Georgia's Electricity Market Watch - April 2026 update

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April 2026 update

April 2026: Hydro generation fell to a 5-year low, raising reliance on thermal generation and imports to 20.7%

In April 2026, local electricity consumption increased by 2.1% y/y to 1.1 TWh. At the same time, hydro generation declined by 19.3% y/y due to weaker hydrological conditions. As a result, the combined share of thermal generation and imports in total supply rose to 20.7%, compared to the April average of 6.0% over 2021-25.

This once again highlights Georgia's vulnerability stemming from its dependence on hydro generation and points to the need for accelerated development of new generation sources.

4M26: The high share of imports and thermal generation highlights the need to accelerate new generation development

In 4M26, electricity consumption increased by 6.6% y/y to 5.1 TWh. In our view, this growth was mainly driven by an unusually cold winter and the recovery in ferroalloy production.

In 4M26, thermal generation and imports accounted for 44.3% of total supply, up from 39.2% in 4M25. This increase was mainly driven by weak hydrological conditions in April 2026 and Enguri HPP's low reservoir level in Jan-Feb 2026.

Turkey was among Georgia's key import sources in 3 out of 4 months in 2026, pointing to increased competition in imports and a possible structural shift in import dynamics.

Overall, the high share of imports and thermal generation once again underlines the need to accelerate the development of new generation sources.

Table 1: Balance of electricity, Apr-26

Balance item	TWh	Growth rate, y/y	Share in total
Total demand	**1.2**	**+2.9%**	**100%**
Local consumption	1.1	+2.1%	95.5%
Export	0.017	-27.1%	1.4%
Losses	0.04	-15.4%	3.1%
Total supply	**1.2**	**+2.9%**	**100%**
Local generation	1.2	-1.5%	95.7%
Import	0.05	N/A	4.3%

Source: ESCO, Galt & Taggart

Table 2: Balance of electricity, 4M26

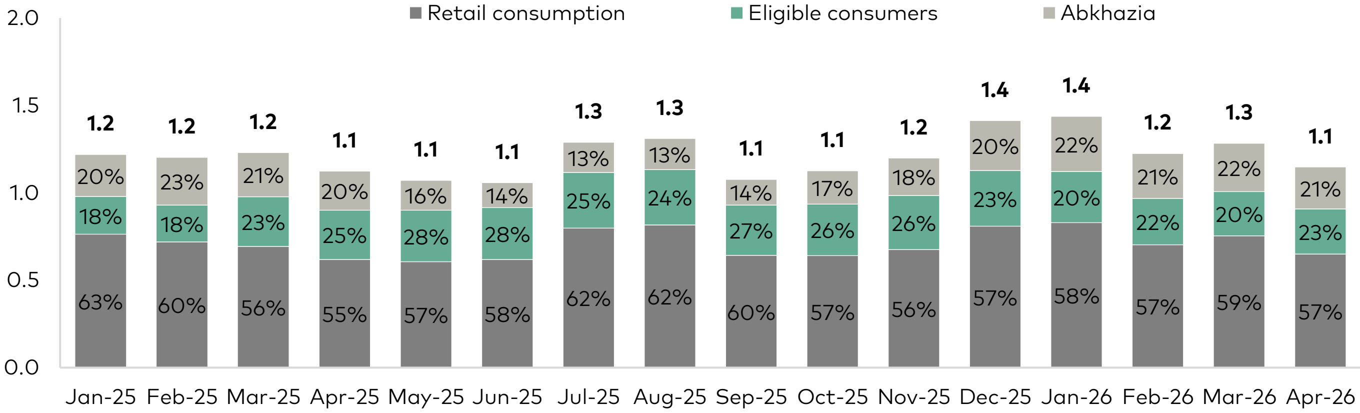
Balance item	TWh	Growth rate, y/y	Share in total
Total demand	**5.3**	**+6.9%**	**100%**
Local consumption	5.1	+6.6%	96.2%
Export	0.029	-27.1%	0.5%
Losses	0.2	+1.4%	3.2%
Total supply	**5.3**	**+6.9%**	**100%**
Hydro, wind and solar generation	2.9	-2.1%	55.7%
Thermal generation	1.2	+25.4%	22.9%
Import	1.1	+16.3%	21.4%

Source: ESCO, Galt & Taggart

Electricity consumption: Growth driven by retail segment and Abkhazian region

Local electricity consumption in Apr-2026 stood at 1.1 TWh, up by 2.1% y/y. The increase was driven by retail consumers (+5.1% y/y) and the Abkhazian region (+7.3% y/y). Consumption by eligible consumers declined by 8.5% y/y, mainly due to slower consumption by crypto-mining and data-processing companies.

Figure 1: Profile of electricity consumption by consumer groups, TWh



Source: 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 to Jun-21. The titles and functions changed in line with ongoing energy reform's unbundling requirement.

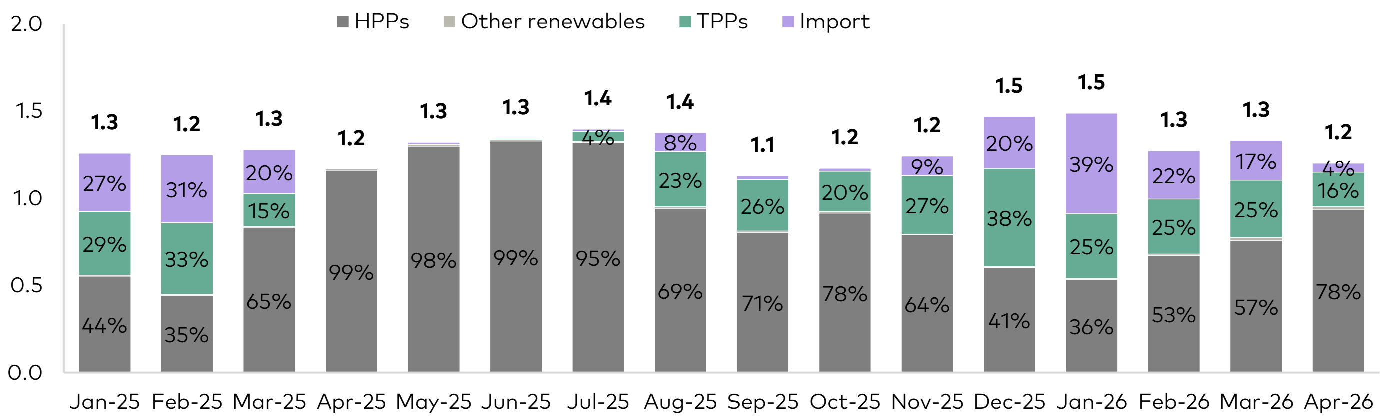
Note 2: The criteria for mandatory registration as **direct consumer** is currently 0.4 GWh consumption per month. The revision of the criteria is planned for Jul-26 to include more companies.

Electricity generation: Hydro generation declined significantly y/y, mainly offset by thermal generation

In April 2026, hydro generation fell by 19.3% y/y due to weak hydrology, reducing its share in total supply to 78% vs the 2021-24 April average of 93%. Delayed warming and late snowmelt kept water levels low for most of the month, increasing the need for thermal generation and imports to 16.5% and 4.3% of total supply, respectively.

Three power plants were added to the grid in April: Chiora HPP and Bakhvi 2b HPP entered test mode with up to 40 MW of combined capacity, while the 18.7 MW Zemo Wind Power Plant started commercial operation after one month of testing.

Figure 2: Electricity generation and imports, TWh



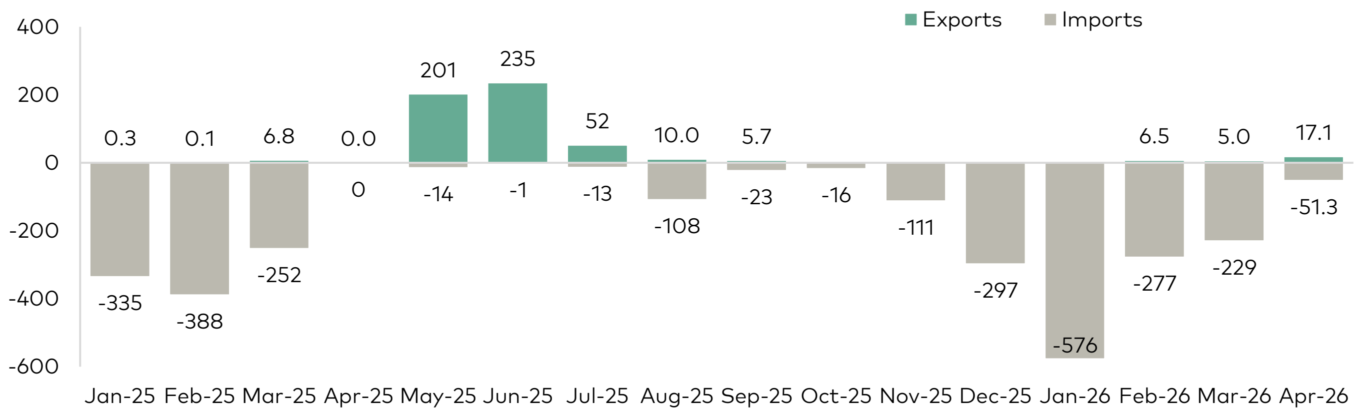
Source: ESCO, Galt & Taggart

Electricity imports: Commercial imports came only from Turkey in April 2026

Electricity imports totaled 51 GWh in April 2026, or 4.3% of total supply, but only 24.8 GWh was commercial import from Turkey. The remaining volume included 9 GWh from Russia for Abkhazia, while 17 GWh from Azerbaijan was fully offset by the same value and volume exports to Azerbaijan, indicating technical exchanges for synchronous grid operation rather than commercial trade.

Import from Turkey took place over April 16-22, during TPP shutdowns, at an average price of 2.9 USc/kWh. Georgia imported from Turkey in 3 of the first 4 months of 2026, reflecting historically low Turkish market prices driven by strong renewable generation.

Figure 3: Electricity imports and exports, GWh

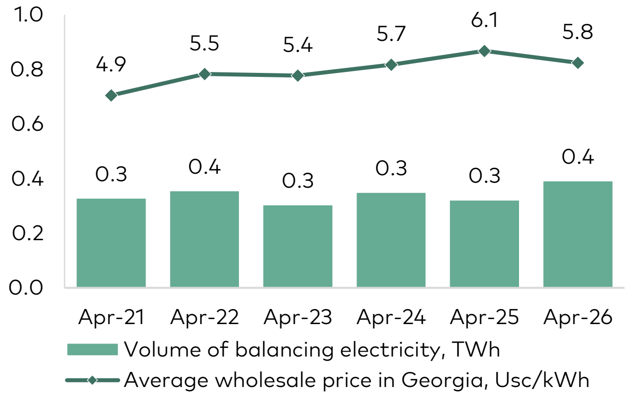


Source: ESCO, Galt & Taggart

Wholesale and balancing market dynamics

The average balancing electricity price declined by 5.0% y/y to USc 5.8/kWh in April. At the same time, balancing volume increased by 21.7% y/y to 0.4 TWh, accounting for 32.6% of total electricity supply.

Figure 4: Balancing electricity volume (TWh) and prices (USc/kWh)



Source: GNERC, ESCO, Geostat, Galt & Taggart
Note: Average wholesale price in Georgia refers to ESCO's selling price of balancing electricity

Electricity Balance, GWh

	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 and Solar 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 forecast annual balance of 2026

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