

Unofficial Translation

Georgian National Energy and Water Regulatory Commission
Resolution N33

December 4, 2008, Kutaisi

On the Electricity Tariffs

The tariffs established on different issues of electric energy sector adopted by the Georgian National Energy and Water Regulatory Commission is reflected in the number of resolutions, which cause the confusion during the calculation of electric energy sector tariffs due to several amendments and additions introduced to them.

Accumulation of all mentioned tariffs into one standard act would assist the electric energy sector licensees in their activities and promote maximum awareness of the consumers of different voltage electricity.

According to all mentioned above and based on the Law of Georgia on Electricity and Natural Gas (Subparagraph b of Paragraph 5 of Article 4, Paragraph 1 of Article 5, Paragraph 1 of Article 11, Paragraph 2 of Article 42, Article 43 and Paragraph 1 of Article 49¹), we resolve:

Chapter I. Electricity Generation (Capacity) Tariffs

Article 1. Tariffs of Hydro Power Plants

1. Marginal (upper margin) selling tariffs of the electricity generated by the hydro power plants:

- a) Vartiskhe – 2005 Ltd - 1.25 Tetri/ kWh
- b) Georgian Water and Power Ltd (ZhinvalHesi) – 3.625 Tetri/ kWh (28.12.2023 N77)
- c) JSC "EP Georgia Generation" (LajanurHesi) - 2.133 Tetri/ kWh (25.12.2023 N64)
- d) JSC "EP Georgia Generation" (Cascade of Gumati HPPs) - 8.296 Tetri/ kWh (25.12.2023 N64)

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- e) JSC “EP Georgia Generation” (DzevrulHesi) – 1.374 Tetri/ kWh (25.12.2023 N64)
- f) Removed (25.12.2023 N64)
- g) Removed (17.12.2020 N75)
- h) Removed (25.12.2017 N44) (Shall be valid from January 1, 2018 and its validity period shall be determined by January 1, 2021)
- i) Removed (25.12.2017 N44)
- j) Removed (25.12.2017 N44)
- Ji) Removed (25.12.2017 N44)
- k) (Removed – (13.03.18 N2) (Shall be valid upon its promulgation and will affect on the relationships arising from January 1, 2018)
- l) (Removed – (23.08.12 N 12);
- m) (Removed – (13.03.18 N2) (Shall be valid upon its promulgation and will affect on the relationships arising from January 1, 2018)
- 1. Long-term Marginal (upper margin) selling tariffs of the electricity generated by hydro power plants:
 - a) KhramHesi-1 JSC:
 - a.a) Removed (31.10.2017 N30)
 - a.b) Removed (28.11.2019 N30)
 - a.c) From December 01, 2019 till (including) December 31, 2021 – 10.837 Tetri/ kWh; (28.11.2019 N30)
 - a.d) From January 1, 2022 till (including) December 31, 2025 – 2.300 Tetri/ kWh; (31.10.2017 N30)
 - b) KhramHesi-2 JSC:
 - b.a) Removed (31.10.2017 N31)
 - b.b) Removed (28.11.2019 N31)
 - b.c) (Removed) (24.02.2022 N2)
 - b.d) From January 1, 2022 till (including) February 28, 2022 – 4.149 Tetri/ kWh; (24.02.2022 N2)
 - b.dⁱ) From March 1, 2022 till (including) December 31, 2024– 3.767 Tetri/ kWh; (24.02.2022 N2)
 - b.e) From January 1, 2025 till (including) December 31, 2025 – 3.500 Tetri/kWh (31.10.2017 N31)
 - c) Removed (27.11.2015 N^o33)

Article 2. Tariffs of Thermal Power Plants

1. Guaranteed capacity cost:

A) Mtkvari Energy Ltd (Tbilsresi Unit N9): From 2024 January 1 till (including)2024 July 1 – 66 204 GEL/day; (07.12.2023; N51)

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B) International Energy Corporation of Georgia, Ltd (Tbilsres) Units N3 and N4):
From 2024 January 1 till/including 2024, July 1 – 55 365 GEL/day, including:

b.a) For the Unit N3 – 26 481 GEL/day;

b.b) For the Unit N4 – 28 884 GEL/day; (07.12.2023; N52)

C) G Power Ltd - From 2024, January 1 including 2024, July 1 - 45 537
GEL/Day(07.12.2023; N53)

D) Gardabani Thermal Power Plant LLC - From 2024, January 1 including 2024, December 31
–370 814 GEL/DAY (07.12.2023; N54)

E) “Gardabani Thermal Power Plant 2” LLC – From 2022, September 1, including 2023,
December 31 -292,643 GEL/DAY (30.06.2022; N29)

2. Tariff of electricity generation of guaranteed capacity source for each reporting month shall be determined with the following formula:

$$T_{\text{გვლ}} = \frac{(P + T_{\text{ტრანს}} + T_{\text{განაწ.}}) * V}{E * (1 - CRF)}$$

With has the following meaning:

$T_{\text{გვლ}}$ - The tariff of electricity generation of guaranteed capacity source (Tetri/ kWh)

P – Purchase cost of natural gas that is agreed with the Commission and is necessary for the generation of the electricity of guaranteed capacity source. (Tetri/m³)

$T_{\text{ტრანს}}$ - Tariff of transportation of natural gas which is determined in the statutory act of the Commission (Tetri/m³).

$T_{\text{განაწ.}}$ - Natural gas distribution tariff (Tetri/m³) that is determined in the statutory act of the Commission for the distribution licensee who has the possession of the distribution grid to which guaranteed capacity source is linked (in case of this existence).

V- Factual volume (m³) of natural gas that is purchased during each reporting month for the generation of electricity by the guaranteed capacity source.

E – Factual amount of electricity (kWh) that is supplied at the bus-bar (realized) during each reporting month by the guaranteed capacity source.

CRF – coefficient of regulation cost to be paid by the electricity generation licensee, that is determined in the statutory act of the Commission.

3. Removed (24.12.2019, N34)

4. The information about the tariffs, calculated according to the paragraph 2 of this article, shall be published on the official web-site of the Commission (www.gnerc.org). The rules and conditions

of such publication and the information to be presented for calculation are determined in 3, 4, 5 paragraphs of article 14¹ of “Methodology of tariff calculation of Guaranteed capacity cost, electricity generation of guaranteed capacity source, service of electricity market operator JSC and import of electricity” (Annex 3), that is established with N14 resolution, dated on 30 July, 2014, established by the Commission.

5. Within the terms determined by the Clause 3 of present Article and following the established rule, the JSC Electricity Market Operator shall provide for the compensation of payment for guaranteed capacity cost to the sources of guaranteed capacity, taking into consideration the periods of provision of guaranteed capacity by these sources but not later than:

- a) 182 days – for the Ltd Mtkvari Energy (Tbilsresi Unit N9) (07.12.2023; N51)
- b) 121 days – for the Ltd Georgian International Energy Corporation (Tbilsresi Unit N3); (07.12.2023; N52)
- c) 154 days – for the Ltd Georgian International Energy Corporation (Tbilsresi Unit N4); (07.12.2023; N52)
- d) 182 days – for the Ltd G Power. (07.12.2023; N53)
- e) 290 days – for the Gardabani Thermal Power Plant LLC (07.12.2023; N54)
- f) 422 days - for the Gardabani Thermal Power Plant 2 LLC (30.06.2022; N29)

Article 3. Electricity Generation Licensee Tariffs of the Plants Considered as Unified Electric Energy System Regulatory Plants of Georgia

Selling fixed tariffs of the electricity generated by the power plants considered as regulatory plants are as follows:

- a) Engurhesi Ltd – 2.412 Tetri/kWh; (14.12.2023 N55)
- b) Cascade of Vardnili HPPs Ltd – 3.067 Tetri/kWh. (14.12.2023 N56)

Chapter II. Service Tariffs of the Electricity Transmission, Dispatch and Electricity System Commercial Operator

Article 4. Electricity Transmission Tariffs (29.06.2021; N26)

- a) JSC Georgian State Electrosystem:
 - a.a) Since July 1, 2021 till January 1, 2024 – 2.664 tetri/kwh a.b)
 - Since January 1, 2024 till January 1, 2026 – 2.813 tetri/kwh

Article 5. Service Tariffs of the Electricity System Commercial Operator (12.01.2023, N1)

1. Fixed tariff for operation of electricity wholesale market by the Electricity System Commercial Operator and tariff for operation of electricity wholesale market of the Electricity System Commercial Operator Ltd – 0.019 Tetri/ kWh.
2. The cost for the operation of electricity wholesale market shall be compensated by the Electricity System Commercial Operator JSC in compliance with the Electricity (Capacity) Market Rules.

Article 5¹. Service payment for electricity day-ahead and intraday market operator (23.12.2022; N81)
“Georgian Energy Exchange” JSC:

- A) The payment for acceptance the electricity in the day-ahead market – 6 000 GEL/Year – Since 1st January 2023 till 1st January 2024;
- B) The payment for acceptance the electricity in the intraday market – 2 000 GEL/Year - Since 1st January 2023 till 1st January 2024;
- C) The payment for electricity, purchased in the day-ahead market of electricity – 0.161 GEL/MWh – Since 1st January 2023 till 1st January 2024.
- D) The payment for electricity, purchased in the intraday market of electricity - 0.155 GEL/MWh – since 1st January 2023 till 1st January 2024.
- E) The payment for service of additional order in the day-ahead market of electricity – 500 GEL/Year - Since 1st January 2023 till 1st January 2024;
- F) The payment for service of additional order in the intraday market of electricity – 500 GEL/Year - Since 1st January 2023 till 1st January 2024;

Article 5². The tariff of Electricity Balancing and Supporting services’ Market Operator (29.12.2021; N69)
“Georgian State Electricity System” JSC:

The tariff for service of electricity balancing and supporting services’ market operator 7 226 GEL/day
– Since 1st March 2022 till 1st January 2026.

Article 5³. Wholesale public service payment (12.01.2023, N1)
Electricity System Commercial Operator JSC

Wholesale public service payment 0.030 tetri/ kwh from activation of electricity day-ahead market till 1st January 2024.

Article 6. (Removed – (30.01.20 N 4);

Chapter III. Electricity Wheeling and Distribution Tariffs

Article 7. Wheeling Tariffs

1. (Removed – (13.03.18 N2) (Shall be valid upon its promulgation and will affect on the relationships arising from January 1, 2018)
2. (Removed – (13.03.18 N2) (Shall be valid upon its promulgation and will affect on the relationships arising from January 1, 2018)
3. Tariffs of electricity transmission by distribution licensee with its own electricity distribution network shall be determined in the range of electricity distribution tariffs defined by the Resolution herein. 13.03.18 N2) (Shall be valid upon its promulgation and will affect on the relationships arising from January 1, 2018)

Article 8. Distribution Tariffs of Telasi JSC (30.11.2023; N49)

1.	220/380 V:	
a)	Since January 1, 2024 till January 1, 2026	
a.a)	For small enterprises:	7.859 Tetri/Kwh
a.b)	For household Consumer including 101 kwh	7.859 Tetri/Kwh
a.c)	For household Consumer from 101 kwh including 301 kwh	7.859 Tetri/Kwh
a.d)	For household Consumer from 301 kwh and up	7.859 Tetri/Kwh
a.e)	For nonhousehold Consumer, besides small enterprises	7.859 Tetri/Kwh
2.	3,3-6-10 kV:	
a)	Since January 1, 2024 till January 1, 2026	
a.a)	For household Consumer	3.857 Tetri/Kwh
a.b)	For nonhousehold Consumer	3.857 Tetri/Kwh
3.	35-110 kV:	
a)	Since January 1, 2024 till January 1, 2026	
	For non-householdConsumer	2.303 Tetri/Kwh

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Article 9. Removed (27.12.2017 N49)

Article 9¹. Electricity Distribution Tariffs of Energo-pro Georgia, JSC (25.12.2023; N63)

1.	220/380 V:	
a)	Since January 1, 2024 till January 1, 2026	
a.a)	For small enterprises:	10.118 Tetri/Kwh
a.b)	For household Consumer including 101 kwh	8.118 Tetri/Kwh
a.c)	For household Consumer from 101 kwh including 301 kwh	10.118 Tetri/Kwh
a.d)	For household Consumer from 301 kwh and up	11.962 Tetri/Kwh
a.e)	For nonhousehold Consumer, besides small enterprises	10.118 Tetri/Kwh
2.	3,3-6-10 kV:	
a)	Since January 1, 2024 till January 1, 2026	
a.a)	For household Consumer	4.398 Tetri/Kwh
a.b)	For nonhousehold Consumer	4.398 Tetri/Kwh
3.	35-110 kV:	
a)	Since January 1, 2024 till January 1, 2026	
a.a)	For nonhousehold Consumer	2.350 Tetri/Kwh

Chapter IV. Marginal Tariffs of Electricity Consumption

Article 10. (Removed) (29.06.2021; N32)

Article 10¹. Electricity supply tariffs for the customers of

“Tbilisi Electricity Supplier Company” LLC:

1. Temporary tariffs for the provision of universal electricity services: (28.12.2023; N71)

a)	3,3-6-10 kV (Household Consumer):		
	Since January 1, 2024 till July 1, 2024	–	15,912 Tetri/kWh;
b)	220/380 volts (small enterprises):		
	Since January 1, 2024 till July 1, 2024	–	14.694 Tetri/kWh

C) In order to create additional guarantees for the social protection of the population and to promote the rational use of electricity, for subscribers of LLC "Tbilisi Electricity Supplier Company", for household customers (for the population) tariffs for universal electricity supply (30 calendar days) according to the amount of electricity consumed at 220/380 volts:

c.a)	Including 101 kWh:		
	Since January 1, 2024 till July 1, 2024	–	2.075 Tetri/kWh;
c.b)	101 kWh to 301 kWh inclusive:		
	Since January 1, 2024 till July 1, 2024	–	5.475 Tetri/kWh
c.c)	From 301 kWh and up:		
	Since January 1, 2024 till July 1, 2024		9.275 Tetri/kWh

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2. Temporary tariffs for the supply of electricity in the form of public services: (28.12.2023 N72)

a)	220/380 volts:		
	Since January 1, 2024 till July 1, 2024	–	14.694 Tetri/kWh;
b)	3.3-6-10 kilovolts:		
	Since January 1, 2024 till July 1, 2024	–	15.912 Tetri/kWh
c)	35-110 kilovolts:		
	Since January 1, 2024 till July 1, 2024		15.537 Tetri/kWh

3. Temporary tariffs for the last alternative supply of electricity (28.12.2023; N73)

For household and non-household consumers	
Since January 1, 2024 till July 1, 2024	18.096 Tetri/kWh;

Article 10². Tariff of last consumer (29.06.2021; N32)

For "Tbilisi Electricity Supplier Company" LLC, the tariff of end-user consists of the sum of the tariffs of supplying (tariffs for universal service supply, for the supply of electricity in the form of public services and for the last alternative supply of electricity), established by the Commission for the same company and distribution and transmission tariffs.

Article 11. Removed (27.12.2017 N49)

Article 11¹. Removed (29.06.2021 N29)

Article 11². Electricity supply tariffs for the customers of JSC "EP Georgia Supply" (29.06.2021 N29)

1. Temporary tariffs for the provision of universal electricity services: (28.12.2023 N74)

a)	3,3-6-10 kV (Household Consumer):		
	Since January 1, 2024 till July 1, 2024	–	16,416 Tetri/kWh;
b)	220/380 volts (small enterprises):		
	Since January 1, 2024 till July 1, 2024	–	11.612 Tetri/kWh

C) In order to create additional guarantees for the social protection of the population and to promote the rational use of electricity, in the regions of Georgia (for subscribers of JSC "EP Georgia Supply") for

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household customers (for the population) tariffs for universal electricity supply (30 calendar days) according to the amount of electricity consumed at 220/380 volts:

c.a)	Including 101 kWh:		
	Since January 1, 2024 till July 1, 2024	–	1.553 Tetri/kWh;
c.b)	101 kWh to 301 kWh inclusive:		
	Since January 1, 2024 till July 1, 2024	–	2.923 Tetri/kWh
c.c)	From 301 kWh and up:		
	Since January 1, 2024 till July 1, 2024		4.909 Tetri/kWh

2. Temporary tariffs for the supply of electricity in the form of public services: (28.12.2023; N75)

a)	220/380 volts:		
	Since January 1, 2024 till July 1, 2024	–	11.612 Tetri/kWh;
b)	3.3-6-10 kilovolts:		
	Since January 1, 2024 till July 1, 2024	–	16.416 Tetri/kWh
c)	35-110 kilovolts:		
	Since January 1, 2024 till July 1, 2024		16.250 Tetri/kWh

3. Temporary tariffs for the last alternative supply of electricity (28.12.2023; N76)

For household and non-household consumers	
Since January 1, 2024 till July 1, 2024	17.597 Tetri/kWh;

Article 11³. End-user tariff (29.06.2021 N29)

The end-user tariff for JSC “EP Georgia Supply” consists of the sum of the delivery tariff set by the Commission for the same enterprise (universal service supply, public service supply or last alternative supply tariff) and distribution tariffs, as well as the transfer tariff.

Article 12. The Tariffs Established Based on the Quantity of Consumed Electricity

The tariffs determined based on the consumed electricity are not “through rate”; each customer pays the electricity fee on total quantity of electricity, consumed during 30 calendar days, with the tariff established on corresponding quantity of consumed electricity.

Article 13 . The Tariffs of Electricity Consumed without Individual Meters by the Household Consumers (Population) that have the Meters of Common Use

In compliance with the conditions established by the Commission, when billing with the meters of common use, in case of unavailability of individual meters, household customers (the population) pay the price of consumed electricity with the first step (including 101 kWh) Tariff.

Chapter V. Transitional and Conclusive Provisions

Article 14. Wholesale Marginal (Upper Margin) Tariffs of Electricity (Capacity) to be Purchased by the Distribution Licensees and Direct Consumers

The wholesale marginal (upper margin) tariffs of the electricity (capacity) to be purchased by the distribution licensees and direct customers shall be composed based on the direct contract in compliance with the Electricity (Capacity) Market Rules.

Article 15. Billing of Value Added Tax (VAT) to the Tariffs of Electricity Given in the Resolution

1. All the tariffs determined in this Resolution are calculated without VAT.
2. The VAT is billed in accordance with the active legislation of Georgia.

Article 16. Calculation and Accounting of the Revenues Received from Wheeling

The distribution licensees shall maintain records of revenues received from the electricity wheeling separately and quarterly provide the Georgian National Energy and Water Regulatory Commission with the sufficient information.

Article 17. Tariffs Validity Period and Correction Terms

1. The mechanisms of correction of the tariffs determined by the Paragraphs 2 and 3 of Georgian National Energy and Water Regulatory Commission Resolution N26 (on predetermined fixed tariffs to provide for the stable investment climate in the energy sector of Georgia for the long-term period), dated September 24, 2008 shall apply to the tariffs established by the Article 8 of this Resolution and they shall be valid till September 1, 2015.

2. In order to provide for the guaranteed service on return of funds spent from the credit allocated by Japanese Agency for International Cooperation for the rehabilitation of Khrami-2 JSC (as per contract signed between the Georgian Ministry of Finance and Khrami-2 JSC on December 10, 2008) to the state, long-term marginal tariff (upper margin) of electricity generation of Khrami-2 JSC shall be corrected annually. This correction shall take place if while correcting the difference of rate between GEL and Japanese Yen exceeds 7% per year in comparison with similar rate for the 2020 (2.9189 Lari = 100 Japanese Yen) and if the completed tariffs application is presented to the Commission according to the rules and form established by the Commission. In

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addition, only the part of the tariff, which is considered for servicing the above-mentioned credit of the tariff, shall be corrected. (24.02.2022 N2)

3. For the purpose of guaranteed return of investments made during the purchase of Khrami-1 JSC and Khrami-2 JSC, the long-term marginal tariffs (upper margin) of Khrami-1 JSC and Khrami-2 JSC electricity generation shall be corrected if the difference of GEL rate against USD rate exceeds 7% in comparison with the rate (2.6011 Lari = 1 USD) available for the period between November 1, 2016 till October 31, 2019 and if the completed tariffs application is presented to the Commission according to the rules and form established by the Commission Amendments to the tariffs, indicated in the Clause 2 of Article 1 of this resolution due to the change of GEL against USD shall be introduced four times: on November 1, 2013, on November 1, 2016, on November 1, 2019 and on November 1, 2022. (28.11.2019 N30)

4. The amendment shall be carried out with the full volume of change if any event indicated in Clauses 2 and 3 of Article 17 of this Resolution takes place.

Article 18. Standard Acts Cancelled because of the Activation of this Resolution

1. Connected with enabling this Resolution, the following shall be announced as void:

- a) Georgian National Energy Regulatory Commission (GNERC) Resolution N 18 On Electricity Tariffs (Georgian Newsletter III, 16.05.2006, N66, Article 848), dated May 15, 2006;
- b) Georgian National Energy Regulatory Commission (GNERC) Resolution N11 On the Tariffs of Electricity Wheeling (Georgian Newsletter III, 10.10.2004, N112, Article 997), dated July 6, 2007;
- c) Georgian National Energy Regulatory Commission (GNERC) Resolution N 15 On Determining Tariffs for the Individual Consumers of Electricity (Georgian Newsletter III, 15.08.2003, N88, Article 759), dated August 26, 2003;
- d) Georgian National Energy Regulatory Commission (GNERC) Resolution N34 On Service Tariff of Electricity System Commercial Operator Ltd (Georgian Newsletter III, 04.10.2006, N136, Article 1895), dated October 4, 2006;
- e) Georgian National Energy Regulatory Commission (GNERC) Resolution N19 On Determining Marginal Tariff (Upper Margin) of the Electricity Imported into Georgia, Based on the Import/Export Contract of July 14, 2008, Signed between the Electricity System

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Commercial Operator Ltd and Multiplex Energy Trading Ltd (Georgian Newsletter III, 03.09.2008, N129, Article 1301), dated August 29, 2008;

f) Georgian National Energy Regulatory Commission (GNERC) Resolution N30 On Determining Marginal Tariff (Upper Margin) of the Electricity Imported into Georgia, Based on the Contract of September 9, 2008, Signed between Telasi JSC and Multiplex Energy Trading Ltd (Georgian Newsletter III, 04.11.2008, N159, Article 1602), dated October 30, 2008;

g) Georgian National Energy Regulatory Commission (GNERC) Resolution N21 On Determining Marginal Tariff (Upper Margin) of the Electricity Imported into Georgia, Based on the Import/Export Contract of June 20, 2007, Signed by the Electricity System Commercial Operator Ltd and Energo-pro Georgia JSC with TGR ENERGY ELECTRICITY WHOLESALE TRADE CO (Georgian Newsletter III, 12.11.2007, N159, Article 1759), dated November 7, 2007;

Article 19. Bringing the Resolution in Motion

The Resolution herein comes into power in 15 days from being released.

Chairman

G. Chalagashvili