Georgian Electricity Market

- **Generation licensees with fixed tariffs**
- **Licensees (marginal price)**
- **Deregulated small PP without licensees and tariffs**
- **Import marginal price**
- **Exporters**
- **Electricity System Commercial Operator**
- **TSC “Saqrusenergo”**
- **LTD “Georgian State Electro system”**
- **Distribution companies**
- **Direct Consumers**
- **Retail consumers buying electricity from small PP**
- **Retail consumers buying electricity from distribution companies**

**Energy supply**
- **Regulated enterprises**
- **Contracts on balanced electricity**
- **Partially deregulated**
- **Direct contracts**
- **Deregulated**
The Legal basis for Commission’s activity are the law on “Electricity and Natural Gas”, law on “National Independent Regulatory Bodies”, law on “Licenses and Permits”, “Electricity Market Rules” adopted by the Ministry of Energy of Georgia and other normative acts.

Georgian National Energy and Water Regulatory Commission promotes implementation of state policy in energy, national safety, social, ecology and other sectors. Therefore Commission establishes rules for electricity generation, transit, dispatch, distribution and export-import activities. Commission sets and regulates wholesale and retail tariffs for energy generation, transit, dispatch, distribution, transmission, import and consumption. Within its competence, resolves disputes between licensees, importers, exporters, suppliers and consumers. GNERC establishes control over the conditions of the licenses within the electricity sector and over the continuity of supply and service quality; coordinates the certification works in the sector.

During past two years Georgian energy market was uplaced by Electricity System Commercial Operator. Now all the sales of electricity generated by Georgián power plants and electricity imports are conducted by the direct contracts or by the System Commercial Operator. The main functions of System Operator are sale of balancing electricity, provision of capacity with the system reserve, registration of qualified entities for the participation in the wholesale trade and establishment of sale database.