



GALT & TAGGART
CREATING OPPORTUNITIES



Georgia's Electricity Market Watch

Summary of 2025

27 January 2026



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2025 Highlights

Supply: In 2025, 15.4 TWh of electricity was supplied to the grid, out of which 13.8 TWh was local generation, and 1.6 TWh were imports. Importantly, 6 new solar and 2 new hydro power plants were commissioned, with a total installed capacity of 22.6MW. As a result, total installed capacity of the country reached 4.7GW in 2025.

Domestic electricity consumption was up by 3.5% y/y to 14.3 TWh in 2025. The direct consumers showed the fastest growth in consumption at 9.2% y/y.

Export: The export season began in May and ended in July. In 2025, export volume decreased to 0.5 TWh (-51.2% y/y), while the average export price dropped to 4.6 US\$/kWh (-2.0% y/y) due to decreased Market Clearing Prices in Turkey. As a result, export revenues fell to US\$ 23.5mn (-52.2% y/y).

Trade balance: Georgia remained a net importer of electricity in both value (US\$ 24.3mn net imports) and volume (1.0 TWh net imports) terms in 2025.

Electricity price: wholesale price of electricity in Georgia increased by 4.1% y/y to US\$ 5.8 /kWh. Balancing electricity is still dominated by PPA-owned stations. Transactions on day-ahead market platform were minimal.

Market news: GNERC changed the tariffs of regulated companies and approved the 5-year investment plans of Energo-Pro Georgia and Telasi. Meanwhile, the adoption of new retail tariffs was delayed by 3 months to March 31, 2026.



Electricity generation

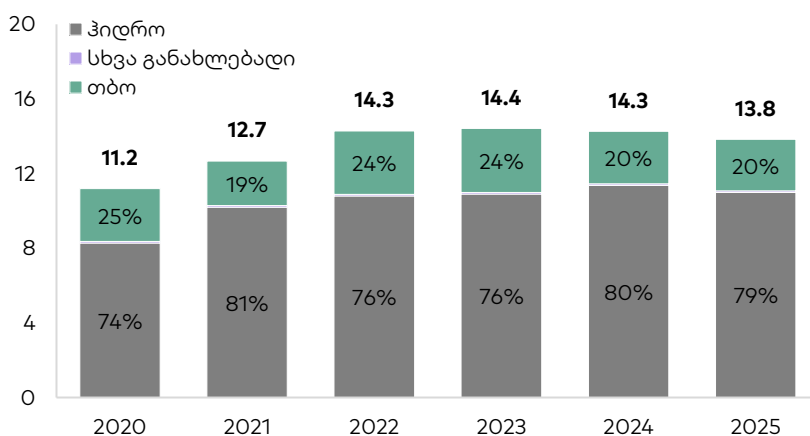
Electricity generation in Georgia decreased by 3.0% y/y to 13.8 TWh in 2025. This decline was mainly due to lower output from both hydropower and thermal sources:

- **Hydropower generation** fell by 3.4% y/y to 11.0 TWh. The decrease was driven by reduced output from regulated power plants, due to planned renovations on some of such HPPs, hydrological conditions and low starting level of water in Enguri reservoir.
- **Thermal generation** dropped by 1.6% y/y, mainly due to reduced exports and increased imports.
- **WPPs and SPPs** generation reached 84 GWh, representing 0.5% of total supply.

In 2025, 2 HPPs (11.8 MW total) and 6 solar power plants (10.8MW total) were connected to the grid.

As a result, total installed capacity of Georgia reached 4,675MW out of which 3,489MW was hydro, 1,154MW thermal, 20.7MW wind and 10.8MW solar power plants.

Figure 1: Electricity generation, TWh



Source: GNERC, ESCO, Galt & Taggart

Table 1: Electricity generation breakdown, 2025

Supply source	Growth rate, y/y
Total generation	-3.0%
TPPs	-1.6%
WPPs	+8.3%
HPPs	-3.4%
Of which	
Enguri and Vardnili	-0.6%
Other regulated HPPs	-12.1%
Deregulated HPPs	-0.6%



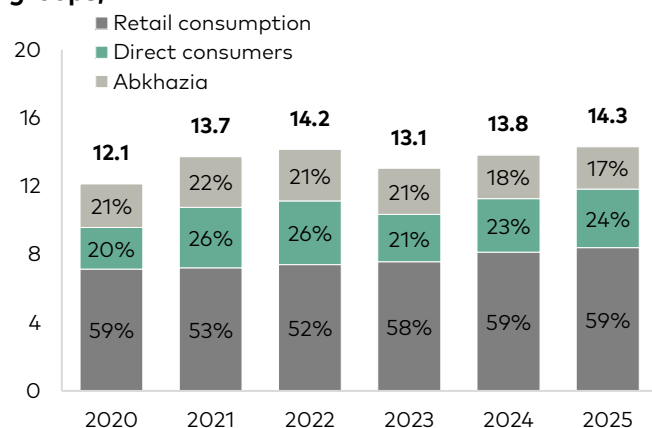
Electricity consumption

Electricity consumption in Georgia increased by 3.5% y/y to 14.3 TWh in 2025.

This growth was driven by increased consumption of direct consumers (+9.2% y/y) and retail consumption (+3.2% y/y), offsetting Abkhazian region's decreased (-2.6% y/y) consumption.

Retail consumption in 2025 increased for both EPG (+4.2% y/y) and Telmico (+1.9% y/y) subscribers.

Figure 2: Electricity consumption by consumer groups, TWh



Source: GNERC, ESCO, Galt & Taggart

Table 2: Local demand growth breakdown, 2025

Consumer	Growth rate, y/y
Domestic consumption	+3.5%
Abkhazian region	-2.6%
Direct Consumers	+9.2%
Retail consumption	+3.2%
Of which:	
EP Georgia supply	+4.2%
Telmico	+1.9%

Source: GNERC, ESCO, 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** is currently 0.4GWh consumption per month. The revision of the criteria is planned for Jul-26 to include more companies.



Foreign trade of electricity

Export

The electricity **export volume** decreased by 51.2% y/y to 0.5 TWh in 2025. The export season started in May and ended in July. Turkey remained the main export market, with an 78.5% share of exports. The decrease in exports was due to a decrease in Turkish prices of electricity reducing exporter interest and decrease in local renewable generation. 10.3% of electricity was exported to Armenia, 9.8% to Azerbaijan and a mere 1.4% to Russia.

The top 3 exporters in 2025 were: for Turkey Cross Border Trading, Adjara Energy 2007 and Georgian Urban Energy, while Cross Border Trading was also the main exporter to Armenia.

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

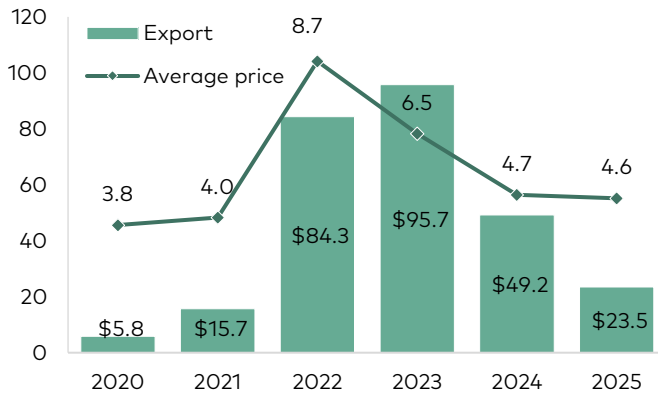
Export revenues fell sharply in 2025, decreasing by 52.2% y/y to US\$ 23.5mn. This drop was due to reductions in both export volume and price. The average export price declined by 2.0% y/y to 4.6 US\$/kWh.

Transit

In 2025, 0.7 TWh (-38.1% y/y) of electricity was transited through Georgia to Turkey. A 63.1% of which was from Azerbaijan, 34.7% - from Russia and the rest from Armenia.

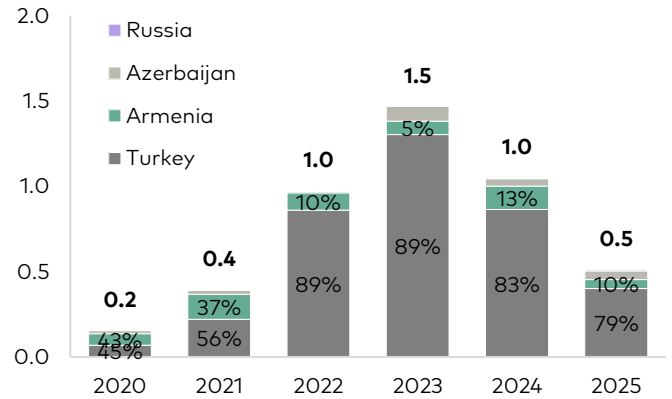


Figure 3: Export value (US\$ mn) and average price (USc/kWh) of electricity exports



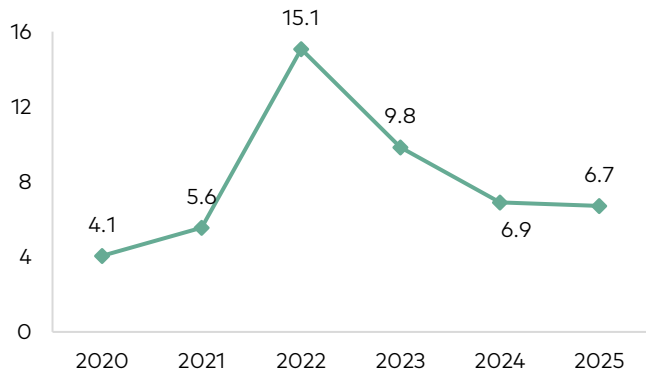
Source: GNERC, ESCO, Geostat, Galt & Taggart

Figure 4: Electricity exports by destination, TWh



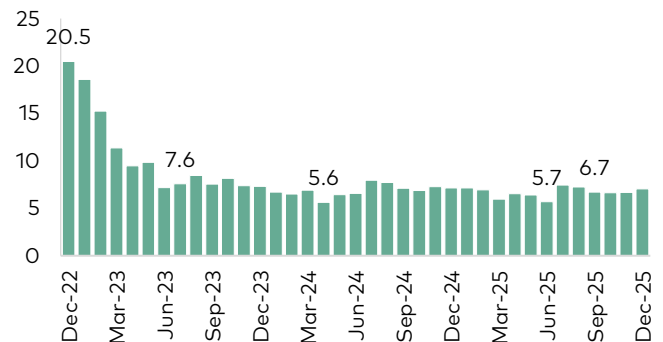
Source: GNERC, ESCO, Geostat, Galt & Taggart

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



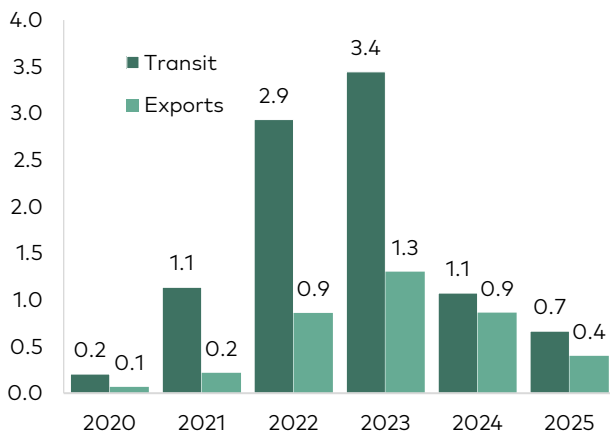
Source: EPIAS, EVDS, Galt & Taggart

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: GNERC, ESCO, Galt & Taggart



Import

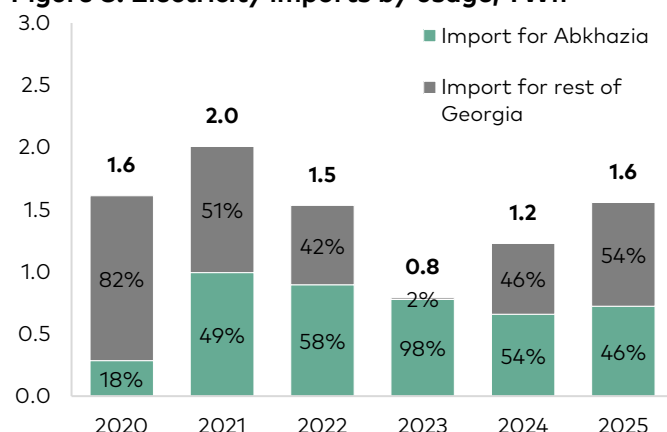
Electricity imports increased by 26.9% y/y to 1.6 TWh in 2025. A 62.4% share of the imported electricity came from Russia, while 46.5% of the total was directed to the Abkhazian region.

Import value reached US\$ 47.8mn in 2025. Average price of imported electricity was USc 3.1/kWh. Notably, the average price was significantly influenced by the "special price" of USc 0.1/kWh offered by Russia for the Abkhazian region.

Trade balance

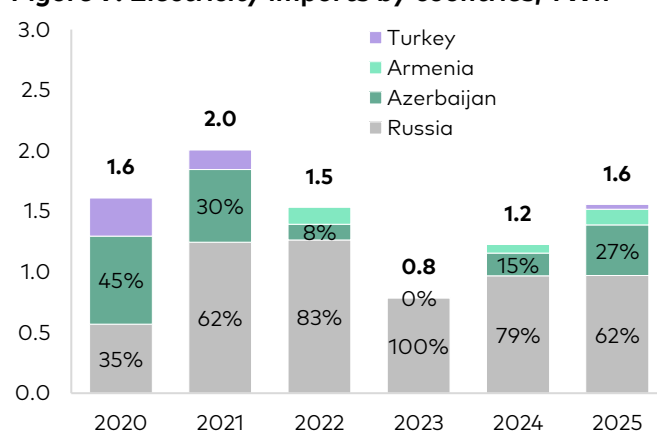
Georgia was a net importer of electricity in both value and volume terms with net electricity imports at US\$ 24.3mn and 1.0 TWh in 2025.

Figure 8: Electricity imports by usage, TWh



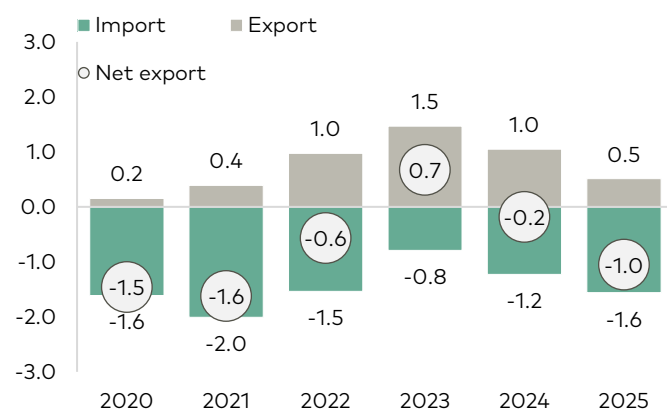
Source: GNERC, ESCO, Geostat, Galt & Taggart

Figure 9: Electricity imports by countries, TWh



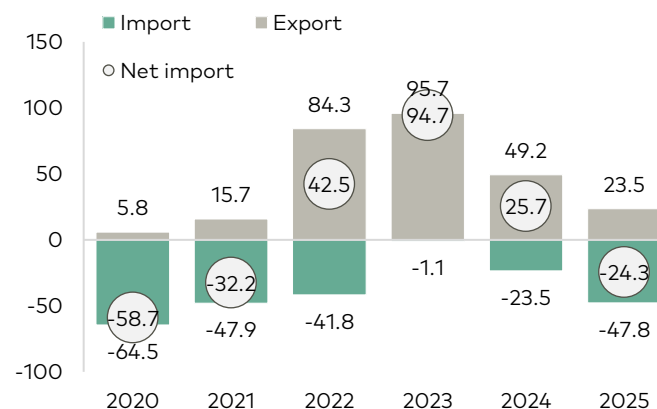
Source: GNERC, ESCO, Geostat, Galt & Taggart

Figure 10: Electricity trade, TWh



Source: GNERC, ESCO, Geostat, Galt & Taggart

Figure 11: Electricity trade, US\$ mn



Source: GNERC, ESCO, Geostat, Galt & Taggart



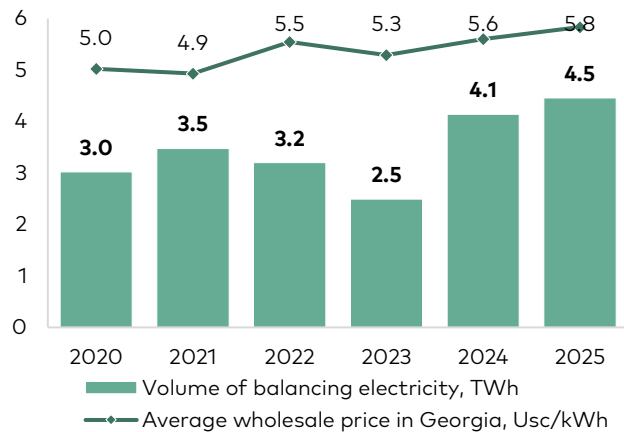
Electricity price in Georgia

Balancing electricity

The **average selling price** of balancing electricity increased by 4.1% y/y to 5.8 USc/kWh.

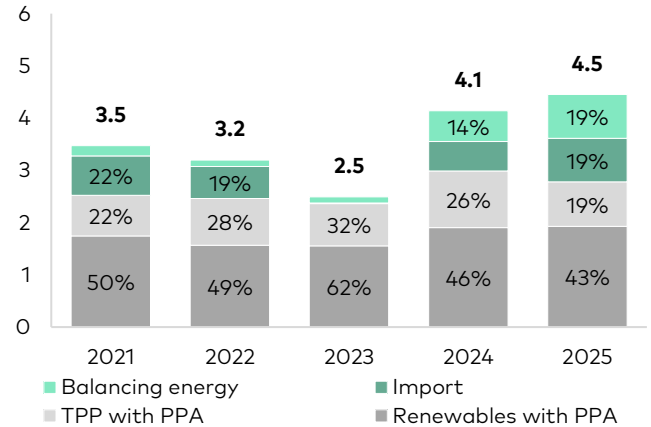
The **volume of balancing electricity** increased by 7.6% y/y to 4.5 TWh, accounting for 28.9% of the total supply. The growth in volume was mainly driven by an increase in imports and generation from PPA-based power plants. The latter is related to the start of operation of new power plants Khobi-2 and Mtkvari HPP in 2H24.

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



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

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



Source: ESCO, Galt & Taggart



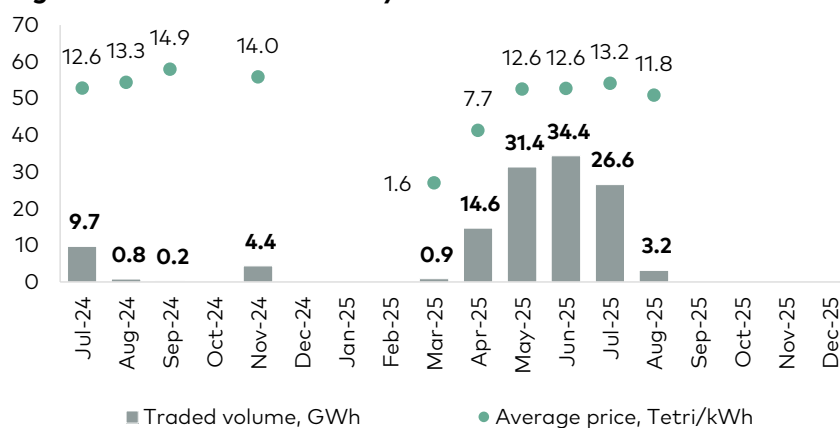
Energy exchange platform

In 2025, 129.8 GWh, or only 0.9% 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.

In 2025, 129.8 GWh, or only 0.9% of total electricity supply, was traded through the energy exchange platform. Trading volumes were relatively higher during the summer months and no trading activity took place after September. Therefore, available market statistics are insufficient to draw conclusions on pricing dynamics or supply trends.

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



News on the market

Tariff changes

GNERC completed the scheduled audit of regulated entities, approved investment plans, and, in selected cases, revised tariffs by the end of 2025. The following are the key changes effective since January 1, 2026:

- GNERC revised, adjusted, or extended by one year the generation tariffs of most regulated power plants. A material increase was approved only for Khrami 1 and Khrami 2 HPPs, with tariffs rising to 4.764 tetri/kWh (from 2.41 tetri/kWh) and 4.259 tetri/kWh (from 4.15 tetri/kWh), respectively. These plants generated 535.1 GWh in 2025, accounting for 4.3% of total generation. In our view, this change will have no impact on wholesale electricity prices and only a negligible effect on retail tariffs.
- Five-year investment plans for Telasi and Energo-Pro Georgia were approved, amounting to GEL 0.4bn and GEL 1.6bn, respectively. A total of GEL 1.96bn will be invested in strengthening the electricity distribution grid over 2026-30.
- Telasi's distribution tariffs for 2026-30 have been approved: the low-voltage tariff (220 V) decreased by 5.6% to 7.419 tetri/kWh; the medium-voltage tariff (3.3-6-10 kV) increased by 24.1% to 4.788 tetri/kWh.
- New retail electricity tariffs for households and businesses (excluding large consumers) were due to be approved at end-2025 for the next five-year period, based on regulatory framework of electricity market. GNERC extended the validity of the 2025 tariffs by three months, with a new decision expected by April 1. In our view, a modest increase in retail tariffs is likely, although it is too early to quantify the magnitude.



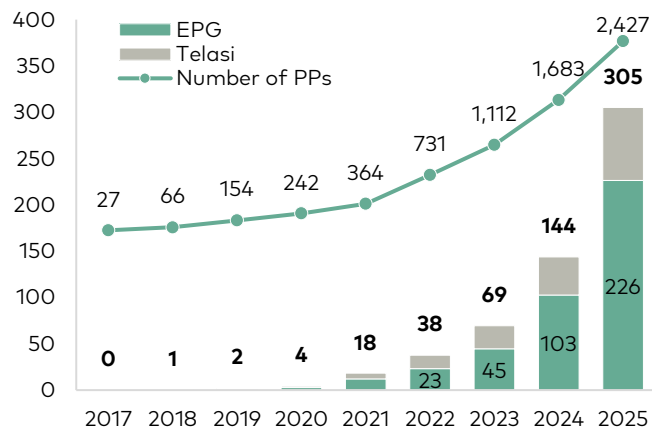
Net-metering

Micro power plants saw notable growth in 2025, with 744 plants adding 161.2MW to the grid.

By end-2025, net metering plants totaled 305.0MW (2,427 stations), with 226.5MW connected to Energo-pro Georgia's grid and 78.5MW to Telasi's.

In our view, micro-capacity power plants supplied approximately 2.0% of electricity consumption in 2025; however, their generation is not captured in aggregate electricity statistics.

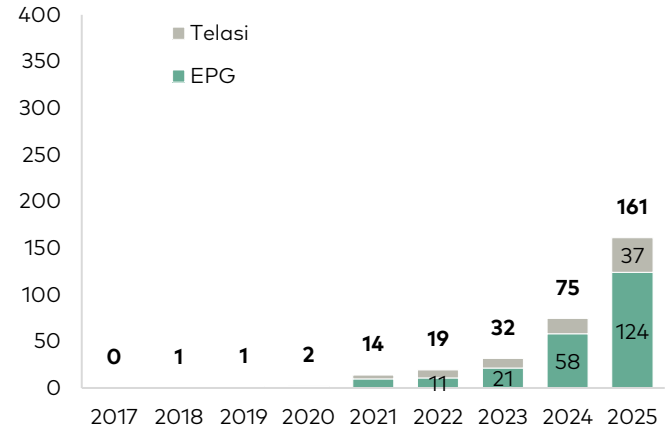
Figure 15: Total capacity of micro power plants benefitting from net metering regulations, MW



Source: GNERC, Galt & Taggart

Note: These plants have an installed capacity under 0.5MW and fall under "Net Metering" regulations, allowing direct trade between power plants and consumers.

Figure 16: Capacity additions of micro power plants benefitting from net metering regulations, MW



Source: GNERC, Galt & Taggart



Electricity Balance, TWh

	2020	2021	2022	2023	2024	2025	2026F
Domestic consumption, total	12,136	13,730	14,165	13,053	13,834	14,317	14,978
% change y/y	-4.9%	13.1%	3.2%	-7.9%	6.0%	3.5%	4.6%
Of which:							
Abkhazian Region	2,552	2,956	3,029	2,703	2,553	2,486	2,642
% change y/y	23.9%	15.8%	2.5%	-10.8%	-5.6%	-2.6%	6.3%
Eligible consumers	2,438	3,554	3,726	2,779	3,142	3,430	3,765
% change y/y	-14.9%	45.8%	4.8%	-25.4%	13.1%	9.2%	9.8%
Retail consumption	7,146	7,219	7,411	7,572	8,139	8,401	8,571
% change y/y	-8.8%	1.0%	2.7%	2.2%	7.5%	3.2%	2.0%
Domestic Generation, total	11,160	12,645	14,247	14,396	14,234	13,838	14,522
% change y/y	-5.9%	13.3%	12.7%	1.0%	-1.1%	-2.8%	4.9%
Of which:							
Thermal Power Plants	2,821	2,380	3,388	3,446	2,812	2,767	2,696
% change y/y	-0.7%	-15.6%	42.4%	1.7%	-18.4%	-1.6%	-2.6%
Wind Power Plants	91	83	87	86	78	84	104
% change y/y	7.3%	-8.2%	5.0%	-1.6%	-9.9%	8.3%	24.2%
Hydro Power Plants	8,248	10,182	10,771	10,863	11,344	10,987	11,721
% change y/y	-7.7%	23.4%	5.8%	0.9%	4.4%	-3.2%	6.7%
Foreign trade							
Import	1,610	2,006	1,533	790	1,228	1,558	1,975
% change y/y	-1.0%	24.6%	-23.6%	-48.5%	55.4%	26.9%	26.8%
Export	154	391	971	1,468	1,047	511	875
% change y/y	-36.8%	154.2%	148.4%	51.2%	-28.7%	-51.2%	71.2%
Trade balance	-1,456	-1,615	-562	679	-180	-1,046	-1,100
% change y/y	5.3%	10.9%	-65.2%	-220.7%	-126.5%	480.8%	5.2%
Transit	204	1,135	2,933	3,444	1,074	665	
% change y/y	-25.2%	457.8%	158.3%	17.4%	-68.8%	-38.1%	

Source: GNERC, ESCO, Matsne, Galt & Taggart

Note: 2026F figures are based on MoESD's forecasted annual balance of 2025

Price of electricity, USc/kWh

	2020	2021	2022	2023	2024	2025	2026F
Balancing price, selling	5.0	4.9	5.5	5.3	5.6	5.8	5.9
% change y/y	8.1%	-5.9%	17.0%	-6.2%	5.9%	4.1%	0.8%
Average import price	4.0	2.4	2.7	0.1	1.9	3.1	3.5
% change y/y	-17.0%	-40.4%	14.1%	-95.1%	1328.9%	60.4%	14.0%
Average export price	3.8	4.0	8.7	6.5	4.7	4.6	4.8
% change y/y	8.1%	-5.9%	17.0%	-6.2%	-27.9%	-2.0%	3.4%

Source: GNERC, ESCO, Geostat, Galt & Taggart



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