

Hydropower

The energy Industry is attractive in terms of both existing natural resources and developing infrastructure, as the country possesses huge hydro resources and offers untapped investment potential. Georgia's natural wealth is comprised principally of water and water resources, and its hydroelectric potential per capita ranks among the world's greatest, with at least 300 rivers capable of hydropower production of about 20 TW/h annually.

Currently, there are around 112 ongoing renewable projects on the different stages of implementation and additional 95 investment proposals for investors in Georgia. According to the projection, additional capacity will supply internally growing demand and increase export opportunity.

Main directions of Georgia's energy policy aim at promoting energy security, foreign investment, liberalization, and bilateral and regional cooperation. It also focuses on refurbishment and rehabilitation of existing facilities, construction of new facilities, improvement of metering system and achievement of economic independence and sustainability of the Industry.

Starting from 2015, parliament of Georgia approved Ten Year Network Development Plan, which is currently in the implementation process. During those 10 years, rehabilitation works on existing high voltage transmission lines will be conducted, as well as construction of new transmission lines and substations. The plan envisions increase of the transmission capacities with the neighbouring countries up to total 5000 MW. The overall investment is expected to be up to USD 850 mln.

Gas and Oil

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Crude oil has been produced in Georgia since 1930. There are number of mature oil fields as well as new areas that are currently being studied and explored.

Preferential tax regime is available for companies that carry out oil and gas operations.

Georgian legislation guarantees stability of financial and tax regime existing at the date of signature of the contract during its term.

Oil and gas sphere is regulated by 'one stop shop' principle.

Territory of Georgia is divided into 31 license blocks of which 7 are offshore and 24 - onshore blocks. Currently 15 blocks are licensed.

General license for the use of oil and gas resources is issued by means of international tender and provides its holder an exclusive right to perform oil and gas exploration and production works for 25 years. The term of the named license can be extended for 5 years maximum. Tender packet includes financial and technical requirements, criteria for selection of the best bidder, draft of the contract.

Existing geological and geophysical data is given to the winning company without charge.

Energy sector -overview

Wind Energy

Georgia owns significant wind energy resources. According to experts' estimation, there is a potential to develop over 1,500 MW of installed capacity power stations in total with annual average generation of 4 billion KWh.

In 2016, first wind energy power plant was built and put in operation with 20.7 MW of installed capacity and 88 mln. KWh annual output. Total investment volume of the project exceeded USD 34 mln.

As of today, there are 11 wind power plant feasibility studies currently ongoing in different regions of Georgia, with total installed capacity of around 900 MW.