



GALT & TAGGART
CREATING OPPORTUNITIES



Georgia's Electricity Market Watch

Summary of 1H25

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1H25 highlights

Supply: In 1H25, 7.6 TWh of electricity was supplied to the grid, out of which 6.6 TWh (-9.7% y/y) was local generation, and 1.0 TWh (+13.0% y/y) was imported. The decline in local generation was due to reduced output from both hydropower and thermal power plants. The choice between local TPP generation and imports was made based on price.

Domestic electricity consumption was up by 2.4% y/y to 6.9 TWh in 1H25. The direct consumers showed the fastest growth in consumption at 4.5% y/y.

Export: In 2025, the export season began in May, as usual. In contrast, exports started earlier - in April - in the previous two years, driven by high prices in Turkey, increased thermal generation, and lower domestic consumption. In 1H25, export volume decreased to 0.4 TWh (-41.4% y/y), while the average export price dropped to 4.3 USc/kWh (-4.0% y/y). As a result, export revenues fell to US\$ 19.2 mn (-43.8% y/y).

Trade balance: Georgia remained a net importer in both value (US\$ 6.1mn net imports) and volume (0.5 TWh net imports) of electricity in 1H25.

Electricity price: The wholesale electricity price increased by 3.4% y/y, reaching 5.8 USc/kWh. Power plants with PPAs continued to hold the largest share in balancing electricity generation, while the number of transactions on the day-ahead market remained minimal.

Electricity price in Georgia: The wholesale electricity price increased by 3.4% y/y, reaching USc 5.8/kWh. PPA-based power plants continue to hold the largest share in the formation of balancing electricity prices. The number of transactions in the market remained low but was significantly higher than in previous periods.

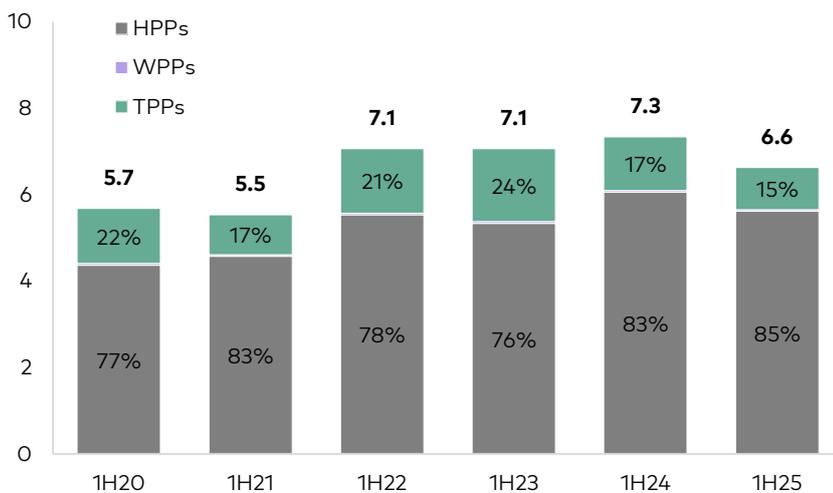


Electricity generation

Electricity generation in Georgia decreased by 9.7% y/y to 6.6 TWh in 1H25. This decline was mainly due to lower output from both hydropower and thermal sources:

- Hydropower generation fell by 7.3% y/y to 5.6 TWh, accounting for 84.7% of total generation. The decrease was driven by reduced output from regulated power plants.
- Thermal generation dropped significantly by 21.6% y/y, mainly due to lower hydropower output, reduced exports, and increased imports.

Figure 1: Electricity generation, TWh



Source: ESCO, GSE, Galt & Taggart

Table 1: Electricity generation breakdown, 1H25

Supply source	Growth rate, y/y
Total generation	-9.7%
TPPs	-21.6%
WPPs	+7.8%
HPPs	-7.3%
<i>Of which</i>	
Enguri and Vardnili	-20.8%
Other regulated HPPs	-11.6%
Deregulated HPPs	+6.4%



Electricity consumption

Electricity consumption has maintained its upward trajectory, rising by 2.4% y/y in 1H25 from 6.9TWh in 1H24.

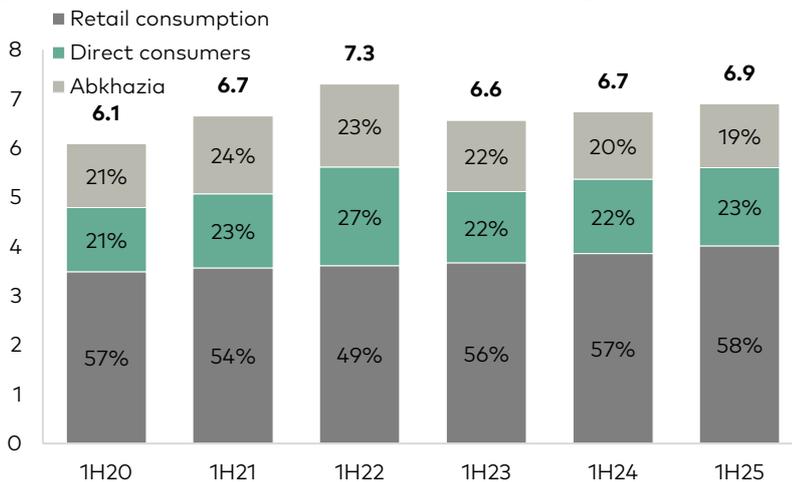
The increase in electricity consumption in 1H25 was primarily driven by higher demand from direct consumers (+4.5% y/y) and retail consumers (+4.2% y/y), while consumption in the Abkhazia region declined by 4.9% y/y.

Table 2: Local demand growth breakdown, 1H25

Consumer	Growth rate, y/y
Domestic consumption	+2.4%
Abkhazian region	-4.9%
Direct Consumers	+4.5%
Retail consumption	+4.2%
Of which:	
EPG	+4.5%
Telmico	+3.7%

Source: ESCO, GSE, Galt & Taggart

Figure 2: Electricity consumption by consumer groups, TWh



Source: GNERC, ESCO, GSE, Galt & Taggart

Note 1: **Retail consumption** includes consumption of EPG Supply, Energo-pro Georgia, Telmico and Telasi. EPG Supply used to be Energo-pro Georgia and Telmico used to be Telasi prior Jun-21. The titles and functions changed in line with ongoing energy reform's unbundling requirement.

Note 2: Criteria for mandatory registration as direct consumer from July 1, 2025 are: all companies connected at 35-110 kV voltages, and those connected at 6-10 kV voltages that consume at least 1 TWh per month.



Foreign trade of electricity

Export

The electricity **export volume** decreased by 41.4% y/y to 0.4 TWh in 1H25. The export season started in May and will likely last until August. Turkey remained the main export market, with an 81.6% share of exports. The decrease in exports is due to falling Turkish prices of electricity reducing exporter interest in their market.

The top 3 exporters for Turkey were Bookup Solutions, Georgian Urban Energy and Adjara Energy 2007, while Cross Border Trading was the main exporter to Armenia.

Notably, GSE supplied 52.6 GWh of electricity to Turkey, aimed at settling a historical debt with the country.

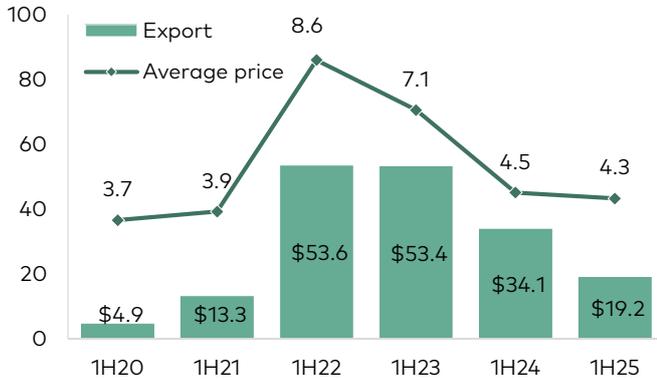
Export revenues fell sharply in 1H25, decreasing by 43.8% y/y to US\$ 19.2mn. This drop was due to reductions in both export volume and price. The average export price declined by 4.0% y/y, amounting to 4.3 USc/kWh.

Transit

In 1H25, a total of 0.3 TWh of electricity was transmitted through Georgia to Turkey, with the majority (87.9%) originating from Azerbaijan and the remainder from Russia.

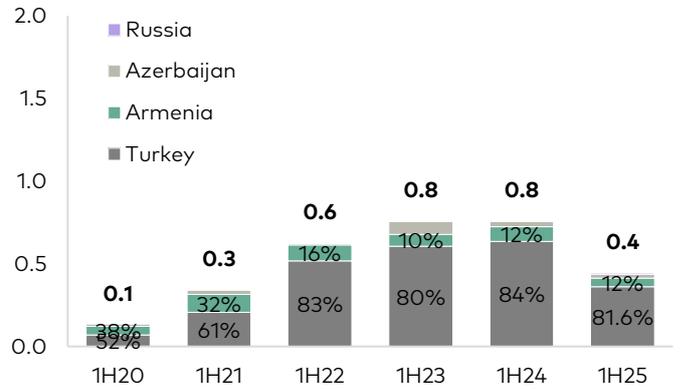


Figure 3: Export value (US\$ mn) and average price (USc/kWh) of electricity exports



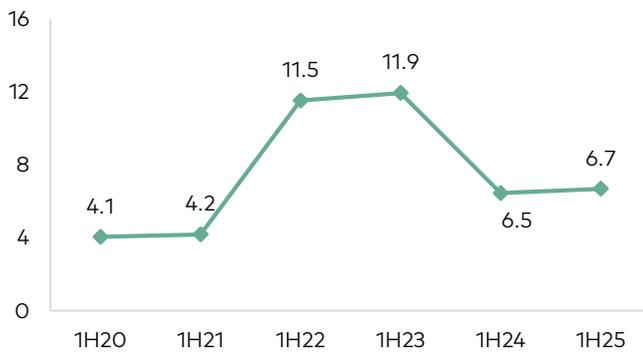
Source: ESCO, GSE, Geostat, Galt & Taggart

Figure 4: Electricity exports by destination, TWh



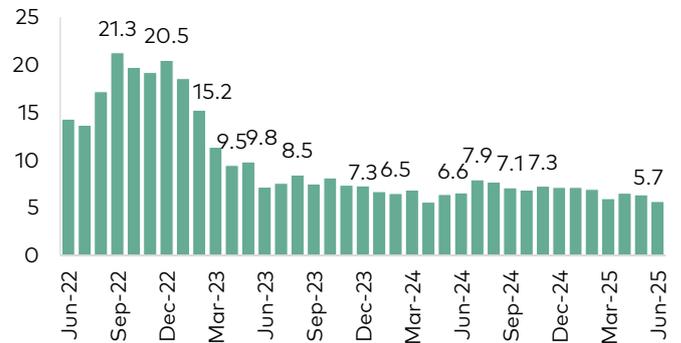
Source: ESCO, GSE, Geostat, Galt & Taggart

Figure 5: Average annual Market Clearing Prices in Turkey, USc/kWh



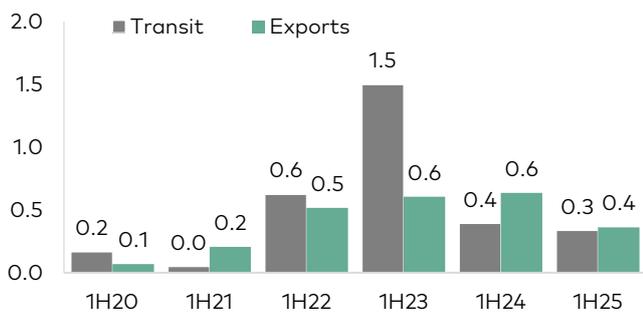
Source: EPIAS, EVDS, Galt & Taggart

Figure 6: Average monthly Market Clearing Prices in Turkey, USc/kWh



Source: EPIAS, EVDS, Galt & Taggart

Figure 7: Electricity export and transit to Turkey, TWh



Source: ESCO, GSE, Galt & Taggart



Import

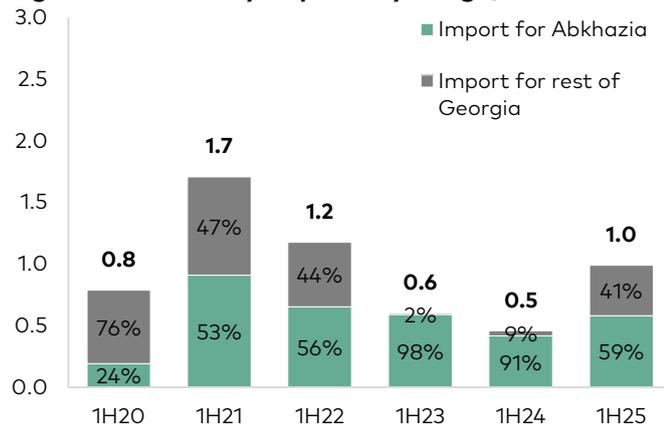
Electricity imports increased by 116.6% y/y to 1.0 TWh in 1H25. An 78.9% of the imported electricity came from Russia, out of which 58.6% was directed to Abkhazian region.

Import value reached US\$ 25.3mn in 1H25. Average price of imported electricity was 2.6 US\$/kWh. Notably, the average price was significantly influenced by the "special price" of 0.1 US\$/kWh offered by Russia for the Abkhazian region.

Trade balance

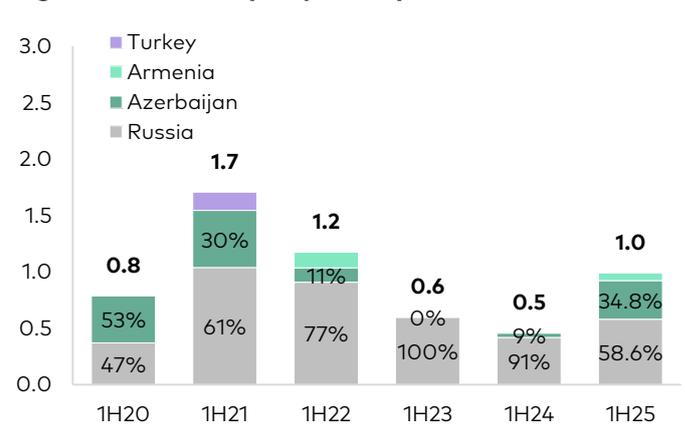
Georgia was a net importer of electricity in both value and volume terms with net electricity imports at US\$ 6.1mn and 0.5 TWh in 1H25.

Figure 8: Electricity imports by usage, TWh



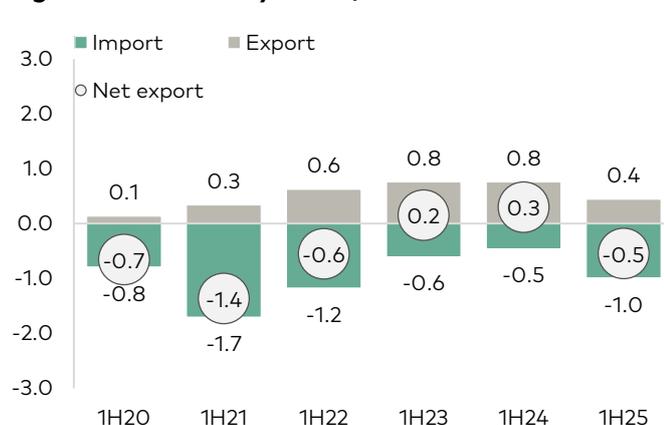
Source: GNERC, ESCO, GSE, Geostat, Galt & Taggart

Figure 9: Electricity imports by countries, TWh



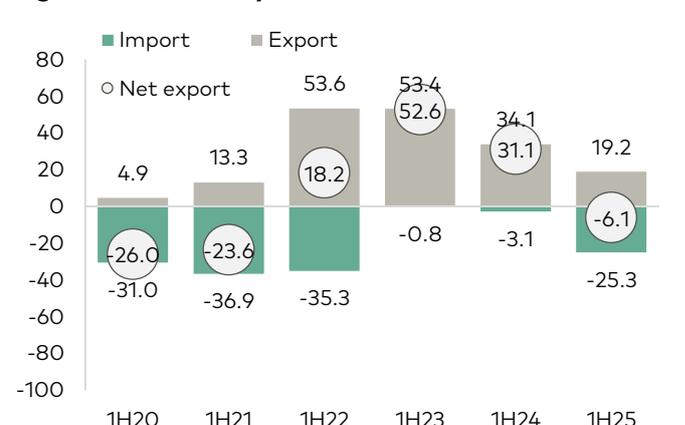
Source: GNERC, ESCO, GSE, Geostat, Galt & Taggart

Figure 10: Electricity trade, TWh



Source: GNERC, ESCO, GSE, Geostat, Galt & Taggart

Figure 11: Electricity trade, US\$ mn



Source: GNERC, ESCO, GSE, Geostat, Galt & Taggart



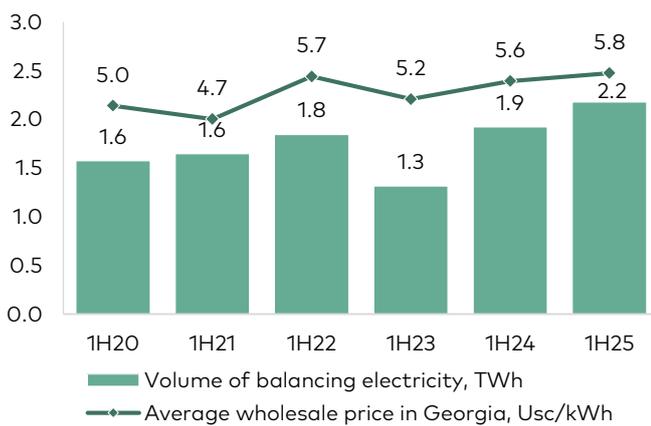
Electricity price in Georgia

Balancing electricity price

The average selling price of balancing electricity increased by 3.4% y/y to 5.8 USc/kWh.

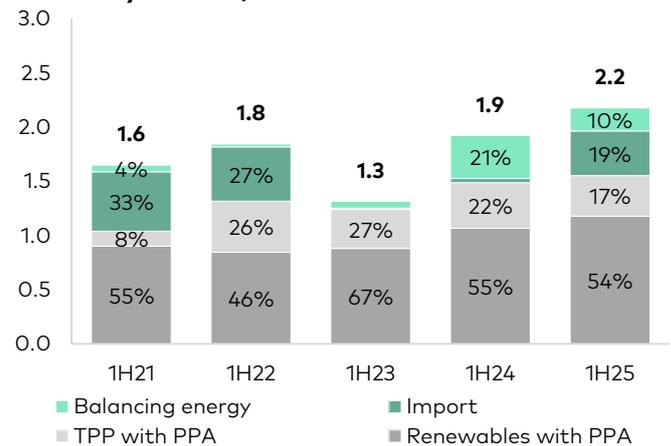
The volume of balancing electricity increased by 13.3% y/y to 2.2 TWh, accounting for 28.6% of the total supply. The growth in volume is mainly driven by an increase in imports and generation from PPA-based power plants. The latter is related to the commissioning of new plants, Khobi-2 and Mtkvari HPP.

Figure 12: Balancing electricity volume (TWh) and prices (USc/kWh)



Source: GNERC, ESCO, Geostat, Galt & Taggart

Figure 13: Composition of ESCO's balancing electricity volume, TWh



Source: ESCO, Galt & Taggart



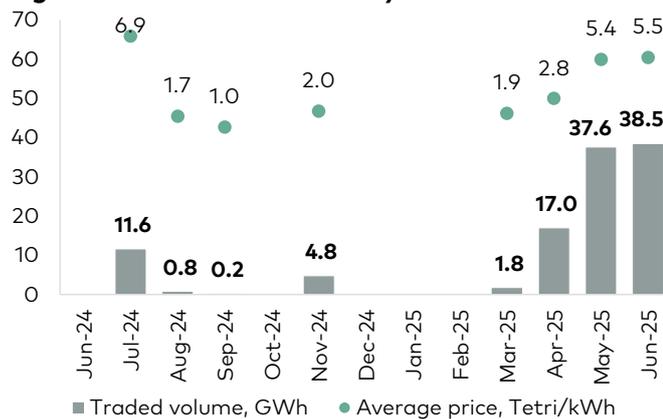
Energy exchange platform

In 1H25, 94.6 GWh, or only 1.2% of total supply, was sold through the **Energy Exchange platform**. The volume has increased significantly in recent months, but it is still insufficient for making qualified conclusions about prices and supply trends.

The growth in trading volume in May and June 2025 is related to the low prices in alternative markets, specifically, the ESCO's acquisition price during this period was 4.021 tetri per kWh (due to regulation).

We believe trading on the day-ahead market will become more active once the country transitions to hourly settlement. This shift is currently planned for July 2027.

Figure 14: Transactions on day-ahead market



Source: GENEX, Galt & Taggart



Electricity Balance, TWh

	2019	2020	2021	2022	2023	2024	2025F
Domestic consumption, total	12,759	12,136	13,730	14,165	13,053	13,834	14,721
<i>% change y/y</i>	1.4%	-4.9%	13.1%	3.2%	-7.9%	6.0%	6.4%
Of which:							
Abkhazian Region	2,060	2,552	2,956	3,029	2,703	2,553	2,610
<i>% change y/y</i>	7.2%	23.9%	15.8%	2.5%	-10.8%	-5.6%	2.3%
Eligible consumers	2,864	2,438	3,554	3,726	2,779	3,142	3,832
<i>% change y/y</i>	59.6%	-14.9%	45.8%	4.8%	-25.4%	13.1%	21.9%
Retail consumption	7,835	7,146	7,219	7,411	7,572	8,139	8,279
<i>% change y/y</i>	-11.6%	-8.8%	1.0%	2.7%	2.2%	7.5%	1.7%
Domestic Generation, total	11,865	11,160	12,645	14,247	14,396	14,234	15,341
<i>% change y/y</i>	-2.3%	-5.9%	13.3%	12.7%	1.0%	-1.1%	7.8%
Of which:							
Thermal Power Plants	2,840	2,821	2,380	3,388	3,446	2,812	3,705
<i>% change y/y</i>	34.3%	-0.7%	-15.6%	42.4%	1.7%	-18.4%	31.8%
Wind Power Plants	85	91	83	87	86	78	85
<i>% change y/y</i>	0.5%	7.3%	-8.2%	5.0%	-1.6%	-9.9%	9.0%
Hydro Power Plants	8,940	8,248	10,182	10,771	10,863	11,344	11,551
<i>% change y/y</i>	-10.1%	-7.7%	23.4%	5.8%	0.9%	4.4%	1.8%
Foreign trade							
Import	1,627	1,610	2,006	1,533	790	1,228	748
<i>% change y/y</i>	7.8%	-1.0%	24.6%	-23.6%	-48.5%	55.4%	-39.1%
Export	243	154	391	971	1,468	1,047	674
<i>% change y/y</i>	-58.6%	-36.8%	154.2%	148.4%	51.2%	-28.7%	-35.6%
Trade balance	-1,383	-1,456	-1,615	-562	679	-180	-74
<i>% change y/y</i>	50.3%	5.3%	10.9%	-65.2%	-220.7%	-126.5%	-59.1%
Transit	272	204	1,135	2,933	3,444	1,074	
<i>% change y/y</i>	913.6%	-25.2%	457.8%	158.3%	17.4%	-68.8%	

Source: GNERC, Matsne, Galt & Taggart

Note: 2025F figures are based on MoESD 's forecasted annual balance of 2025

Price of electricity, USc/kWh

	2019	2020	2021	2022	2023	2024	2025F
Balancing price, selling	4.8	5.0	4.9	5.5	5.3	5.6	5.7
<i>% change y/y</i>	-5.4%	8.1%	-5.9%	17.0%	-6.2%	5.9%	1.8%
Average import price	4.8	4.0	2.4	2.7	0.1	1.9	
<i>% change y/y</i>	-5.4%	8.1%	-5.9%	17.0%	-6.2%	-	
Average export price	3.2	3.8	4.0	8.7	6.5	4.7	4.5
<i>% change y/y</i>	-5.4%	8.1%	-5.9%	17.0%	-6.2%	-27.9%	-4.3%

Source: GNERC, Geostat, Galt & Taggart



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