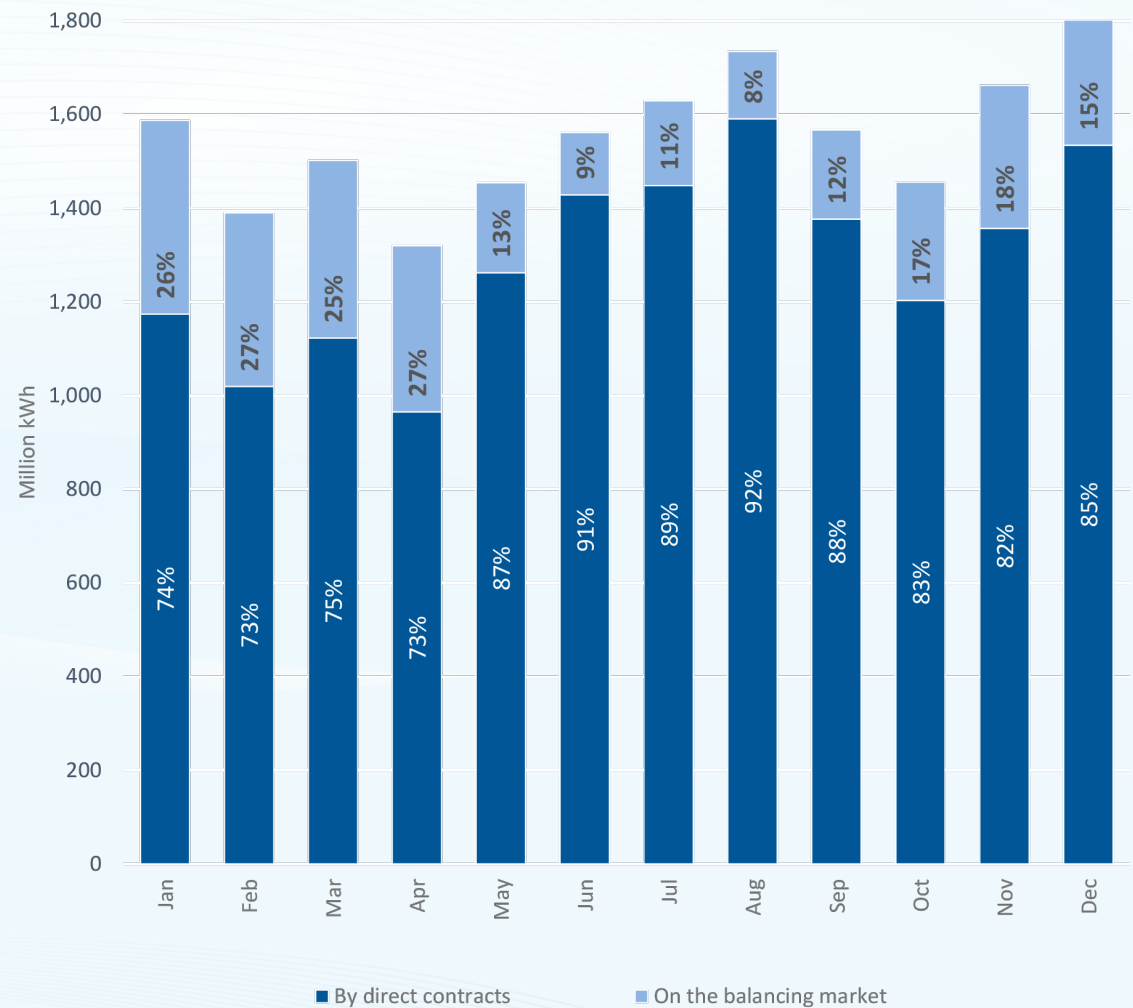
“Gardabani thermal
power plant 2”
LLC

Name/Year	2017	2018	2019	2020	2021	2022
"ENGURI HPP" LLC	31.5%	33.4%	28.53%	24.8%	28.1%	26.6%
“MTKVARI ENERGY” LLC			7.28%			
“VARTSIKHE HPP“ LLC	9.9%	6.96%				
“GARDABANI THERMAL POWER PLANT“ LLC	7.3%	9.76%	11.32%	18.52%		
“GARDABANI THERMAL POWER PLANT 2“ LLC					7.9%	8%
“ENERGO-PRO GENERATION” LLC				12.75%	13.3%	12.2%
HHI	1,222.8	1,512.2	1,596	1,516	1,226.7	1,129.3

WHOLESALE MARKET IN TRANSITION PERIOD

Trading of electricity in the wholesale market is carried out by direct contracts and in the balancing market operated by the Electricity Market Commercial Operator (ESCO) under the standard conditions of the direct contracts for the purchase and sale of balancing electricity approved by the Commission.

In 2022, electricity sold under direct contracts amounted to 15,485 GWh (3,160 GWh including transit), and electricity sold on the balancing market - 3,197 GWh. The share of electricity trade through direct contracts made up 85% of the total electricity supplied to the network, and the share of balancing electricity constituted 15%. As for the mentioned characteristics by months, it is shown in figure below.

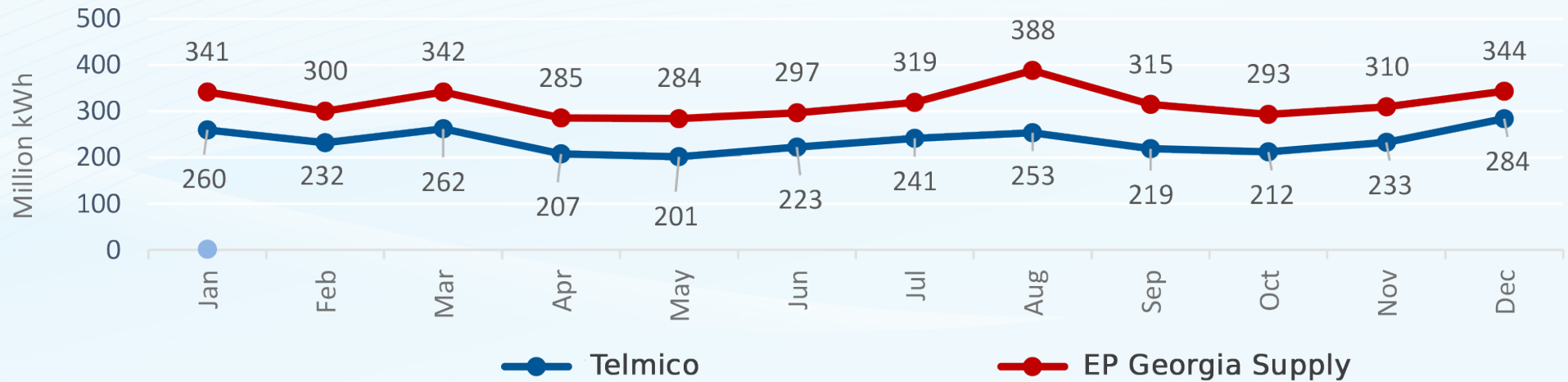


RETAIL MARKET

In the retail market, for household consumers and small enterprises, the supply activity is carried out by the universal service provider, and for other categories of consumers - the supplier of electricity as a public service:

- “Tbilisi Electricity Supply Company” LLC (TELMICO) in the license area of Telasi JSC;
- “EP Georgia Supply” JSC in the license area of Energo-Pro Georgia” JSC.

The retail electricity market in Georgia is highly concentrated (HHI = 5,112.5), where the largest market share (57.5%) is owned by “EP Georgia Supply” JSC.



The Consumption of Regulated Supplier

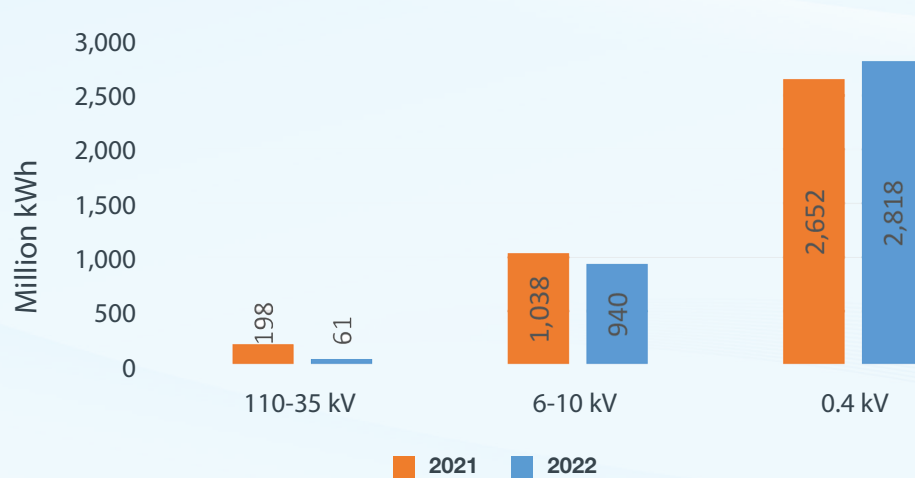
The maximum consumptions of “Tbilisi Electricity Supply Company” LLC and “EP Georgia Supply” JSC are fixed in the months of January-December and July-August. This trend is due to the seasonality of electricity consumption in Georgia, where the increase in demand for electricity by household consumers in winter and summer periods plays an important role, tourism is added as well.

IN THE AREA OF "ENERGO-PRO GEORGIA" JSC:

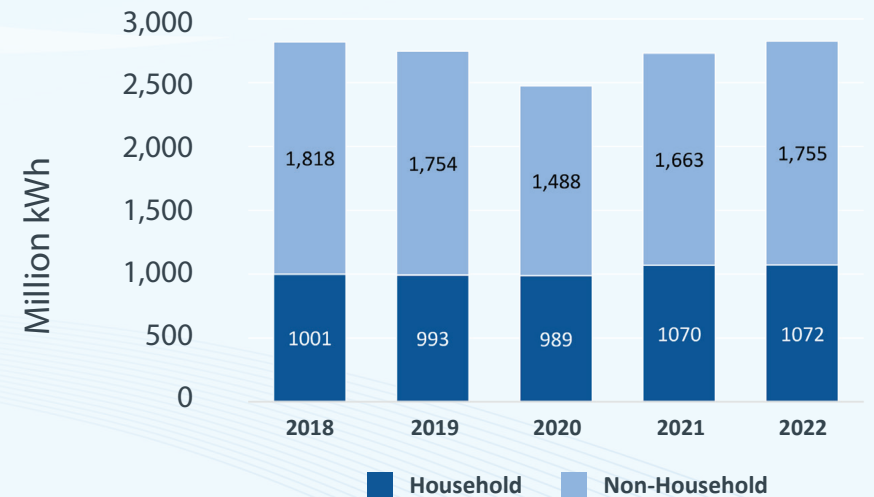
- the consumption of household consumers made up 42% of the total consumption in the reporting year;
- the consumption of non-household consumers made up 58%;
- In 2022, compared to 2021, the volume of electricity consumed by household consumers in the distribution area "Energo-Pro Georgia" JSC has increased by 2.4%, while the volume of electricity consumed by non-household consumers has decreased by 5%.

THE VOLUME OF ELECTRICITY SUPPLIED TO RETAIL CONSUMERS BY "EP GEORGIA SUPPLY" JSC ACCORDING TO VOLTAGE LEVELS IS DISTRIBUTED IN THE FOLLOWING MANNER:

- 73.8% of the total distributed electricity was consumed by consumers connected to the 0.4 kV network;
- The consumption of 6-10 kV users connected to the network constituted 24.6%;
- The consumption of the consumers connected to the 110-35 kV network amounted to 1,6%;
- Compared to previous years, the reason for the decrease of the number of consumers connected to the 110-35 kV voltage is their compulsory transition to the open market.



Consumption of "Energo-Pro Georgia" JSC According to Voltage Levels



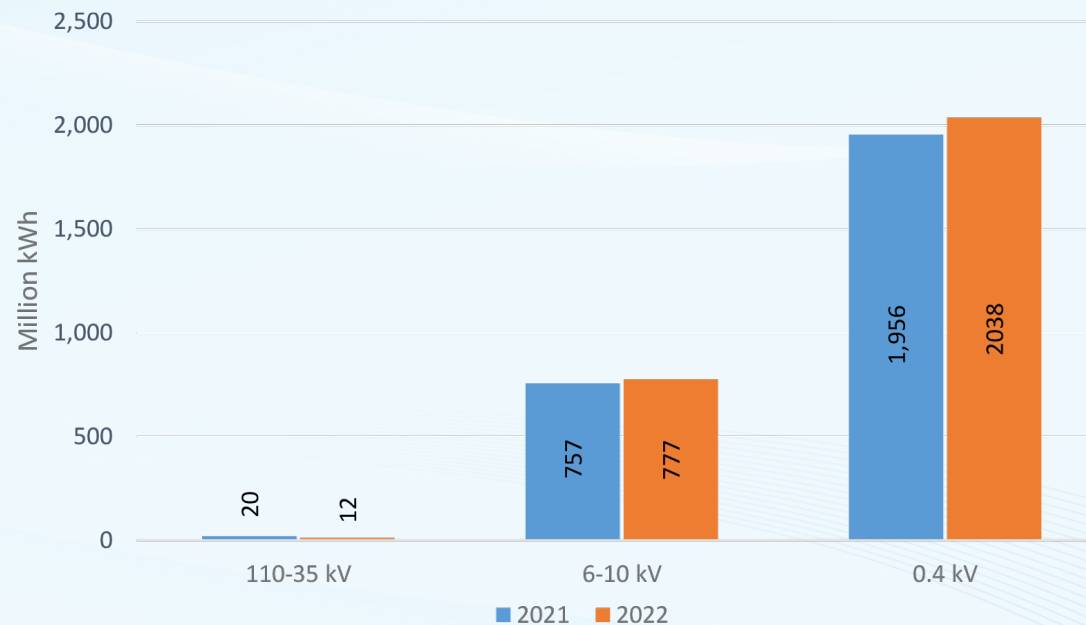
"Telasi" JSC Consumption by Consumer Categories

IN TELMICO LLC AREA, IN 2022

- In 2022, 62% of the consumption in “TELMICO” area is non-household, while 38% falls with household consumers;
- The volume of electricity consumed by non-household consumers has increased by 5.5% compared to the previous year, and by 18% compared to 2020.

IN TELASI JSC NETWORK, IN 2022

- The significant share of electricity distributed to consumers connected to the 0.4 kV voltage network of “Telasi” JSC amounted to 72% in the total volume of distributed electricity;
- The share of consumers connected to the 6-10 kV network was 28%, and the share of consumers connected to the 110-35 kV network was 1%.



AS OF DECEMBER 31, 2022, 26 LICENSEES OPERATE IN THE ELECTRICITY SECTOR OF GEORGIA, INCLUDING:



THE QUALITY OF SERVICE OF ELECTRICITY DISTRIBUTION, CONTINUITY OF ELECTRICITY SUPPLY AND THE REGULATION OF ELECTRICITY QUALITY

In “Telasi” JSC network

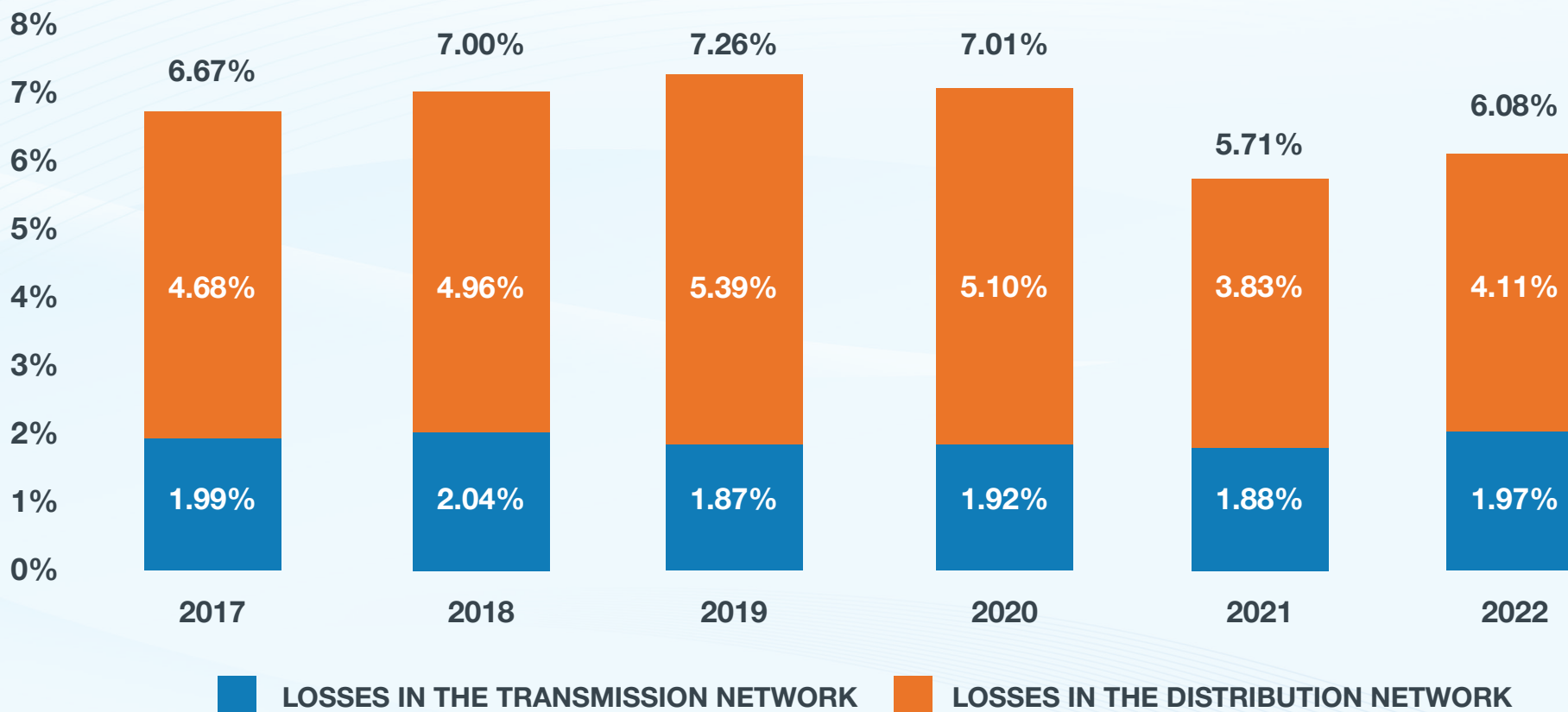
8526 interruptions of electricity supply were recorded (internal cause - 6701 and external cause - 1808). The planned and unplanned SAIDI indicator of internal electricity supply interruptions is 9 hours and 43 minutes, which is 1 hour and 16 minutes and is worse than the indicator of the same period of 2021 (8 hours and 27 minutes), while the indicator of planned and unplanned SAIFI is 5.97, which is worse by 0.1 compared to the indicator of the same period of the previous year (5.87).

In Energo-Pro Georgia” JSC network

49,026 long-term outages were recorded (internal cause - 34,211 and external cause - 14,815), based on the data of which, the planned and unplanned SAIDI indicator due to internal cause amounted to 44 hours and 50 minutes, which compared to the same period of the previous year (39 hours and 11 minutes) is worsened by 5 hours and 39 minutes. Due to internal reasons, the planned and unplanned SAIFI indicator amounted to 24.49, which is worsened by 2.99 compared to the indicator of the same period of the previous year (21.50).

REGULATION OF ELECTRICITY LOSSES IN THE TRANSMISSION AND DISTRIBUTION NETWORKS

In 2022, the actual total loss in the electricity transmission and distribution networks amounted to 6.08%. The indicator has worsened by 6.47% compared to that of 2021.

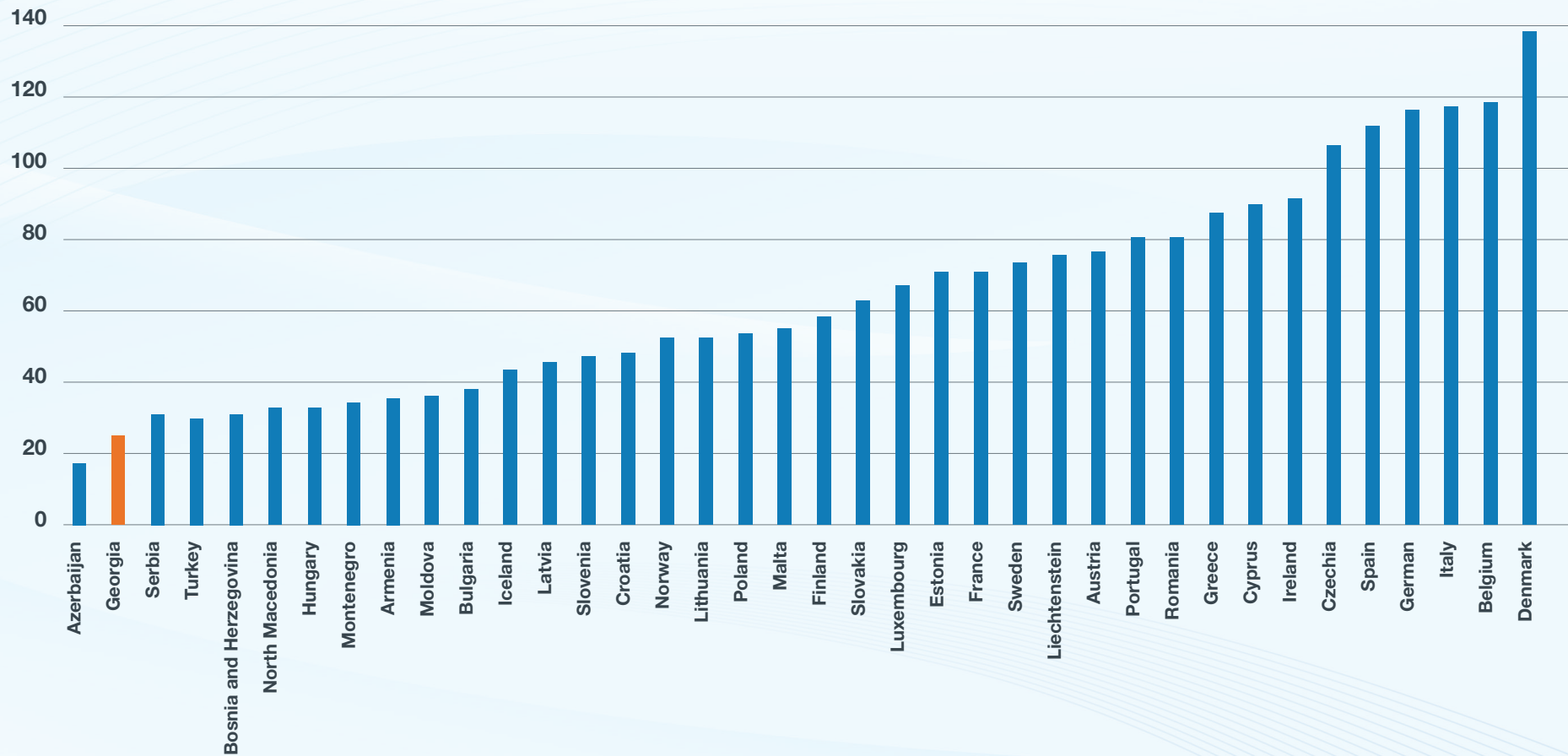


PRICING AND TARIFF REGULATION IN THE ELECTRICITY SECTOR

Household tariffs applicable in Georgia in 2022 have not changed.

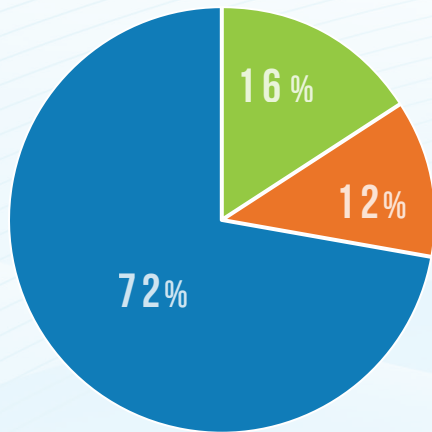
The existing tariffs in the electricity sector are one of the lowest compared to the countries of the region and Europe.

HOUSEHOLD TARIFFS (Tetri/kWh)



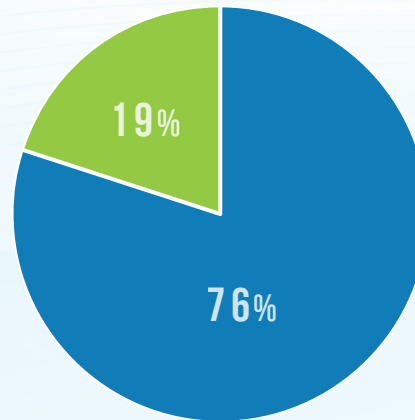
PERFORMANCE ANALYSIS OF INVESTMENT PROJECTS

IN 2022, THE INVESTMENTS ACTUALLY MADE BY ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION LICENSEES SUBJECT TO TARIFF REGULATION IN THE ELECTRICITY SECTOR AMOUNTED TO 319,096 GEL.



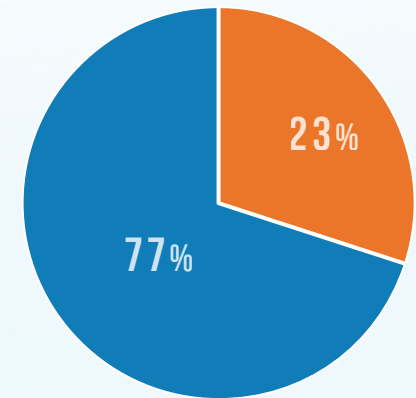
- 228,431 - DISTRIBUTION
- 52,008 - TRANSMISSION
- 38,657 - GENERATION

Investments made in 2022 by activities (one thousand GEL)



- 242,881 - AT THEIR OWN EXPENSE
- 61,759 - WITH THIRD PARTY FUNDING

Source of financing of investments made in 2022 (one thousand GEL)



- 176,364 - ENERGO-PRO GEORGIA JSC
- 52,067 - TELASI JSC

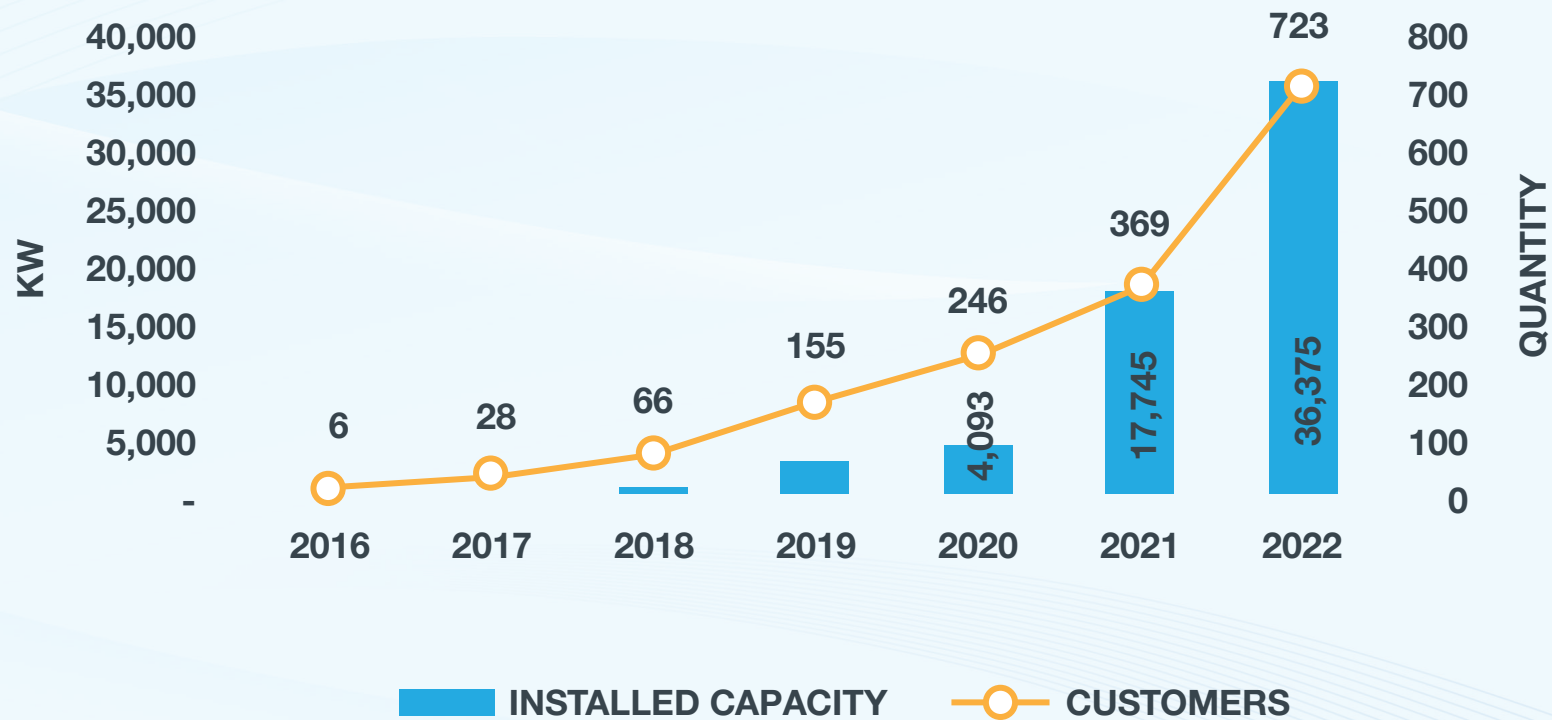
*Source of financing of investments made in 2022 (one thousand GEL)
Investments made in 2022 by electricity distribution system operators - "Energo-Pro Georgia" JSC and "Telasi" JSC*

IMPLEMENTATION RESULTS OF NET-METERING REGULATION

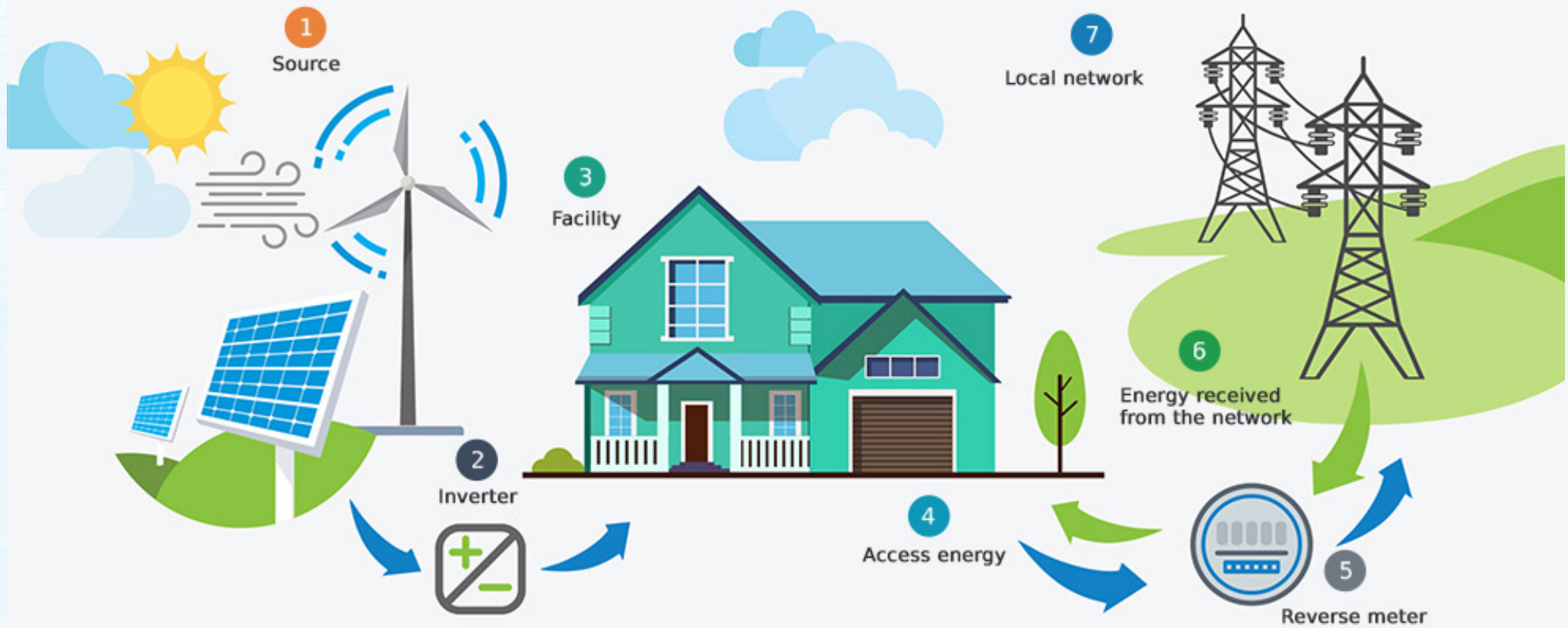
ONE OF THE TRADITIONAL AND WIDESPREAD POLICIES FOR THE DEVELOPMENT OF MICROPOWER PLANTS OWNED BY THE USER IS THE SO-CALLED NET-METERING, WHICH IS ALSO VERY POPULAR IN GEORGIA.

IN GEORGIA, THE NET-METERING REGULATION APPROVED BY GNERC, AS AN INCENTIVE MECHANISM FOR THE USE OF RENEWABLE ENERGY RESOURCES, WAS ENACTED IN 2016.

- In 2022, 348 new micropower plants with a total capacity of 17,931 kW were covered by the net-metering regulation;
- In total, 717 micropower plants with a total installed capacity of 35,676.3 kW were covered by the net-metering regulation at the end of 2022.



IMPLEMENTATION RESULTS OF NET-METERING REGULATION

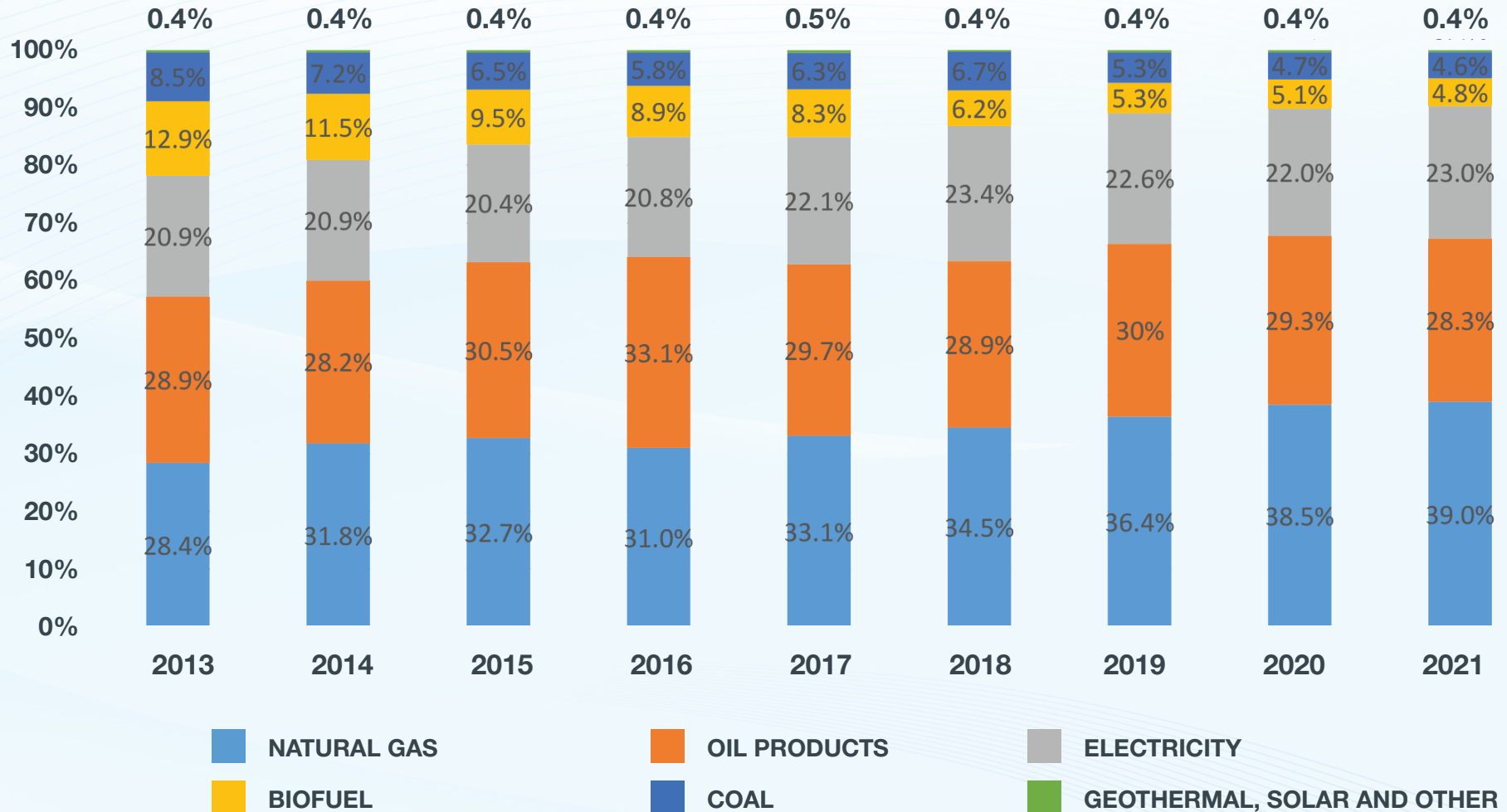




NATURAL GAS SECTOR

NATURAL GAS SECTOR

According to the energy balance of Georgia, the share of natural gas in total energy consumption was 39%. The reduction in the proportion of coal, biofuels, and waste is noteworthy, potentially resulting from the active promotion of gasification and the substitution of solid fuel with natural gas.



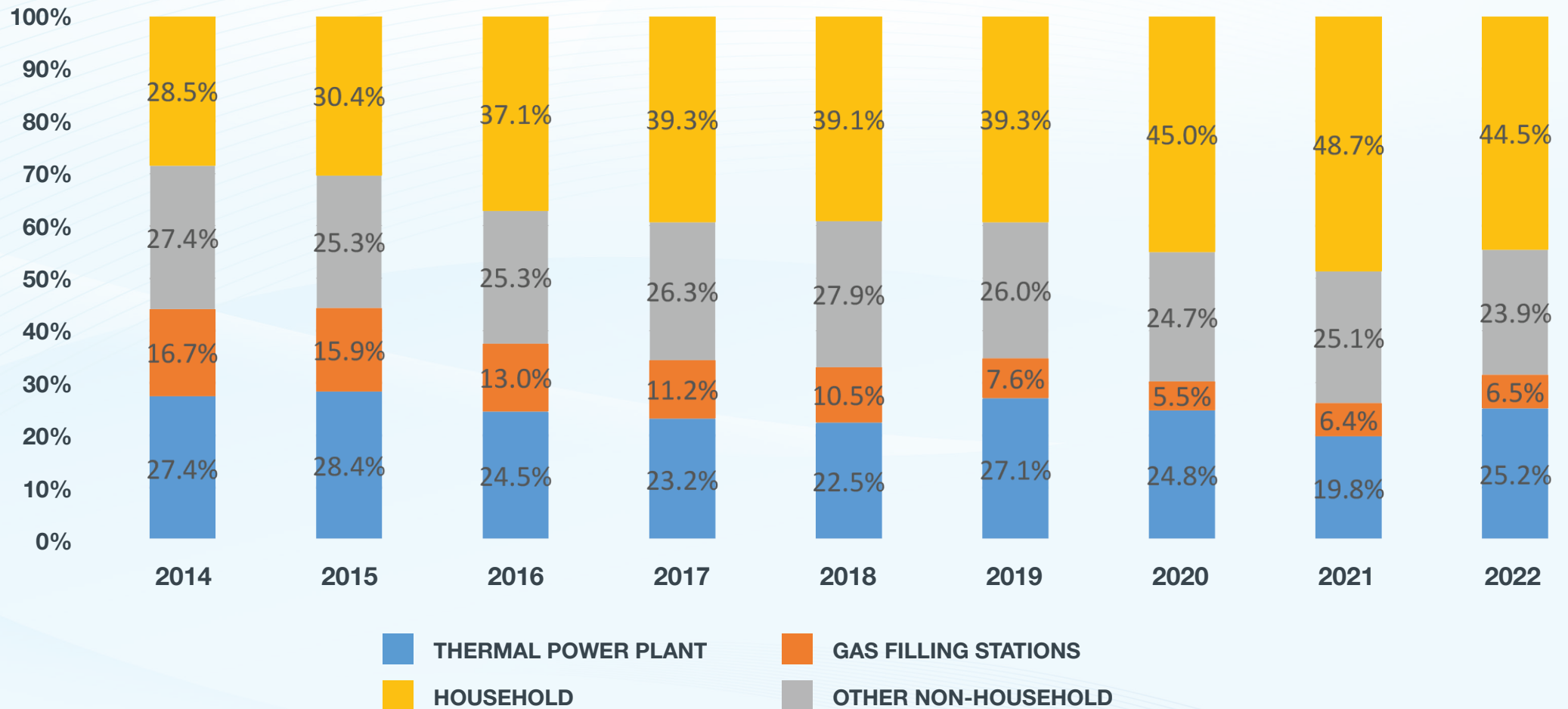
WHOLESALE MARKET

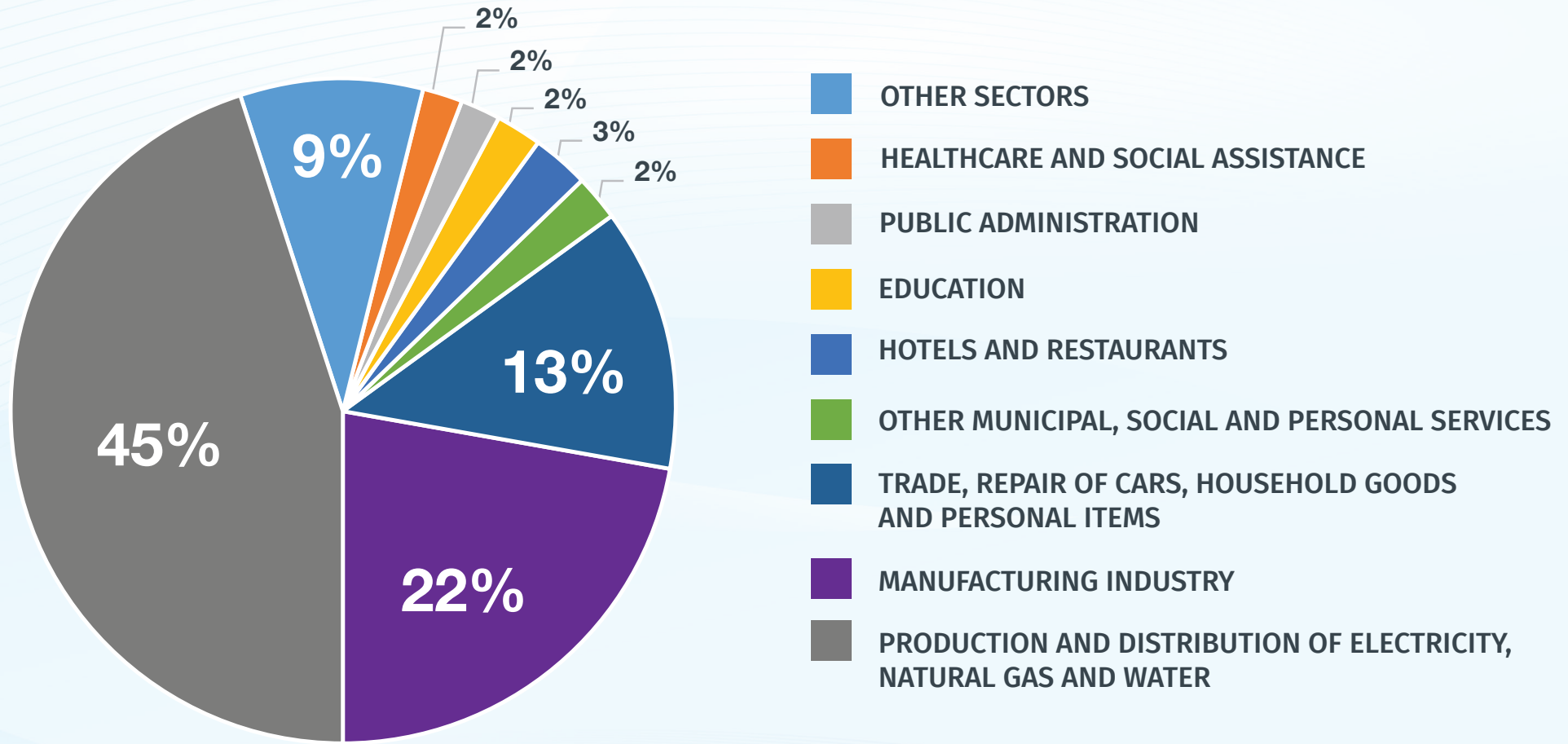
- Ten suppliers traded natural gas on the Georgian market at the wholesale level, with the three largest suppliers accounting for 95% of the market share;
- The Republic of Azerbaijan remains the main source of natural gas supply for Georgia;
- The demand for natural gas has increased by 20% and amounted to 2.998 billion m³;
- Natural gas consumption for household purposes amounted to 1,335 million m³, consumption for non-household purposes - 1,663 million m³, including TPPs - 754 million m³;
- 28 suppliers were active in the wholesale and retail market of natural gas;
- To meet Georgia's demand, natural gas was imported into the country by two suppliers.

NATURAL GAS ENTRY POINT		2018	2019	2020	2021	2022
AZERBAIJAN		1105	1229	1183	1132	1411
RUSSIA		39	162	204	397	520
ARMENIA		15	0	19	0	0
SOUTH CAUCASUS GAS PIPELINE	ADDITIONAL AND OPTIONAL	822	853	900	1026	1146
	IMPORT	296	339	259	25	0
LOCAL EXTRACTION		9	9	8	15	14
IN TOTAL		2286	2592	2573	2595	3091

RETAIL MARKET

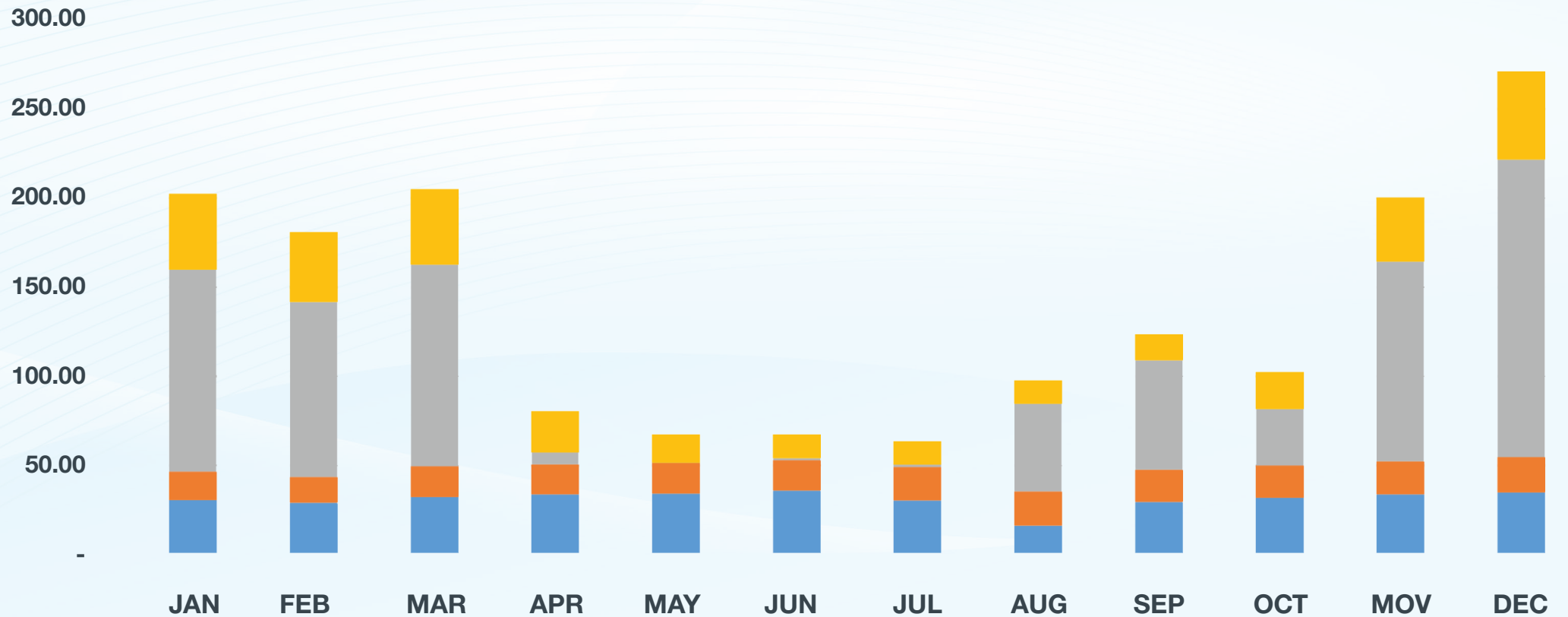
NATURAL GAS CONSUMPTION BY CONSUMERS IN VARIOUS SECTORS INCREASED SIGNIFICANTLY IN 2022:



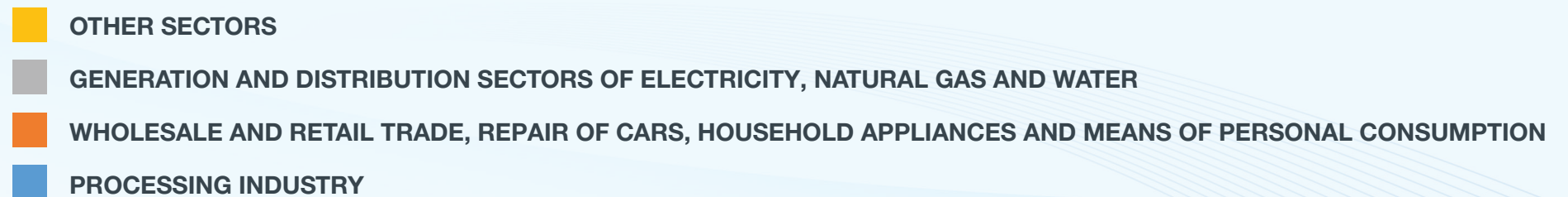


Natural gas consumption by different sectors

RETAIL MARKET



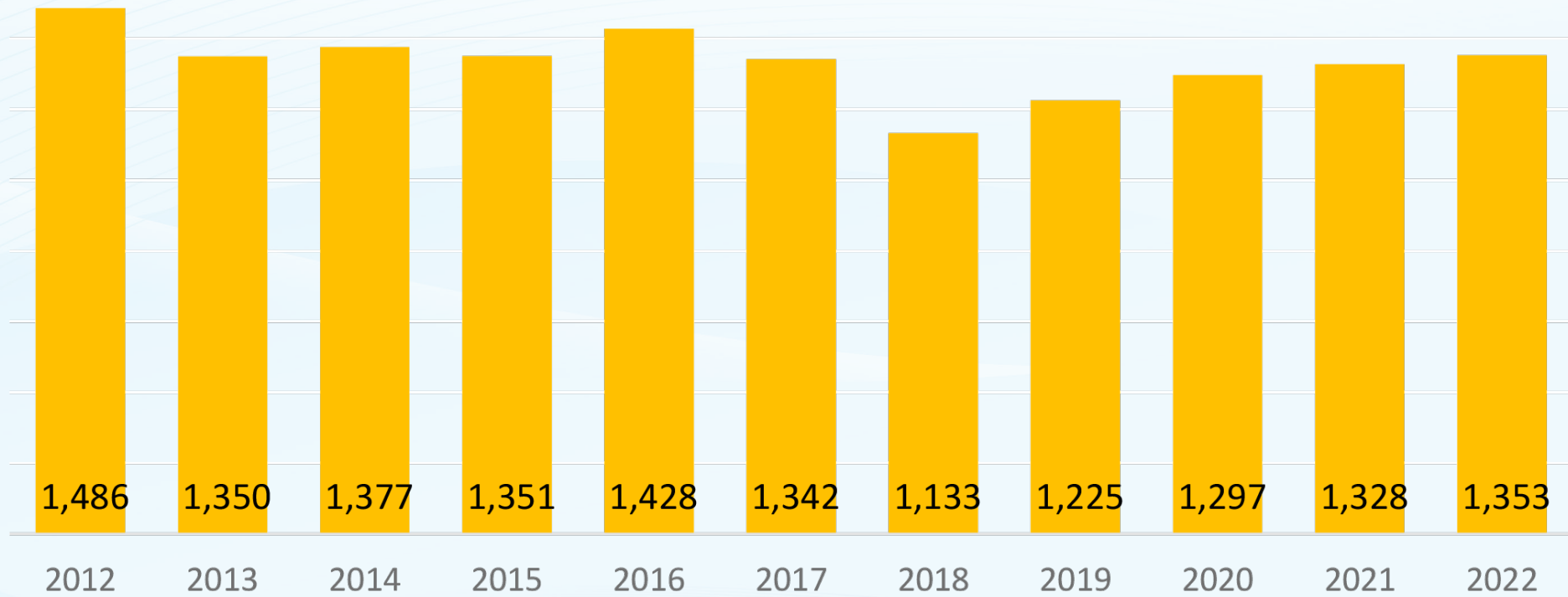
Natural gas consumption according to different sectors (million m³)



RETAIL MARKET

THE HEALTH CARE AND SOCIAL ASSISTANCE, GOVERNMENT, EDUCATION, HOTEL AND RESTAURANT SECTORS, AND OTHER UTILITY, SOCIAL, AND PERSONAL SERVICE ORGANIZATIONS USE NATURAL GAS FOR BUILDING HEATING.

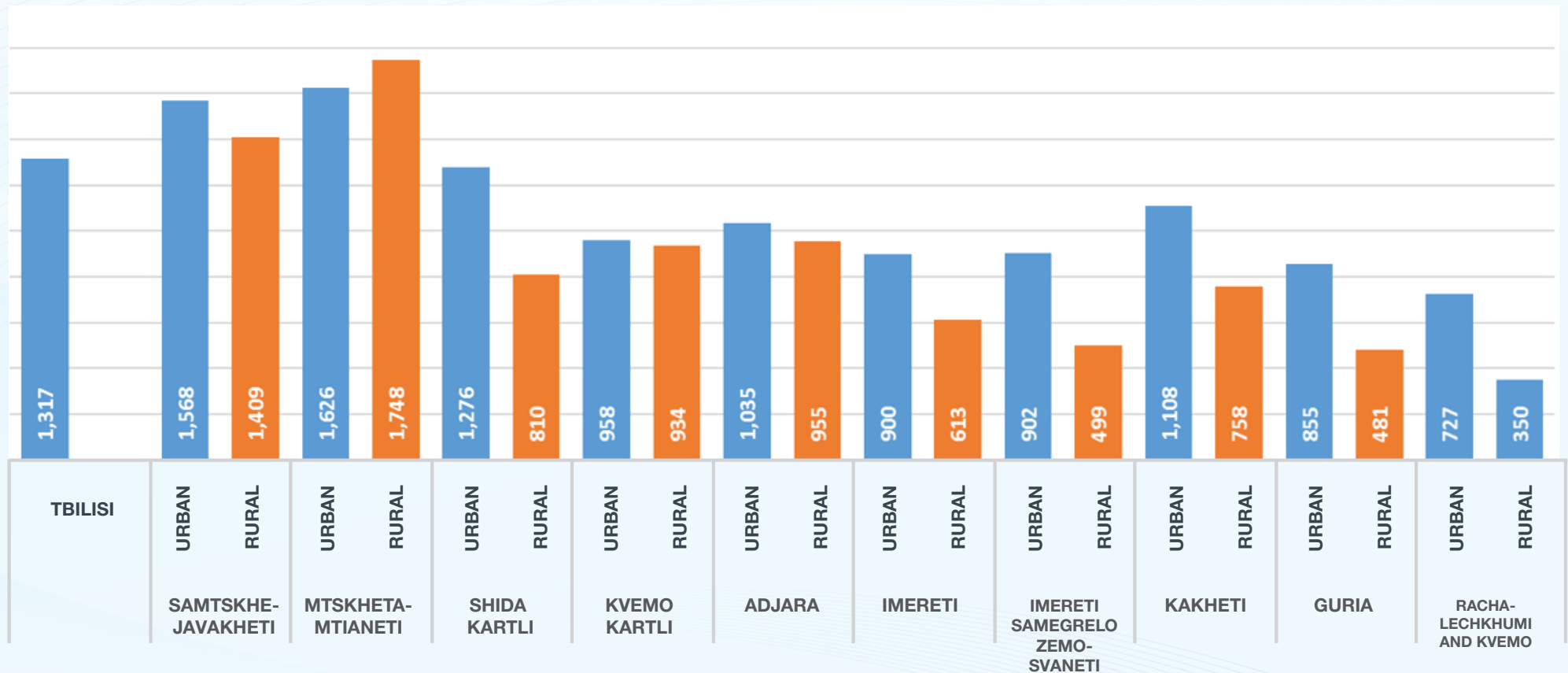
THE COMBINED SHARE OF THE MENTIONED SECTORS IN TOTAL NATURAL GAS CONSUMPTION AMOUNTS TO 11%.



Heating degree days in Tbilisi

RETAIL MARKET

Consumption of natural gas by household consumers varies by city and rural areas, as well as by region. In small towns, boroughs, and especially villages, the average consumption of natural gas per household is significantly lower than in cities, as firewood is still actively used as fuel. The exceptions are Mtskheta-Mtianeti and Adjara regions. High consumption in Mtskheta-Mtianeti can be explained by direct subsidies for natural gas tariffs in this region, especially in cold climates and access to firewood, while the main reason for high consumption in rural settlements of Adjara region is the developed tourism sector.



ANNUAL CONSUMPTION OF NATURAL GAS BY ONE HOUSEHOLD CONSUMER IN 2022 (M³)

DISTRIBUTION OF NATURAL GAS

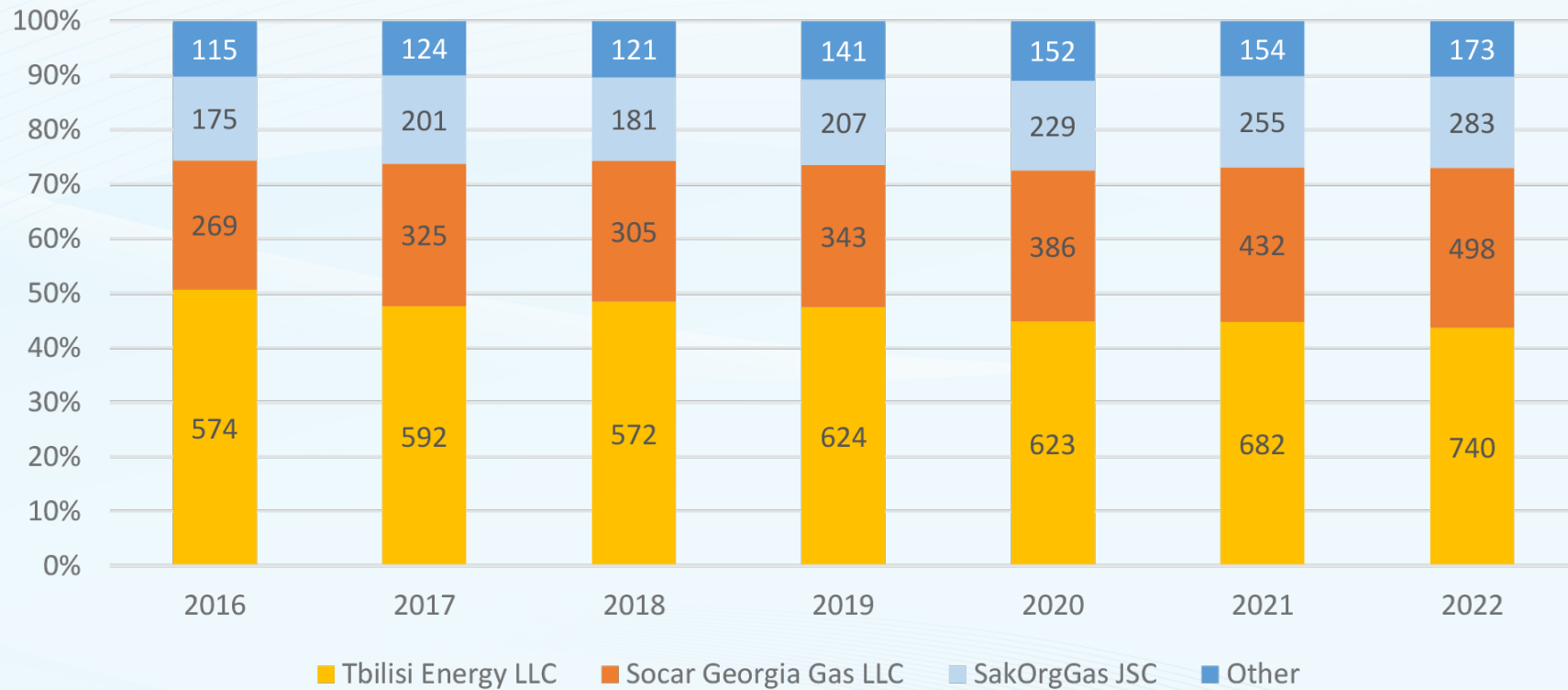
As of December 31, 2022, there were 20 distribution licensees operating in Georgia. Among them are three large licensees

Tbilisi Energy LLC

Socar Georgia Gas LLC

SakOrgGas JSC

The three mentioned large distribution licensees are responsible for the distribution of 90% of the total gas distributed.



Share of distribution licensees in total distributed natural gas (mln m³; %)

INVESTMENTS

THE FIVE LARGEST COMPANIES IN THE NATURAL GAS SECTOR, NAMELY THE GEORGIAN GAS TRANSPORTATION COMPANY LLC AND THE GEORGIAN OIL AND GAS CORPORATION JSC IN THE TRANSPORTATION NETWORK,

AND

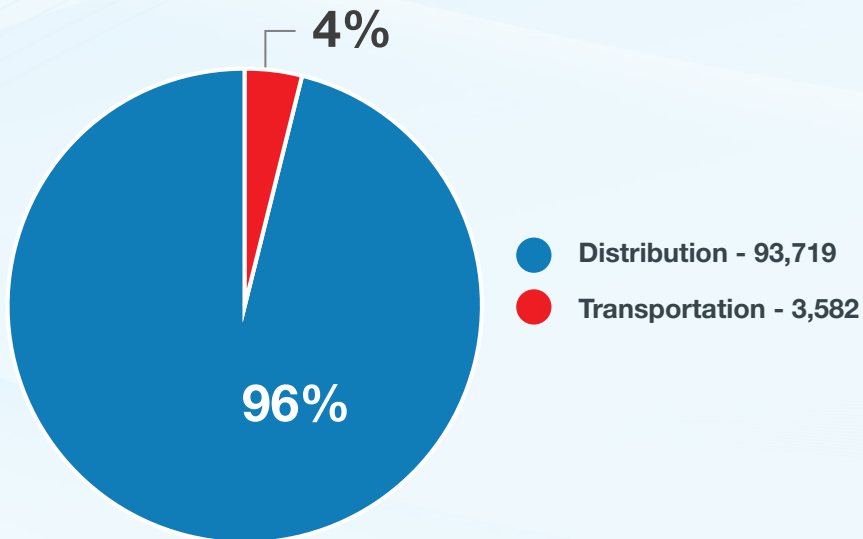
TBILISI ENERGY LLC, SOCAR GEORGIA GAS LLC, AND SAKORGGAS JSC IN THE DISTRIBUTION NETWORK, COLLECTIVELY INVESTED A TOTAL OF 97,302 MILLION GEL.

Invested

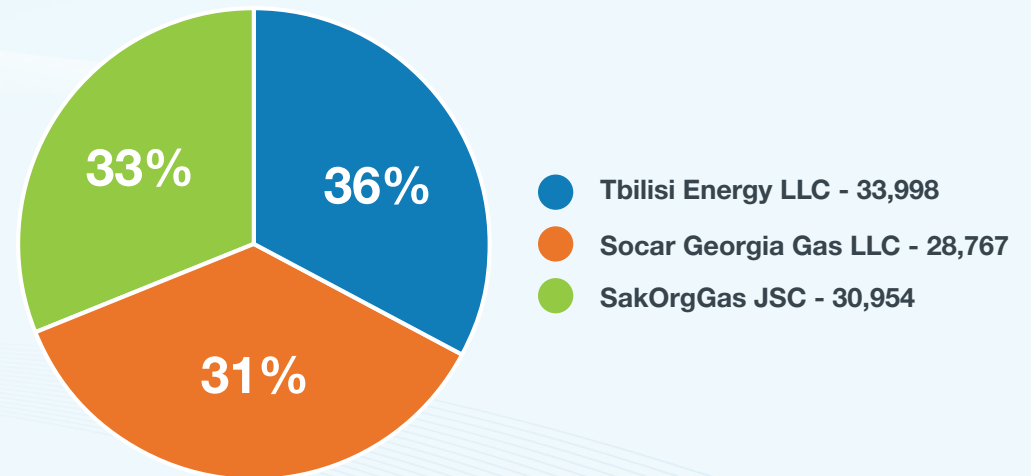
97 302 000 Gel

Investments

Investment in the natural gas sector (Mln GEL)



Investment in the natural gas distribution sector (Mln GEL)



INVESTMENTS

IN 2022, THE COMMISSION AGREED ON THE FIVE-YEAR DEVELOPMENT PLANS OF THE DISTRIBUTION NETWORK OF:

Tbilisi Energy LLC

Telavgazi LLC

Socar Georgia Gas LLC

Energokavshiri LLC

SakOrgGas LLC

Varkeilairi LLC

In 2023-2027

265 000 000 Gel

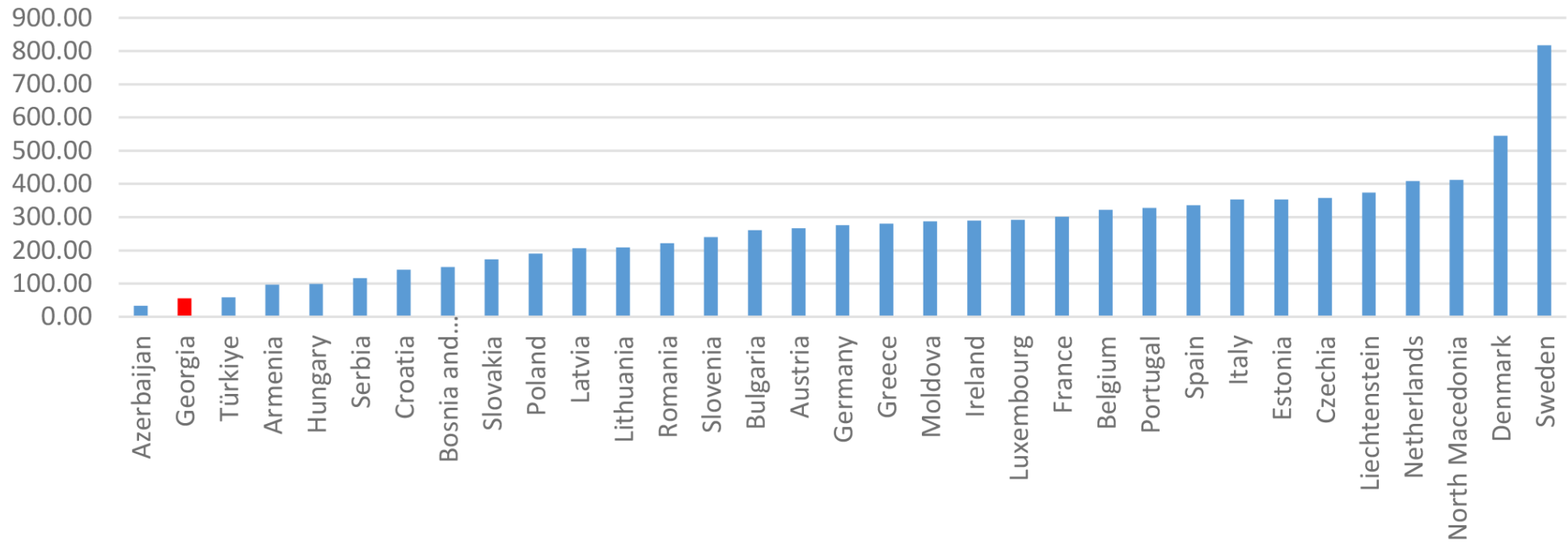
Investments

THE TOTAL VALUE OF NETWORK INVESTMENTS PLANNED FOR 2023-2027 EXCEEDED 265 MILLION GEL.

COMPARATIVE ANALYSIS OF TARIFFS

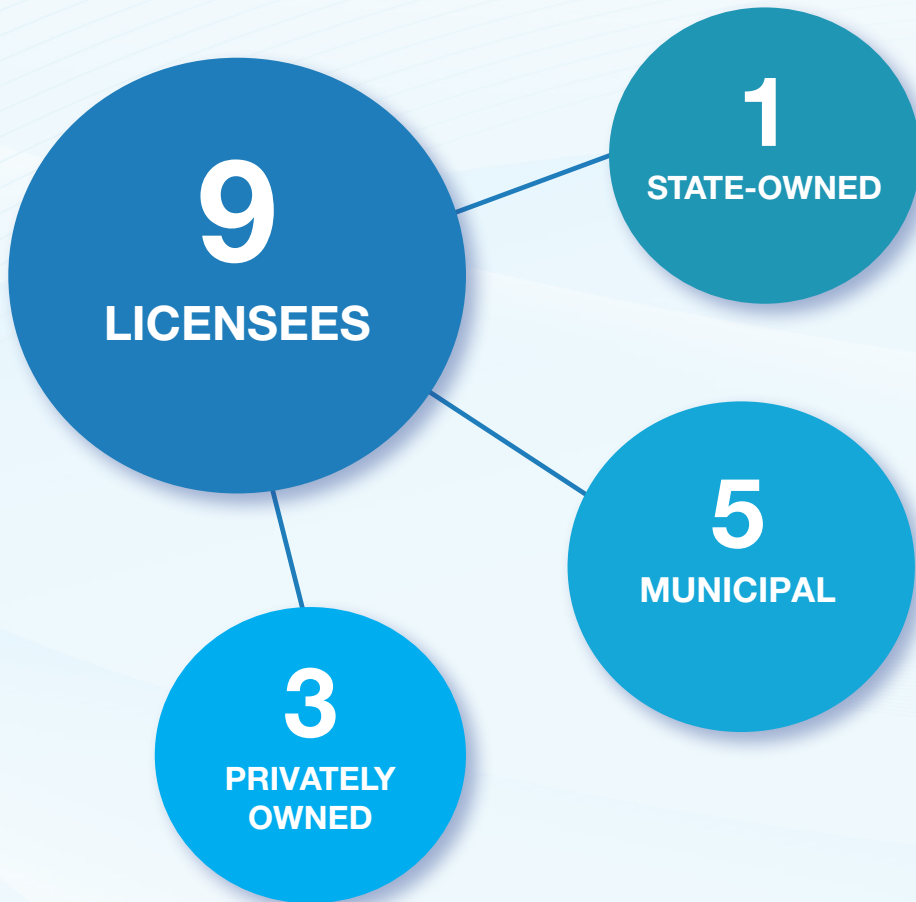
HOUSEHOLD NATURAL GAS TARIFFS OPERATING IN GEORGIA ARE ONE OF THE LOWEST AMONG THE COUNTRIES OF THE REGION AND EUROPE.

Household tariffs (Tetri/m³)





WATER SUPPLY SECTOR



9 water supply licensees operate in the water supply sector of Georgia;

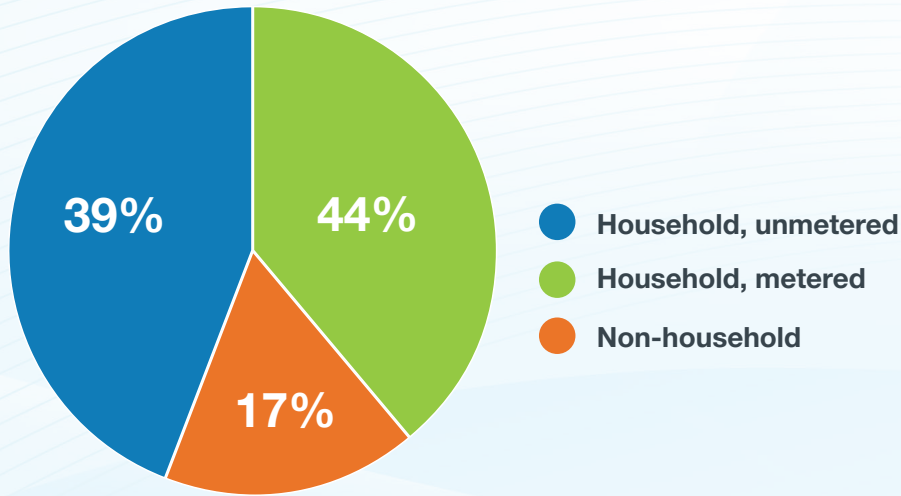
Out of the licensees operating in the water supply sector, 1 is a state-owned company, 5 are municipal companies and 3 are privately owned companies;

68.1% of the population (2,511,260 people) are supplied with drinking water by water supply licensees, while 31.9% (1,177,386 people) are supplied with water by local self-government entities. In total, the number of consumers increased by 5.8% compared to last year, amounting to 33,800 subscribers.

WATER SUPPLY SECTOR

№	COMPANY NAME	OWNERSHIP	NUMBER OF SUBSCRIBERS	CONSUMERS	
				NUMBER	%
1	GEORGIAN WATER AND POWER LLC (GWP)	PRIVATE	608,185	1,192,736	47.5
2	UNITED WATER SUPPLY COMPANY OF GEORGIA (UWSCG) LLC	STATE	374,097	851,212	33.9
3	BATUMI WATER LLC (BWC)	MUNICIPAL	119,397	264,716	10.5
4	RUSTAVIS WATER LLC (RWC)	PRIVATE	56,052	128,125	5.1
5	RNEULIS SOPTSKALI LLC (MVWC)	MUNICIPAL	13,434	38,924	1.5
6	KOBULETIS TSKALI LLC (KWC)	MUNICIPAL	7,426	14,605	0.6
7	SACHKHERIS TKALKANALI LLC (SWC)	MUNICIPAL	11,135	18,082	0.7
8	SAGAREJO LLC (SVWC)	MUNICIPAL	1,091	2,608	0.1
9	SOGURI LLC	PRIVATE	119	253	0.01
	TOTAL		1,190,936	2,511,260	100.0

In 2022



Consumed Water Volume Distribution in Percentages

Consumption of drinking water throughout the country (metered sector) is 173 liters on average per person during the day and night, and 404 liters an average per subscriber.

01

Rustavi Water LLC incurred a fine of 50,000 GEL for inadequate consumer service in Rustavi and violating the Rules and Regulations set by the Commission;

02

In order to eliminate the problems in the water supply network in Rustavi, Rustavi Water LLC adjusted its investment plans, as a result of which the Commission made amendments to the Resolution No. 77/1 of December 15, 2020 of the Georgian National Energy and Water Supply Regulatory Commission on the "Approval of the Long-term and Short-term Investment Plans of Rustavi Water LLC";

03

Kobuleti Water LLC was penalized in the amount of 75,000 GEL due to the non-fulfilment of the obligation stipulated in the Commission's decision;

04

Sachkheris Tskalkanali LLC, Kobuleti Water LLC, and Marneuli Softskali LLC received a written warnings from the Commission as a sanction for their failure to meet the prescribed time limit for implementation of the long-term and short-term investment plans specified in the Commission's decision;

05

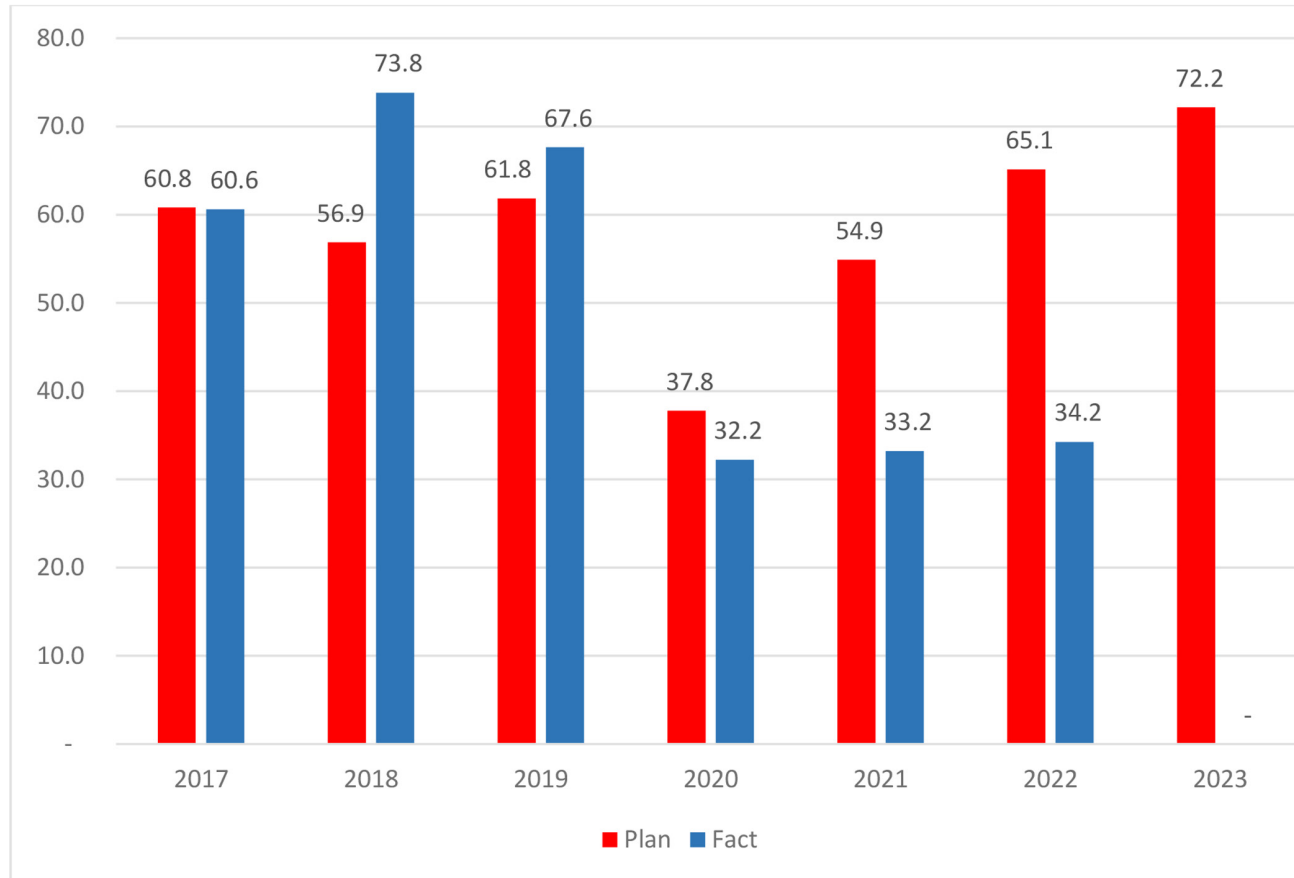
Tariff regulation of Sachkheris Tskalkanali LLC was implemented. Accordingly, an amendment was made to the Resolution No. 17 of the Commission of August 17, 2010 on "Water Supply Tariffs", water supply marginal tariffs were approved for Sachkheris Tskalkanali LLC for the period of validity from January 1, 2023 to January 1, 2024;

06

To ensure the safe drinking water supply to the population, Sachkheris Tskalkanali LLC was granted ownership of the water supply systems in eleven villages within the municipality. Consequently, the company's license area was modified based on its request, covering the villages whose water supply systems meet the necessary standards for supplying secure and reliable drinking water to the residents.

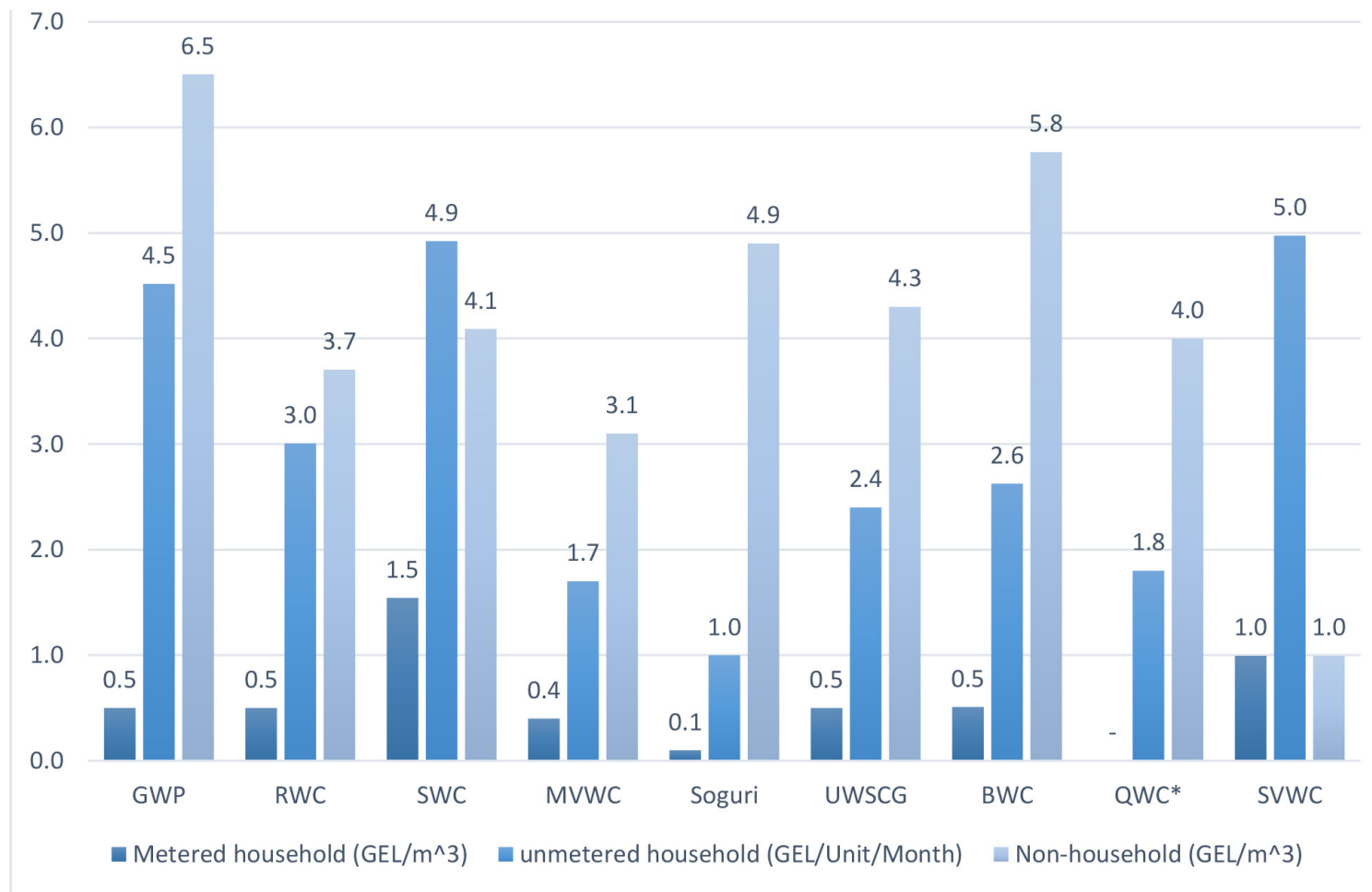
INVESTMENTS AND TARIFFS

The Georgian Water and Power LLC and Rustavi Water LLC investment plans agreed with the Commission, and their actual implementation analysis.



Planned and implemented investments

EXISTING TARIFFS OF THE WATER SUPPLY SECTOR



(GEL, including VAT).

METHODOLOGICAL ACTIVITIES

SIMPLIFIED SERVICES

DURING 2022, SEVERAL NEW SERVICES WERE ADDED TO THE UTILITY SERVICES TRANSFERRED TO THE PUBLIC SERVICE HALL OF GEORGIA. IN ADDITION TO REGISTERING A SUBSCRIBER OF THE ELECTRICITY, NATURAL GAS AND WATER SUPPLY SECTORS AND CHECKING UTILITY DEBTS, CHANGE FACILITY OWNER, TRANSFER THIS FACILITY TO ANOTHER PERSON FOR TEMPORARY USE, THE CITIZENS SHALL:

- apply to utility companies through the Public Service Hall with a request for billing verification;
- record information on social status in the utility company through the Public Service Hall.

*303# SERVICE

- FROM 2022, CONSUMERS CAN REQUEST BILLING VERIFICATION BY DIALING *303# ON THEIR MOBILE PHONE;
- *303# SERVICE IS ALSO AVAILABLE FOR THE CONSUMERS OF DIDI DIGHOMI LLC (DIDI DIGHOMI GAS).

1 377 658 TRANSACTIONS

1,377,658 TRANSACTIONS WERE MADE BY CONSUMERS IN 2022 THROUGH *303# SERVICE.

WAS APPROVED

RULES FOR CALCULATION AND MAINTENANCE OF THE EQUIPMENT OF THE DISTRIBUTION NETWORK AND WATER SUPPLY SYSTEM INVOLVED IN THE CALCULATION AND WHEELING OF ELECTRICITY, NATURAL GAS AND DRINKING WATER IN THE NETWORK OWNED BY THIRD PARTIES WAS APPROVED:

- Amendments were made to the Electricity Distribution Network Rules and the Electricity Retail Market Rules. According to the amendments, the system operator is not allowed to transfer the debt of one consumer to another without the written consent of the latter.

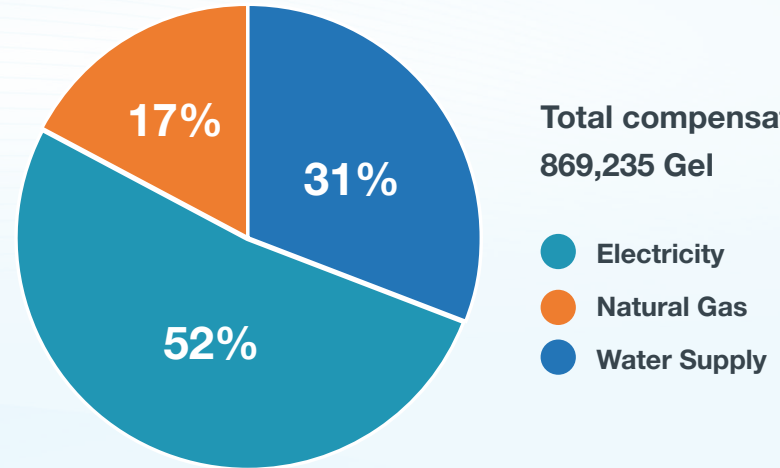
WAS IMPLEMENTED

SPECIAL RULE FOR APPROVING FIRST-CLASS UTILITY LINEAR STRUCTURE WAS IMPLEMENTED:

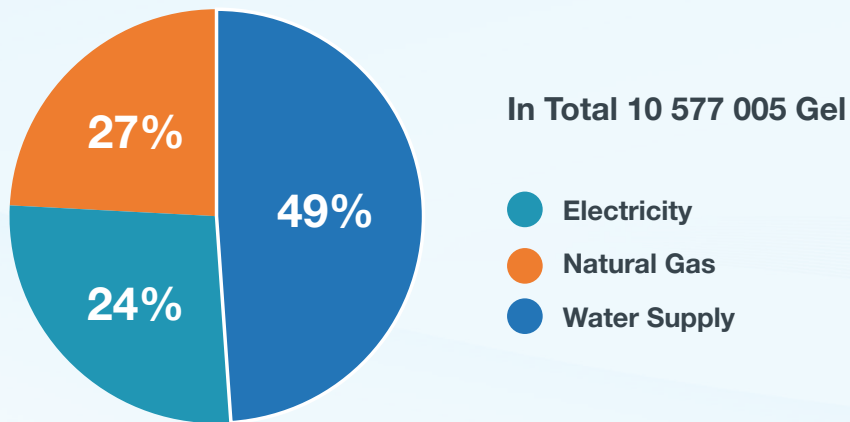
- The Rule is based on the “one-stop shop” principle, according to which, when negotiating the notification of the first class linear structure construction, the municipality must send the application to all other relevant administrative authorities (including the agency authorized to manage and dispose the land plots owned by the state), and when crossing the municipality property, the municipality shall examine the issues by its own within the same period and shall not require a separate application submission, which also greatly reduces the term of the construction agreement.

COMMERCIAL SERVICE QUALITY

Due to the violation of service standards, the distribution companies paid 869 235 GEL to the consumers as compensation. Out of this amount, 695 700 GEL was paid due to violation of the standard for connection a new consumer to the network and 173 535 GEL for the violation of the rest of the guaranteed standards that is allocated as follows:



Compensations paid by sectors (2017-2022) In total - 10,577,005 GEL



From 2017 to 2022, companies paid 10,577,005 GEL in compensation to consumers following the Commission's decisions.

SUPPLY INTERRUPTIONS IN THE ELECTRICITY, NATURAL GAS AND WATER SUPPLY SECTORS

SAIDI, SAIFI 2022

SECTOR	SAIDI		SAIFI	
	INTERNAL	EXTERNAL	INTERNAL	EXTERNAL
ELECTRICITY	42:38:46	6:21:29	37.98	4.92
NATURAL GAS	-	-	0.86	0.25
WATER SUPPLY	-	-	14.17	1.78

The Commission prioritizes consumer welfare, ensuring their rights are protected and legal mechanisms are in place. Considering dispute resolution practices and new legislation, the Commission focuses on enhancing regulatory Rules. These efforts have an impact on the number and nature of consumer applications/complaints.

In 2022, the Consumer's Complaints Department of the GNERC received a total of 4,121 applications / complaints. The Commission also took steps to waive unjustly accrued or outdated debts owed by citizens, resulting in a total amount of **1,268,610 GEL** being written off.

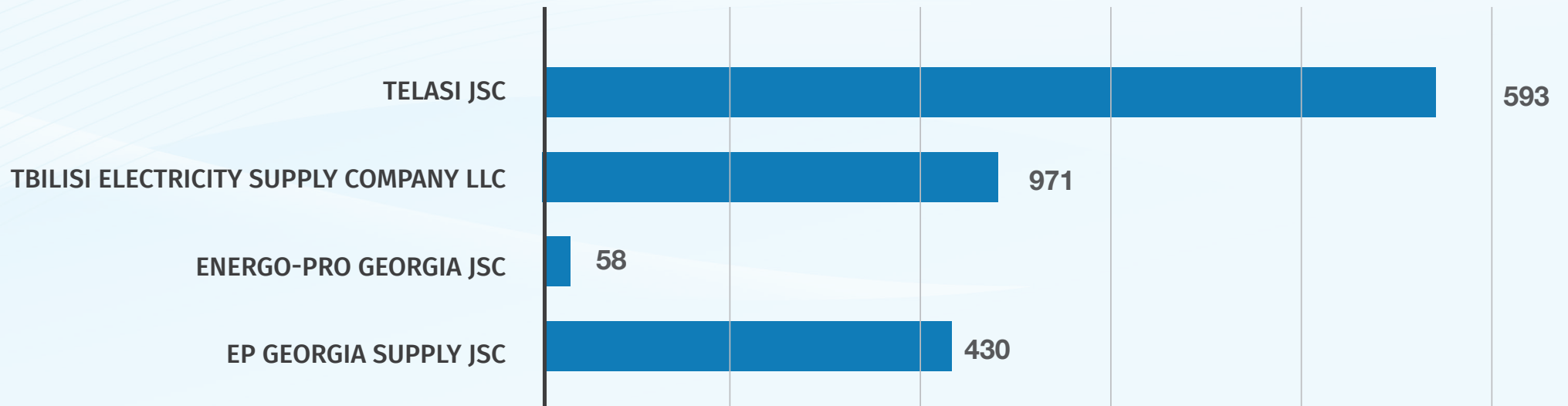
2022 Year

4 121 APPLICATIONS / COMPLAINTS

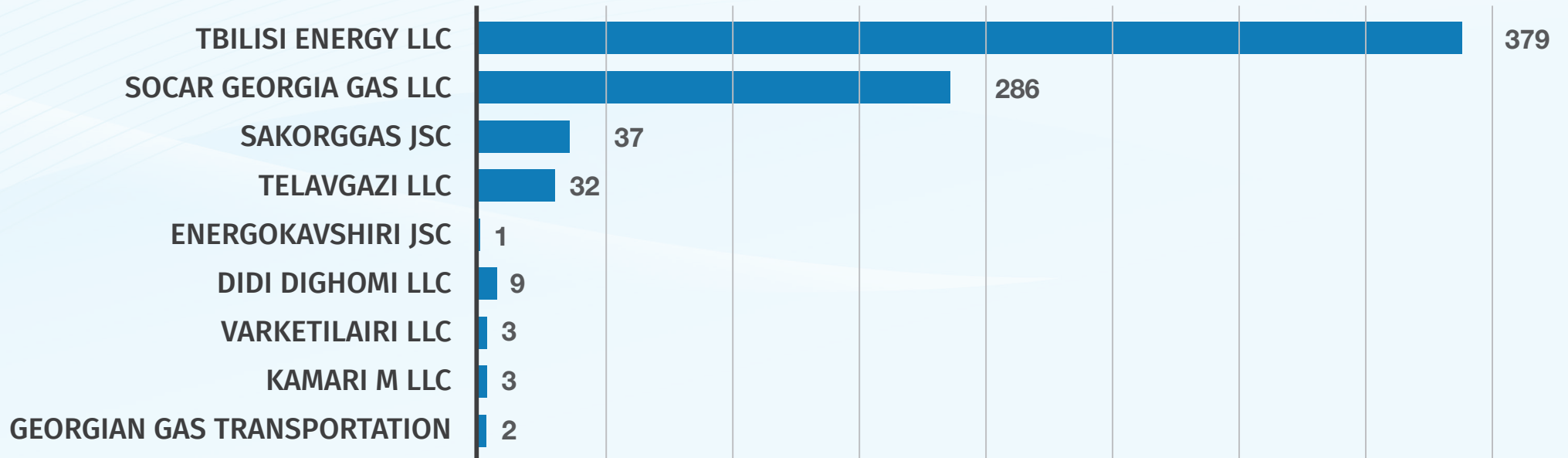
1 268 610 GEL

BEING WRITTEN OFF

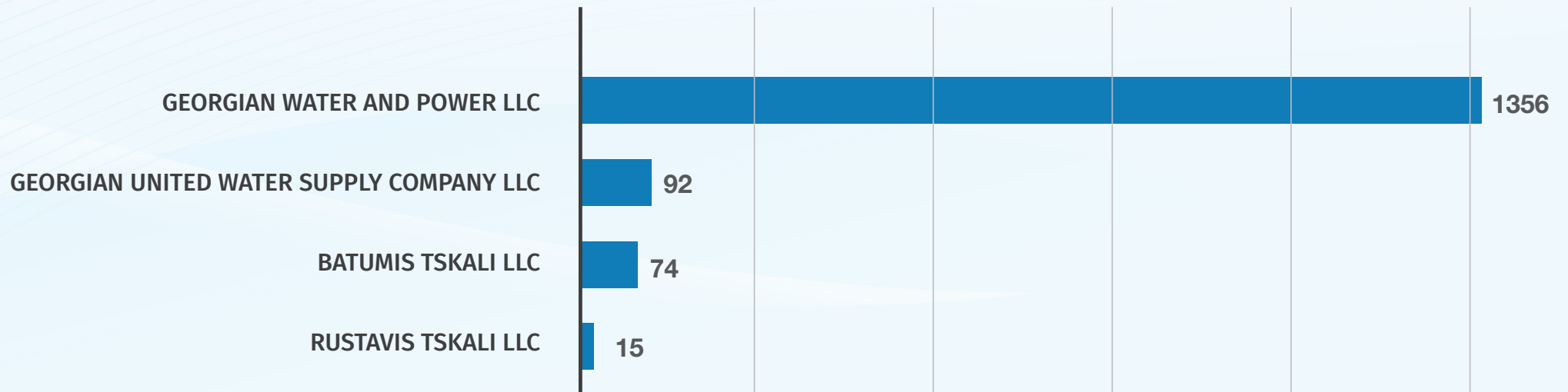
ELECTRICITY SECTOR



NATURAL GAS SECTOR



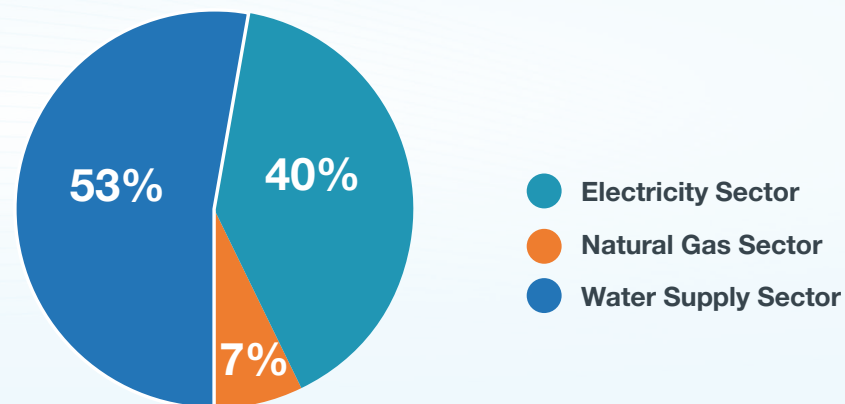
WATER SUPPLY SECTOR



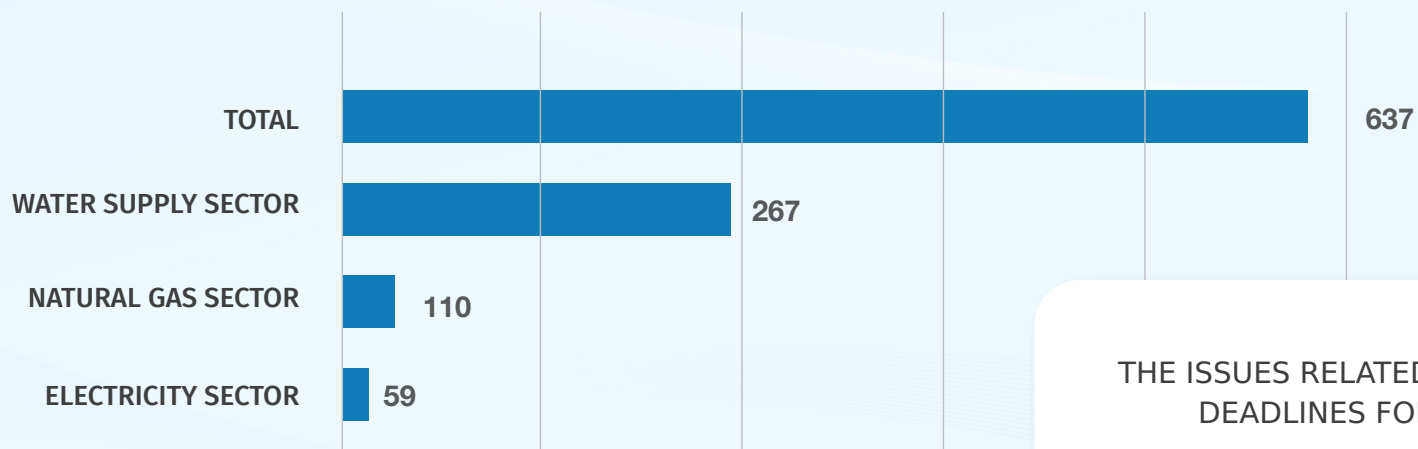
CONNECTION OF A NEW CONSUMERS

ACCORDING TO NEW USER (CAPACITY INCREASE) ISSUES

The Commission reviewed 637 applications regarding the connection of a new consumer to the distribution network.



DISTRIBUTION OF CUSTOMER COMPLAINTS BY COMPANY



THE ISSUES RELATED TO THE POSTPONEMENT OF THE DEADLINES FOR CONNECTING NEW CONSUMERS



INTERNATIONAL RELATIONS

IN 2022, THE COMMISSION COOPERATED WITH THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), THE NATIONAL ASSOCIATION OF UTILITY REGULATORY COMMISSIONS (NARUC), THE ENERGY REGULATORS' REGIONAL ASSOCIATION (ERRA), THE COUNCIL OF EUROPEAN ENERGY REGULATORS (CEER), THE ENERGY COMMUNITY (ENERGY COMMUNITY) AND OTHER INTERNATIONAL ORGANIZATIONS.

In 2022, the Commission hosted the Renewable Energy Investment Conference. The conference was organized by the Regional Association of Energy Regulators (ERRA) and the Council of European Energy Regulators (CEER).

The regional conference “Investments and alternative dispute resolution mechanisms in the energy sector” was organized by the Commission and Elizbar Eristavi Energy Training Center.

In 2022, the member of the Commission, Ms. Maia Melikidze, was elected as the chairman of ERRA for the second term at the General Assembly, with the majority vote.

In Georgia, an energy club was established through the initiative of the Commission and with the support of a twinning project funded by the European Union.

INTERNATIONAL RELATIONS



Funded by
the European Union

THE EUROPEAN UNION PROVIDED FUNDING FOR THE IMPLEMENTATION OF THE FOLLOWING PROJECTS:

TWINNING LIGHT PROJECT ON “ASSISTING GEORGIAN NATIONAL ENERGY AND WATER SUPPLY REGULATORY COMMISSION (GNERC) IN CREATING ENABLING ENVIRONMENT FOR DIGITALISATION AND DEVELOPING DIGITALISATION STRATEGY”

4TH TWINNING PROJECT - “DEVELOPMENT OF NETWORK TARIFF SETTING METHODOLOGIES, ENERGY EFFICIENCY AND RENEWABLE ENERGY REGULATORY STRATEGY AND CREATING REGULATORY FRAMEWORK FOR ENABLING DEMAND SIDE INVOLVEMENT”

THE COMMISSION MADE AN APPLICATION TO HOST THE 9TH WORLD FORUM ON ENERGY REGULATION (WFER IX) IN 2026 IN GEORGIA. THE WORLD FORUM ON ENERGY REGULATION HAS BEEN HELD EVERY 3 YEARS SINCE 2000 UNDER THE AUSPICES OF THE INTERNATIONAL CONFEDERATION OF ENERGY REGULATORS (ICER). ALONG WITH OTHER ORGANIZATIONS, ICER MEMBERS ARE: COUNCIL OF EUROPEAN ENERGY REGULATORS (CEER), NATIONAL ASSOCIATION OF UTILITY REGULATORY COMMISSIONS (NARUC), ENERGY REGULATORS REGIONAL ASSOCIATION (ERRA);

THE MEETINGS ON THE EVALUATION OF INVESTMENTS IN THE FIELD OF CYBER SECURITY WERE ORGANIZED BY NARUC AND FUNDED BY USAID;

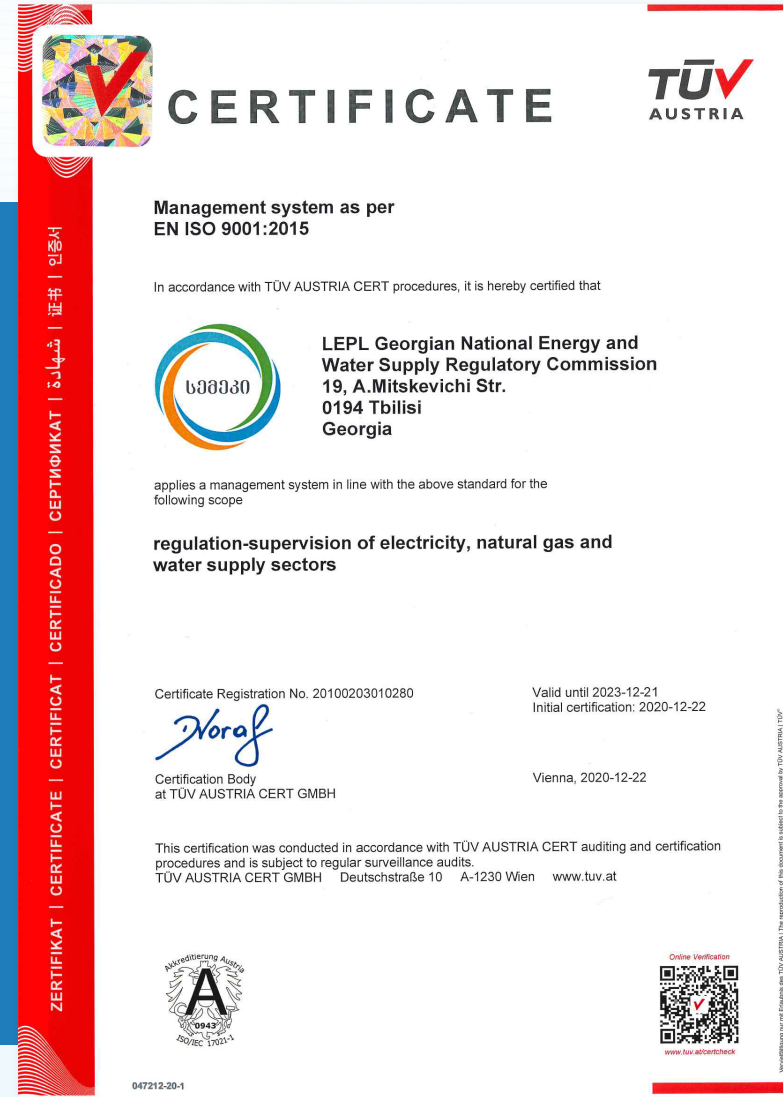
SEVERAL MEETINGS WERE HELD UNDER THE “WGDP” - WOMEN’S GLOBAL DEVELOPMENT AND PROSPERITY INITIATIVE - ADVANCING WOMEN LEADERS IN ENERGY, NARUC/USAID - GENDER EQUALITY IN ENERGY” PROJECT.



INTERNATIONAL RELATIONS

INTERNATIONAL STANDARD ISO 9001:2015

One of the main strategic goals of the Commission in 2020 has been to ensure its activities in accordance with the international standards. For those purposes, for the first time in the Commission's history, International Standard - ISO 9001:2015 has been developed and implemented at the Commission. This means that the quality of the activities carried out by the Commission is in full compliance with the international requirements similarly to other European regulatory authorities, what was confirmed both under the audit reports issued by the national auditors as well as by the international certification body (TUV Austria).



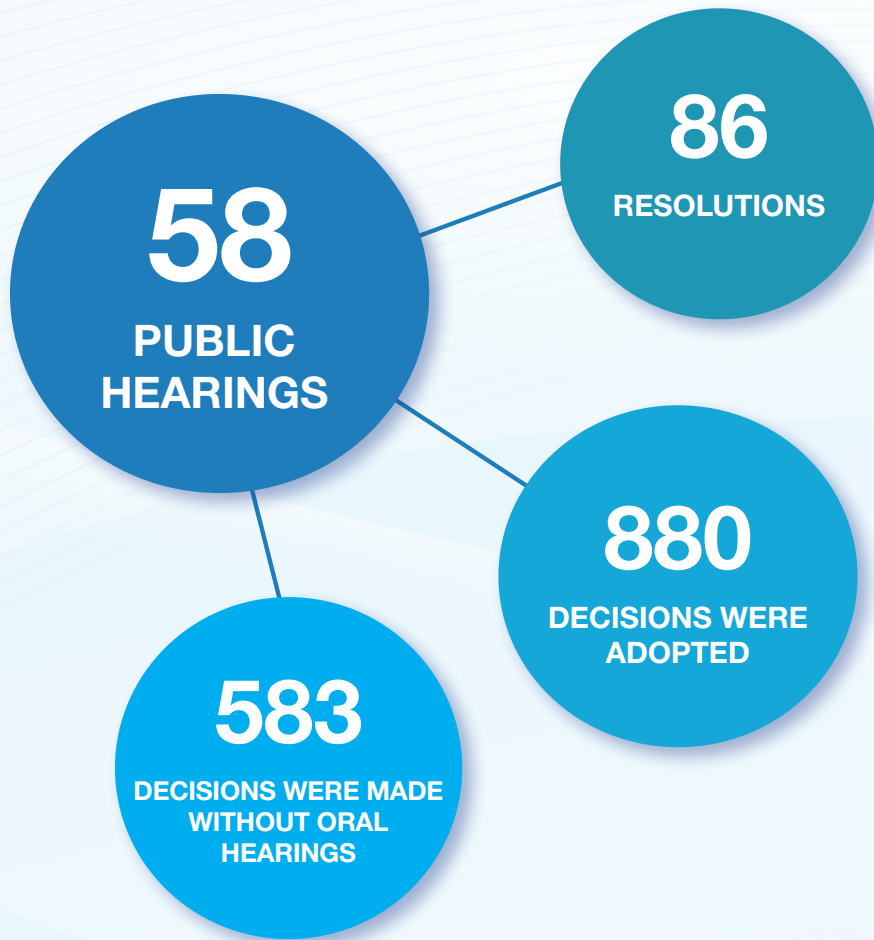
PUBLICITY OF THE INFORMATION



66 WRITTEN REQUESTS WERE SUBMITTED TO THE COMMISSION FROM WHICH:

50 REQUESTS WERE FULLY SATISFIED,
9 REQUESTS WERE PARTIALLY SATISFIED, AND
7 APPLICATIONS WERE REFUSED.

Partial satisfaction or refusal was caused by the absence of requested information at the Commission as well as by confidentiality reasons and existence of relevant legal basis.



In 2022, 58 public hearings were held at the Commission and 86 resolutions and 880 decisions were adopted, whereas 583 decisions were made without oral hearings.

Resolutions and decisions adopted by the Commission are published on the Commission's official website: www.gnerc.org.



17 179
CALLS

2022 Year

IN 2022, THE CALL CENTER RECEIVED A TOTAL OF 17,179 CALLS AIMED AT PROVIDING CONSULTATIONS REGARDING THE ELECTRICITY, NATURAL GAS, AND WATER SUPPLY SECTORS.



**ELIZBAR ERISTAVI
ENERGY TRAINING CENTER**

The NNLE “Elizbar Eristavi Energy Training Center” was established on February 4, 2022, by the Commission to increase capacities in the energy sector, promote women’s involvement, inform target groups, raise awareness, conduct research, and provide recommendations through collaboration with local and international organizations, as well as offer comprehensive information to investors.

<https://entc.ge/ka>

MEMORANDA



FOLLOWING MEMORANDA WERE SIGNED BETWEEN:

- 1 THE COMMISSION AND THE GEORGIAN NATIONAL COMMUNICATIONS COMMISSION;
- 2 THE COMMISSION, ELIZBAR ERISTAVI ENERGY TRAINING CENTER, AND THE UNITED NATIONS CHILDREN'S FUND (UNICEF) IN GEORGIA;
- 3 THE COMMISSION AND KUTAISI INTERNATIONAL UNIVERSITY;
- 4 THE COMMISSION, THE PUBLIC AUDIT INSTITUTE, AND THE ELIZBAR ERISTAVI ENERGY TRAINING CENTER;
- 5 THE COMMISSION, THE ISET RESEARCH INSTITUTE, AND THE ELIZBAR ERISTAVI ENERGY TRAINING CENTER;
- 6 THE COMMISSION AND THE NATIONAL CYBER SECURITY ASSOCIATION.



16 216



www.gnerc.org



mail@gnerc.org



[Facebook/GNERC](https://bit.ly/3ol1gcl) <https://bit.ly/3ol1gcl>



[Twitter/GNERC](https://bit.ly/3JbtYMA) <https://bit.ly/3JbtYMA>



[Youtube/GNERC](https://bit.ly/3S4mvmR) <https://bit.ly/3S4mvmR>



[LinkedIn/GNERC](https://bit.ly/3cTyHqs) <https://bit.ly/3cTyHqs>



Tbilisi 0194, 19 A. Mitskevichi Street



<https://shorturl.at/rtF07>

FULL VERSION OF THE REPORT