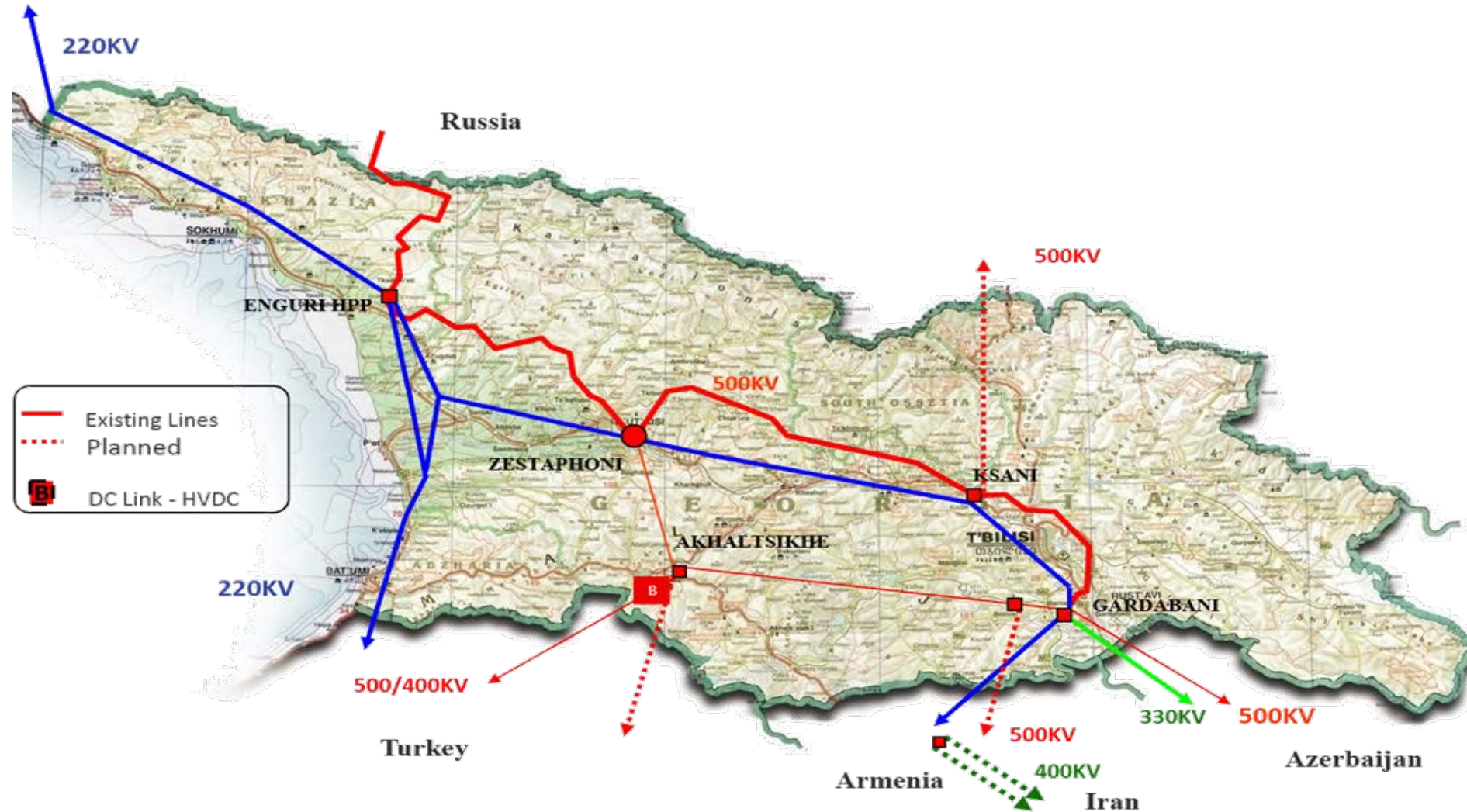




# Procedures for Export

Allocation of Internal congestion limit and/ or net transfer capacity

# Interconnection and HV internal lines



## Inter-country or Inter-TSO agreements:

- Armenia:
  - Agreement regarding Parallel Operation
  - Agreement regarding emergency supply (Import/Export)
- Azerbaijan:
  - Agreement regarding Parallel Operation
  - Agreement regarding emergency supply (Import)
- Russia:
  - Agreement regarding Parallel Operation
  - Agreement regarding emergency supply (Import/Export)
- Turkey:
  - Agreement regarding Parallel Operation
  - Agreement concerning cross-border electricity trade via Akhaltsikhe-Borchka Interconnection line
  - Interconnection Operation Agreement between TEIAS, GSE and Energotrans

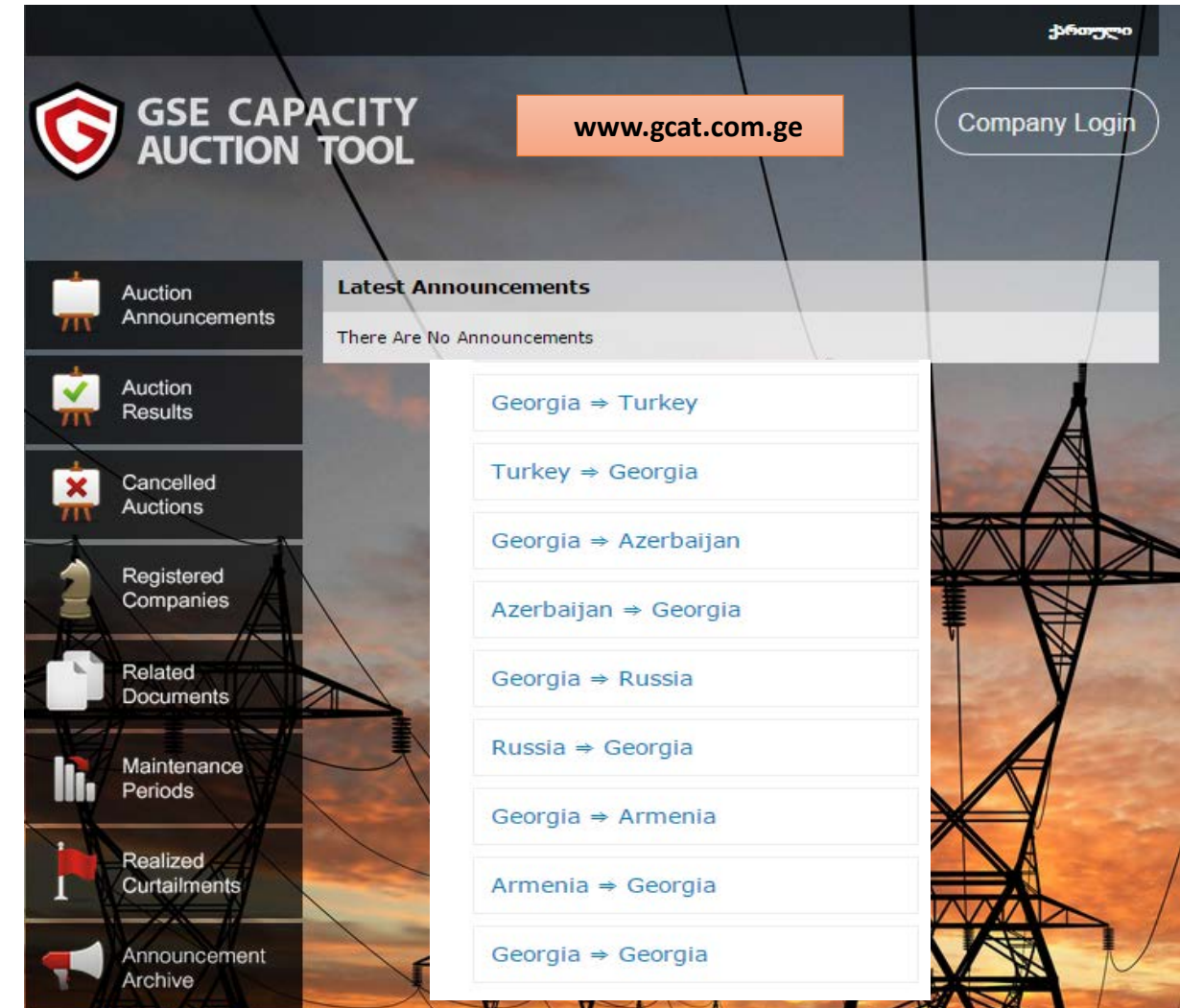
## Internal rules and regulations

- Law on Electricity and Gas
- Electricity (capacity) market rules
- Special Auction Rules

# General Principles of Congestion Management

- Types of congestion:
  - **Export Allowed Volume** - is an energy left from total generation after full satisfaction of domestic consumption, as planned according to Annual balance, reduced by:
    - Energy needed to keep parallel synchronous operation
    - Already allocated Energy
  - **Transit Capacity** – Capacity that is possible to be transited from one interconnection point to another taken into consideration internal line transfer capacities, calculated by GSE
  - **ATC** – Available Transfer Capacity of the cross-border line(s) for the interconnection

Congestion Management Mechanism: Electronic Auctions



# Net Transfer Capacities

NTC is agreed between neighboring countries for Import and Export separately.

Timeframe for the NTC agreement according to the countries is as follows:

- Armenia
  - Year ahead for each 12 months separately
  - NTC is agreed on both Import and Export
  - Both for synchronous and asynchronous operation
- Azerbaijan
  - Before each transit period
- Russia:
  - 10 days ahead before start of energy transit
  - Clarified before start of Export/Import
- Turkey:
  - Year ahead before 1<sup>st</sup> of August for each 12 months separately, for Borchkha-Akhaltsikhe interconnection line

$$\begin{aligned} &\text{Available Transfer Capacity (ATC)} \\ &= \\ &\text{Net Transfer Capacity (NTC)} \\ &- \\ &\text{Already Allocated Capacity (ALC)} \end{aligned}$$



# Priority Groups

A) Electricity import and export in emergency situations;

B) Export of electricity **generated by a renewable power plant** (including hydro power plants) built in Georgia after 2010, conditional that **there is a long term electricity export agreement on Transmission/Distribution Services** during the effective period of the agreement;

C) Export of electricity **generated by a renewable power plant** (including hydro power plants) built in Georgia after 2010, conditional that less than 10 years have passed since the start-up and beginning of the commercial operation of the power plant and **there is no long term electricity export agreement on Transmission/Distribution Services**.

Export of electricity generated by a renewable power plants (including hydro power plants) which are **under construction also belong to the same priority group** if:

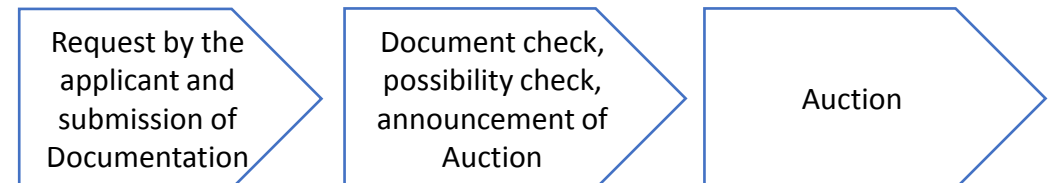
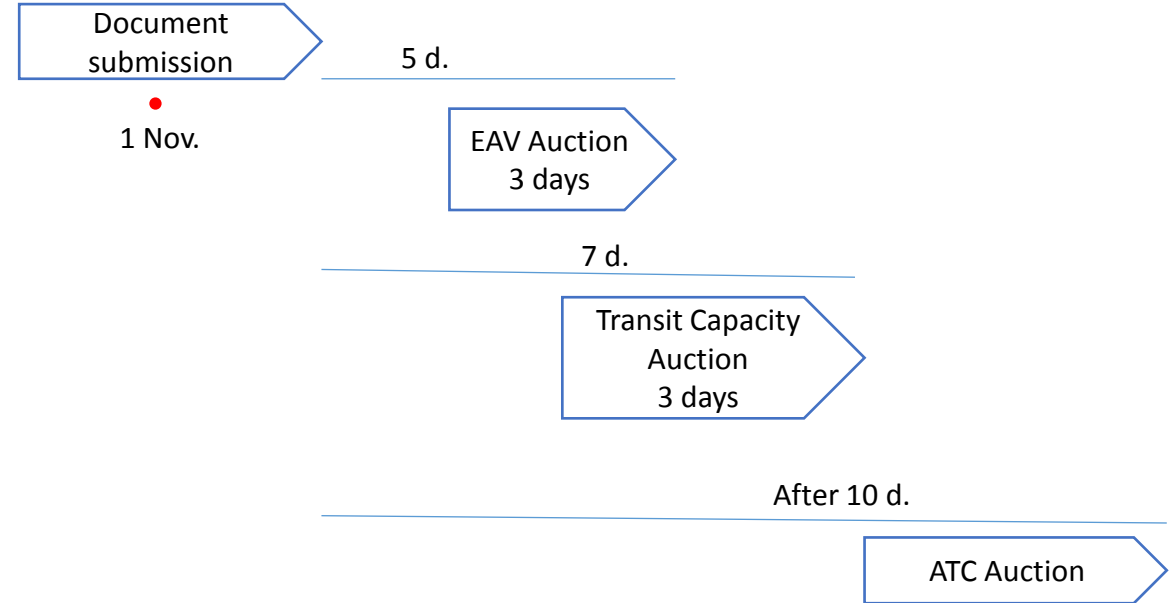
C.A) An **agreement is signed with the government** on construction of the power plant,

C.B) A long term agreement **on Transmission/Distribution Services** has not been signed for export of its generation.

D) Export of electricity generated by other Georgian power plants which is not provided for in Paragraphs (a), (b) and (c) mentioned above.

# Steps of Allocation and timeframe

- Applicants willing to export should submit documentations before 1<sup>st</sup> of November prior to the year of Export
- Export Allowed Volume (EAV) is defined according to annual balance
- Export Allowed Auction is held for all export directions within 5 days after 1<sup>st</sup> of November
- Auction for transit capacity is held only in case valid application on transit is received
- If applicable ATC auction is conducted after 10 days from document submission date
- Within the year allocation takes place if EAV increases and/or on bases of request from applicant



# Documentation and Auction specifications

- Who can take part in the Auction?
  - Export
  - Transit
- How One can take Part in the Auction?
  - Export:
    - Letter from System commercial Operator certifying Status of Exporter
    - Direct Agreement on Dispatch Service
    - Direct Agreement(s) on Transmission/Distribution Services
    - Direct Contract on Electricity Export (with Georgian supplier)
    - Contract on Electricity Export (with Turkish off-taker)
  - Transit:
    - Contract with Turkish off-taker
    - Contract with non-Georgian Supplier
    - Contract with GSE for Transit Service
    - Contract with ESCO for Deviations
- Auction is held via special web- platform – [www.gcat.com.ge](http://www.gcat.com.ge)
- Auction is announced on GCAT by GSE and during 3 days candidates are free to make their bids
- GCAT distinguishes the winner according to priority groups and bids made
- Specifications of GCAT are following:
  - Auction can be held on separate directions as well as for EAV (GE↔GE)
  - Separate users for companies, full confidentiality
  - All information organized on one platform
  - Algorithm takes into consideration priority groups according to Georgian legislation
  - Caps the allowed capacity by priority groups for each company, if applicable
  - Algorithm used for price definition is pay as bid, but in case of changes in legislation GCAT has possibility to transfer on marginal price principle
  - Nomination can be sent directly to TEIAS similar platform.
  - Intra-day Actions are possible
  - Bank guarantee limitation can be used if applicable



# Thank you for your attention

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Georgian State Electrosystem

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