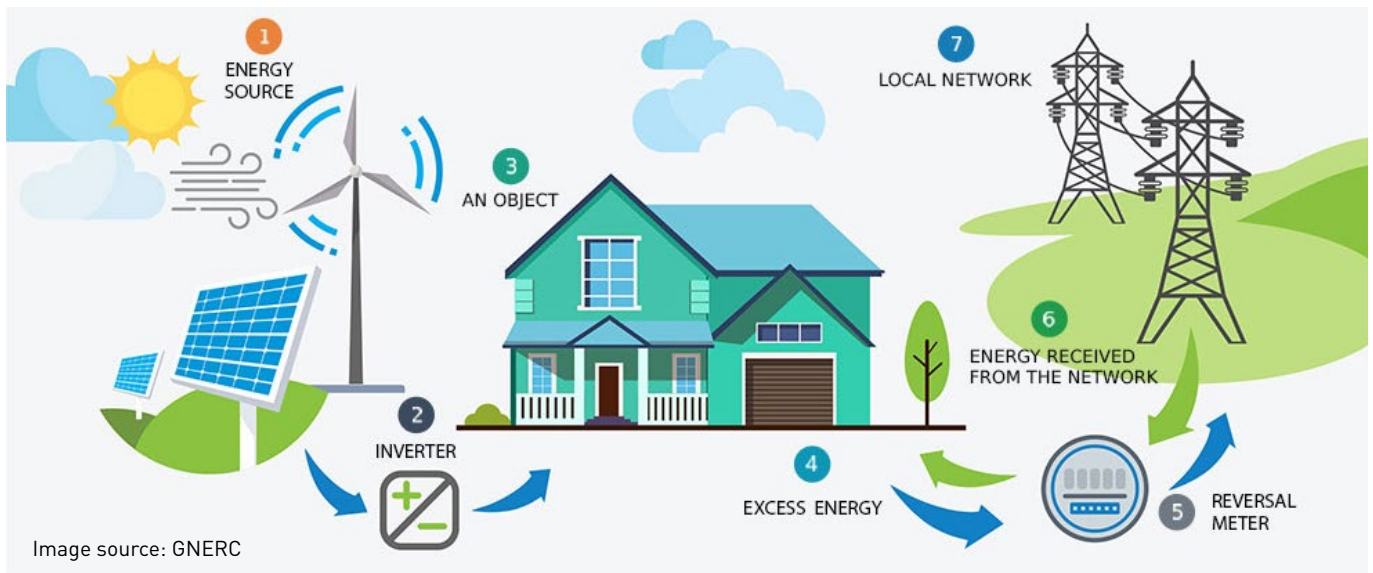


# Where finance and green technologies meet

GEFF in Georgia Newsletter N3: 10.2020



## IN THIS ISSUE

Hybrid car imports in Georgia still growing

Green Technology Selector and Tech selector app

GEFF in Georgia success stories

Energy Week Black Sea 2020

Georgia 2020: Energy Policy Review

National Energy Efficient Action Plan of Georgia

## Net metering reform in Georgia

The net metering limit in Georgia has increased from 100 KW to 500 KW. Now, not only individuals, but small businesses can also save on utility bills and get reimbursed by the distribution company. Furthermore, energy generated at one location can now be used for several locations – the only condition is that all locations need to be connected to the same distribution company.

There are several advantages of the net metering system: for individual consumers, the system is extremely simple and requires almost no action on their part after initial installation; for vendors, it greatly improves the PV market, making the technology more affordable and available to the market; and lastly, for businesses, the system brings electricity to various locations. For instance, a producer and a retailer can generate its energy at the production site and power its retail shops located throughout the city. A hotel chain can install the PV panels in its sunniest location and deliver power to all of its other branches.

Solar energy has been around for quite some time now, but it has come a long way from its humble beginnings: what once took many giant panels more than a day's worth of sunlight to generate can now be generated by a few smaller panels in several hours. Once expensive

to most homeowners, solar energy is now becoming not only affordable, but it is often also incentivised by the government. Today, photovoltaic panels can be purchased with an investment as small as \$10,000, allowing users to save approximately 20 MWh of energy annually. The Green Technology Selector includes more than 2,000 photovoltaic panels, including ones sold by [local vendors](#).

If the experience from neighbouring countries has taught us anything, it is that changes on regulatory levels as well as the availability of financial resources encourages positive business developments. Let us hope that we will enjoy our own production of photovoltaic solar panels in the near future.

Source: [GNERC](#)

## Hybrid car imports in Georgia still growing

Imports of hybrid cars have increased 22 times since 2015. This is largely due to the tax advantage, as hybrid cars are taxed 60% less than standard imported vehicles.

According to a report issued by the MIA, 30.3% of all imported cars in 2019 were hybrid, compared to just 1.4% in 2015.

These stats are just in time for a new addition to the [Green Technology Selector \(GTS\)](#), which now includes hybrid and electric cars. Businesses wishing to update their car fleet can now apply for GEFF financing and enjoy brand new vehicles and

stellar fuel economy. The GTS offers a selection of 38 different models, from 14 different manufacturers, including [Toyota](#), Ford, Kia, Mercedes, etc.

The top five most frequently imported models are:

1. TOYOTA Prius
2. TOYOTA Camry
3. FORD Transit
4. TOYOTA Aqua
5. HYUNDAI Elantra

Source: [bm.ge](#)

## Green Technology Selector and Tech Selector app

The EBRD launched a new mobile app, Tech Selector, which will change how the Bank delivers climate finance to meet the needs of clients who are increasingly using mobile devices for commercial activities both during and beyond the coronavirus pandemic.

The innovative app is based on the [Green Technology Selector](#), the first e-commerce tool launched by the EBRD in 2018.

Today, the Green Technology Selector features more than 800 green technologies available from Georgian vendors and is growing steadily to offer more to businesses and homeowners. The selection ranges from energy-efficient heat pumps and solar panels that produce renewable energy to water-efficient drip irrigation systems and no-till seeding machines that support sustainable land management. A brand new addition to the Green Technology Selector is electric and hybrid cars, for which demand is steadily increasing in Georgia.

The Tech Selector app and Green Technology Selector are the easiest way to obtain financing under the GEFF programme. Anyone looking to invest in green technologies can generate an appropriate certificate and apply for a GEFF loan with a local [partner financial institution](#).

Manufacturers from around the world can submit their products to the Green Technology Selector and local vendors can register their products and locations. If the offers meet the performance requirements, the EBRD makes them available for clients to search for on both the app and the platform.

The EBRD developed the Tech Selector app and the Green Technology Selector platform under the GEFF programme with the support of donor funding from the Austrian Federal Ministry of Finance.

Download the app from the [App Store](#) and [Google Play](#)

## Success Story

### Anigozi LTD

A Georgian walnut and almond company builds an energy-efficient building for its business



Location	Martkopi, Georgia
Investment	Building performance improvement
Investment size	€ 225,395
Energy savings	3.53 MWh per year
CO <sub>2</sub> savings	3.78 tonnes per year
Impact	Cost and energy saving
Donor	EU, BMF

### AMB Alloys – furnace financing

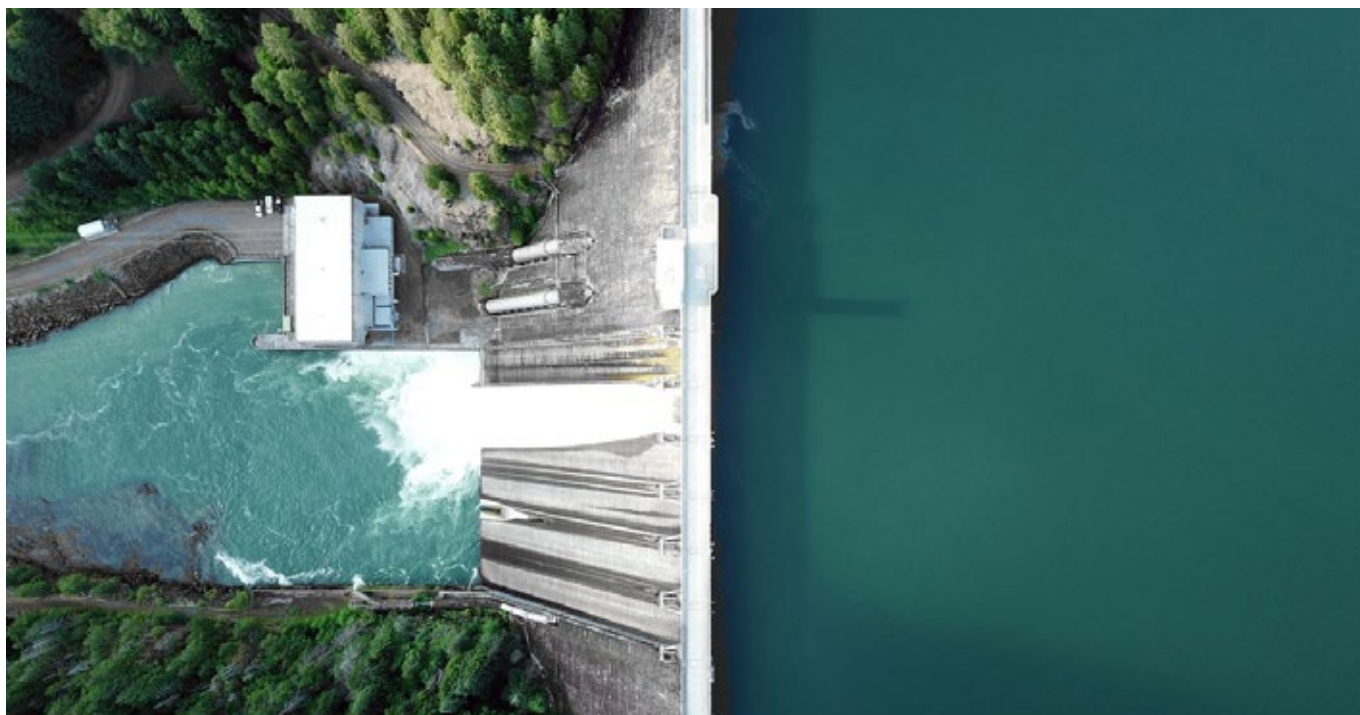
Company invests in a new furnace to save on annual energy costs.



Read more [Success Stories](#).

Location	Rustavi, Georgia
Investment	4.5 MW ferroalloy furnace
Investment size	€ 842,049
Financial results	Payback in 4 years
Energy savings	4,379 MWh per year
Natural gas savings	856.07 MWh/y
CO <sub>2</sub> savings	1,751 tonnes per year
Impact	Reduced energy consumption
Donor	GCF, BMF

## GEFF in Georgia joins the investment forum “Energy Week Black Sea 2020”



The energy sector in the Black Sea region has gone through a significant transformation in the past decade. Notable advantages have been introduced for renewable energy producers across the countries surrounding the Black Sea. Some of them include feed-in tariffs, renewable energy zones, green certificates, and many more. Local energy demand in the countries of the region is forecast to grow in line with the GDP. Moreover, achieving energy security is at the top of the authorities' agenda for many of these countries, so utilising the vast renewable energy potential is of great importance.

In line with this development, the GEFF in Georgia participated in the investment forum “Energy Week Black Sea 2020”, which was held as an online conference on September 29/30, 2020. The virtual event brought together authorities and energy companies from Georgia, Romania, Bulgaria, Ukraine and Turkey as well as international financial institutions and major multinational investors and consultancy firms for a dialogue aimed at fostering the deployment of renewable energy in the region and attracting foreign direct investment. The forum presented prospects for the development of the energy sectors of the countries of the region and created conditions for identifying the available

potential for international cooperation.

Utilising Georgia's renewable energy resources remains one of the top priorities of the state. As the CEO of GEDF, George Chikovani explained that the target for 2030 is to have 35% of energy generated from renewable energy sources. This shift will make investments in RE projects far more attractive. Businesses will seek ways to utilise power generated by RE, such as by installing solar PV panels. HPP operators will strive to update their equipment and increase their capacity. As experience with GEFF projects shows, an investment of only \$20,000 can offer a 75% increase in electricity-generating capacity to a small HPP, while purchasing and installing solar PV systems can enable a retailer to achieve annual energy savings of 23.9 MWh, thus reducing their energy costs and CO<sub>2</sub> emissions.

Through a series of presentations, discussions and networking sessions, more than 250 participants developed a shared understanding of the current situation as well as the experiences and challenges faced.

Read about the event:  
<https://www.bsenergyweek.com/>

## Georgia 2020: Energy Policy Review

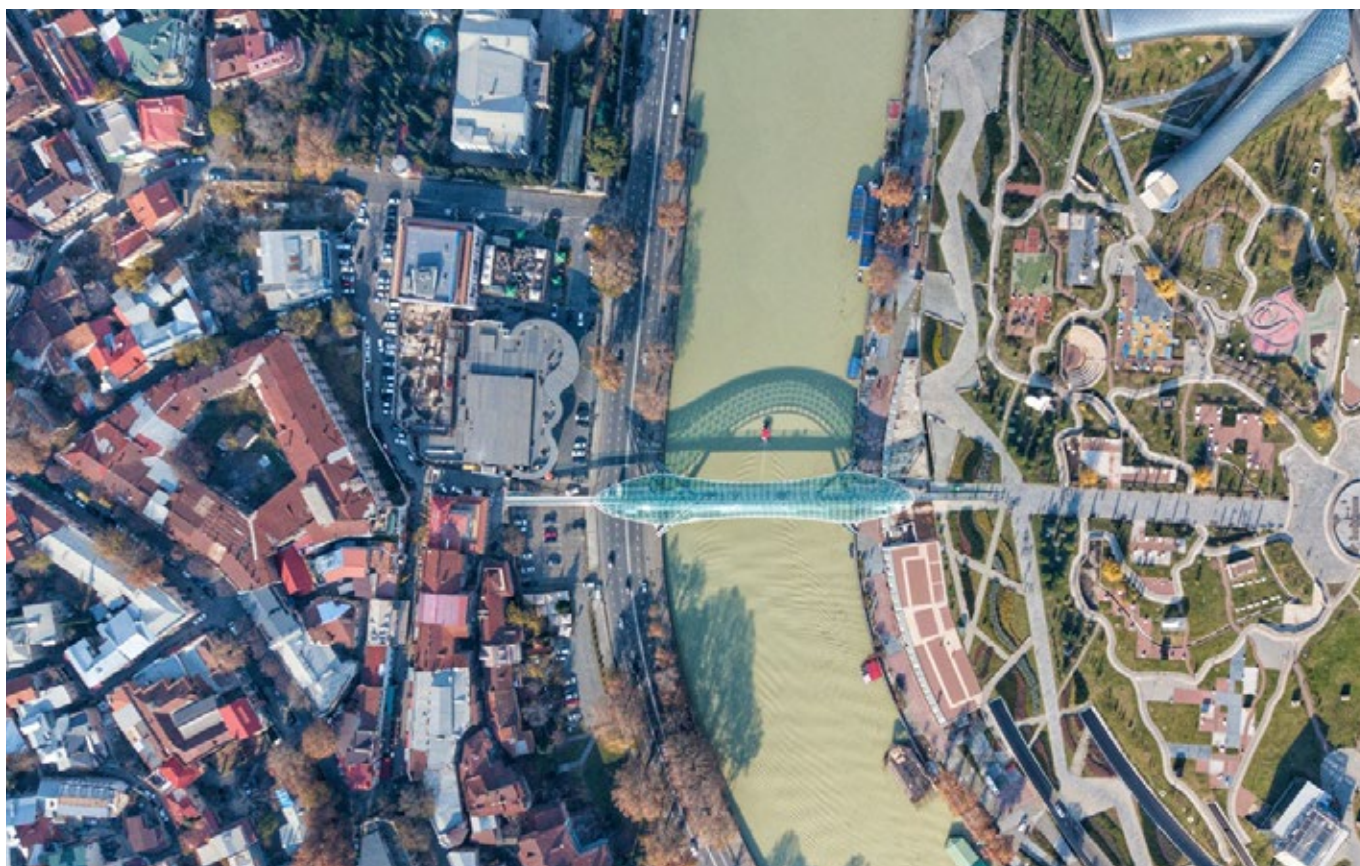
The International Energy Agency (IEA) regularly conducts energy policy reviews for its member and non-member countries. In 2020, it published an energy policy review for Georgia, highlighting its achievements and outlining some of the challenges in the transition to a more secure, sustainable and affordable energy future.

Since the last IEA review in 2015, the Georgian government has made significant efforts to develop policies and measures to combat climate change, adapt the national economy to climate variations, and protect the environment. Having a large share of hydropower in the energy mix, Georgia's CO<sub>2</sub> intensity is below the world average. The recent adoption of key energy efficiency legal acts will boost the use of greener energy sources. The launch of a net metering programme now enables businesses and households to install rooftop photovoltaic (PV) systems, and support from national and municipal measures is stimulating the use of electric vehicles, which has now become a trend in the country.

The private sector actively aids the government in implementing its energy strategies. Local financial institutions, with support from various programmes from international institutions and donors, already offer loans specifically designed for EE and renewable energy projects and technologies. A developer wishing to improve the performance of a building, a business willing to invest in energy efficiency measures for its headquarters, or an electricity generator wanting to finance the renovation of a HPP plant can [apply](#) for a tailored loan from various leading banks in Georgia.

Today, Georgia continues to make progress in its efforts to align its energy sector with EU regulations for electricity and gas markets, security of supply, renewable energy, energy efficiency and statistics. Relevant government agencies are working together to ensure that the energy strategy is consistent with the country's climate change and sustainable development strategies, as well as with its economic, environmental, and social policies

Read the full report [here](#).



## National Energy Efficient Action Plan of Georgia

Georgia has recently adopted key energy efficiency legal acts, namely the Law on Energy Efficiency and the Law on Energy Performance of Buildings, bringing the country closer to the EU.

The initiative that paved the way for these laws was conceptualised in late 2015, when the Ministry of Economy and Sustainable Development started working on a draft of the first National Energy Efficiency Action Plan (NEEAP) with the EBRD.

The NEEAP addressed challenges such as reducing the economy's energy intensity, while allowing for continued economic growth and compliance with the country's international commitments. It was a set of measures that Georgia needed to undertake in order to improve its energy efficiency and provided a roadmap to the adoption of these two new laws.

The EBRD has long been a supporter of Georgia's shift towards a more sustainable economy. Online tools such as the Green Technology Selector and programmes such as the GEFF make financing and green technologies available for businesses

that want to improve their operations with EE technologies. The EBRD's GEFF has already financed a number of businesses in Georgia, collectively reducing energy use by up to 12,000 MWh.

A shift towards EE means it will become a part of businesses' and consumers' everyday lives. Mandatory technical inspection for vehicles now prevents consumers from buying underperforming, inefficient cars. Many residential and commercial building developers have switched from using traditional technologies to more modern ones: EE windows and doors, LED lighting systems, and energy efficient [boilers](#). Some have even made use of the new net metering system and installed photovoltaic solar panels on rooftops to benefit from reduced energy costs. The adoption of new regulations will further encourage the establishment of a supply chain for energy-efficient materials and technologies, from light-duty consumer vehicles to insulation.

NEEAP details available [here](#).

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