GALT & TAGGART
CREATING OPPORTUNITIES

Power trading opportunities in Georgia and Caucasus region

May 2026

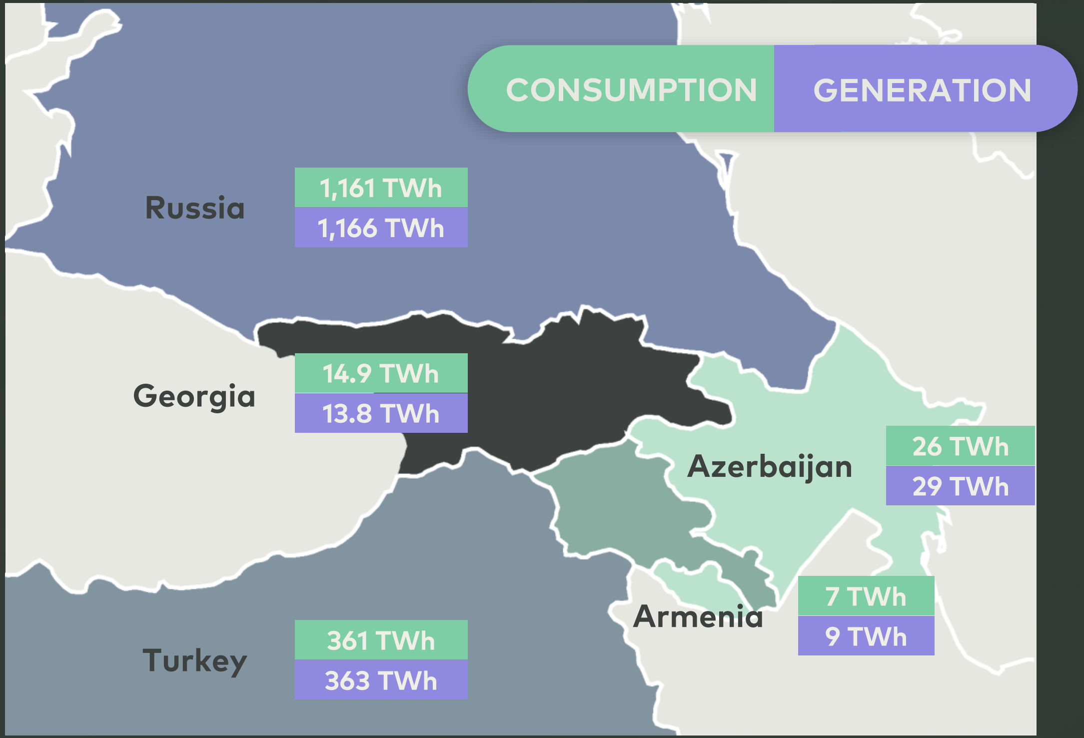
Electricity sector in Georgia in 2025

Consumption	Generation	Import	Export	Installed Capacity
14.9	**13.8**	**1.6**	**0.5**	**4.8**
TWh	**TWh**	**TWh**	**TWh**	**GW**

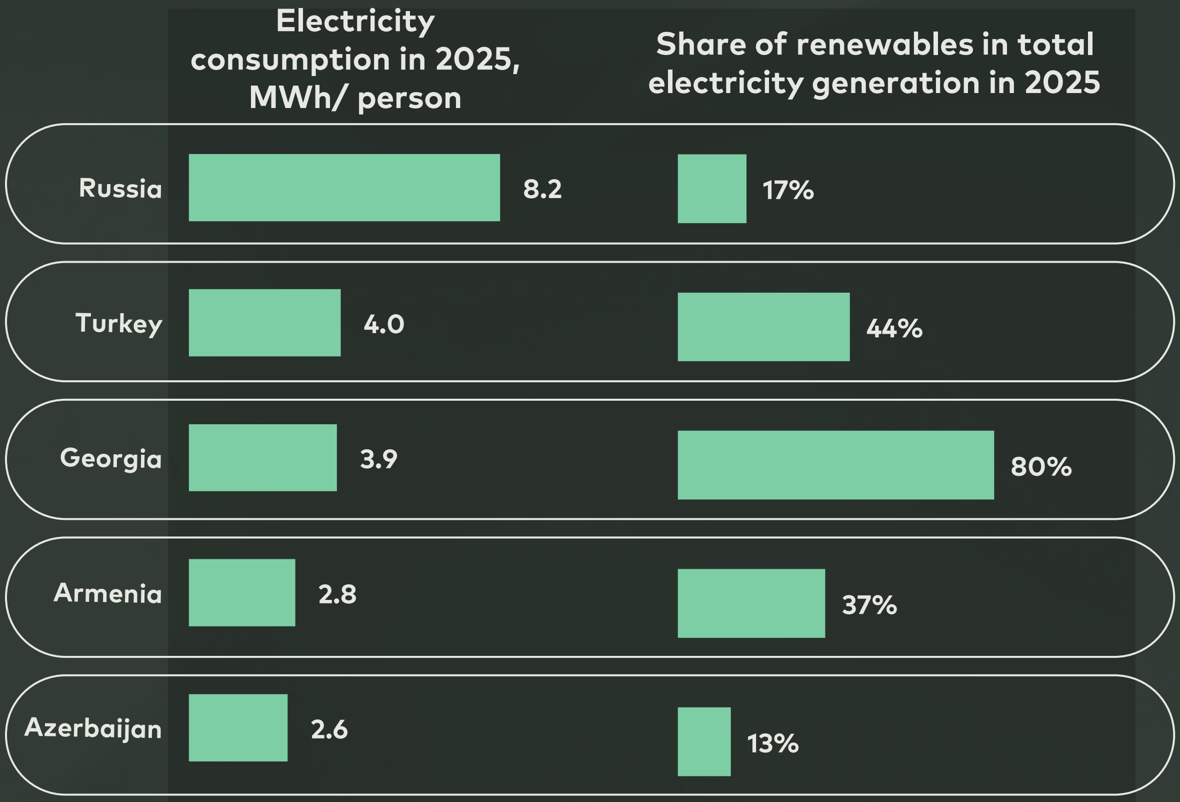
Source: GNERC; Galt & Taggart Note: Consumption includes transmission losses

Georgia has the region's highest renewable generation share, but remains sole net electricity importer

Electricity consumption and generation of neighboring countries in 2025, TWh



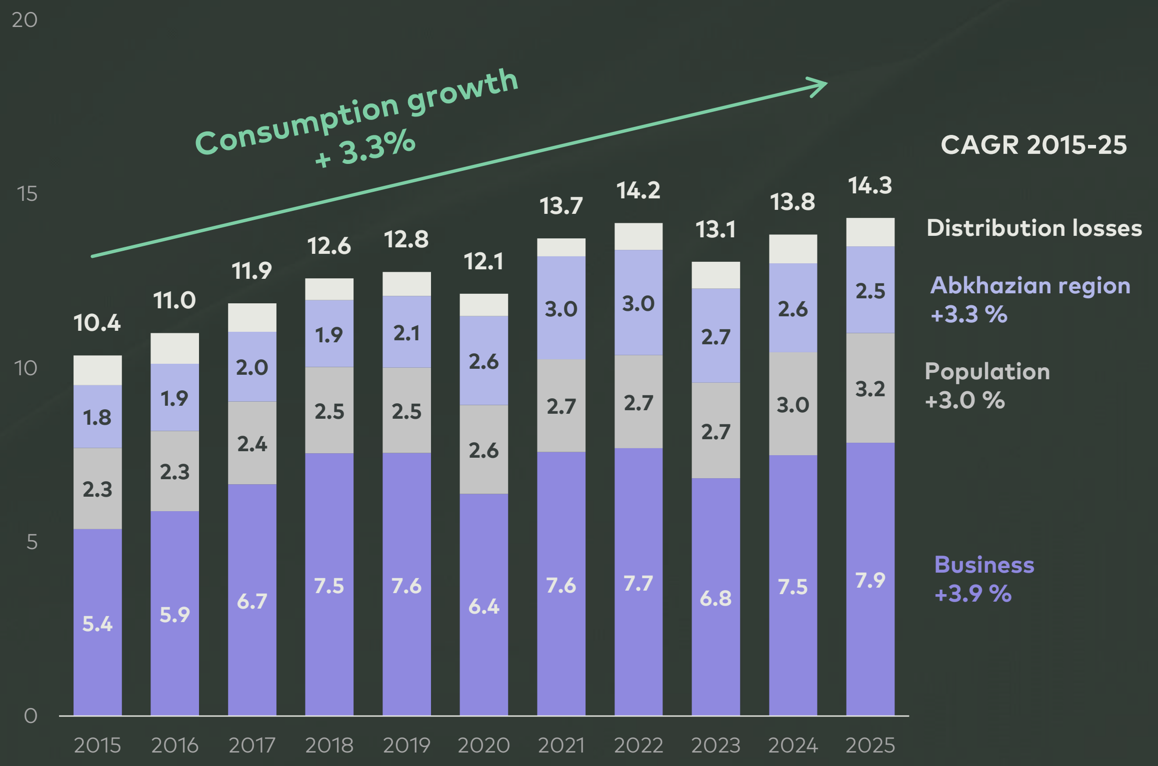
Comparison of Georgia with neighboring countries



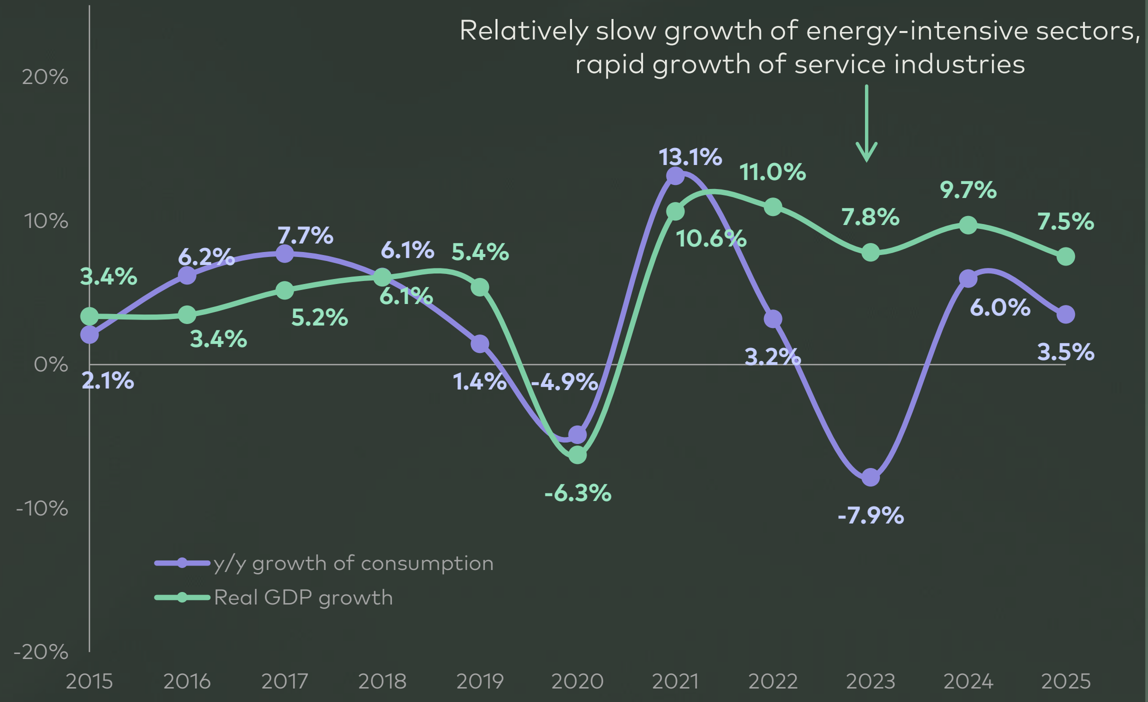
Source: GSE, GNERC, Armstat, Ministry of energy and natural resources of Turkey, Ministry of energy of the Republic of Azerbaijan, Galt & Taggart

Electricity consumption growth rates in Georgia have generally followed economic growth trends, with a few exceptions

Electricity consumption in Georgia, TWh

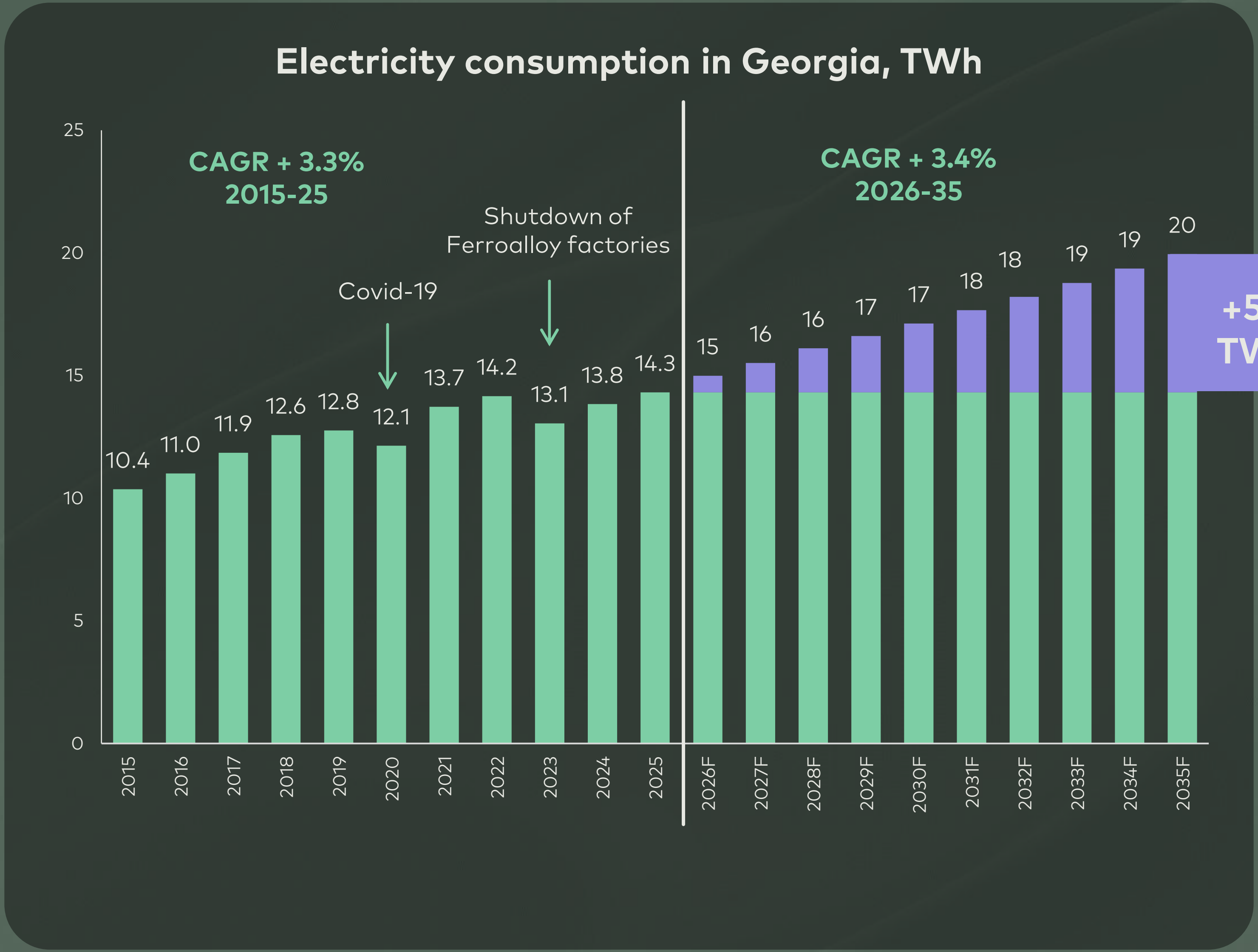


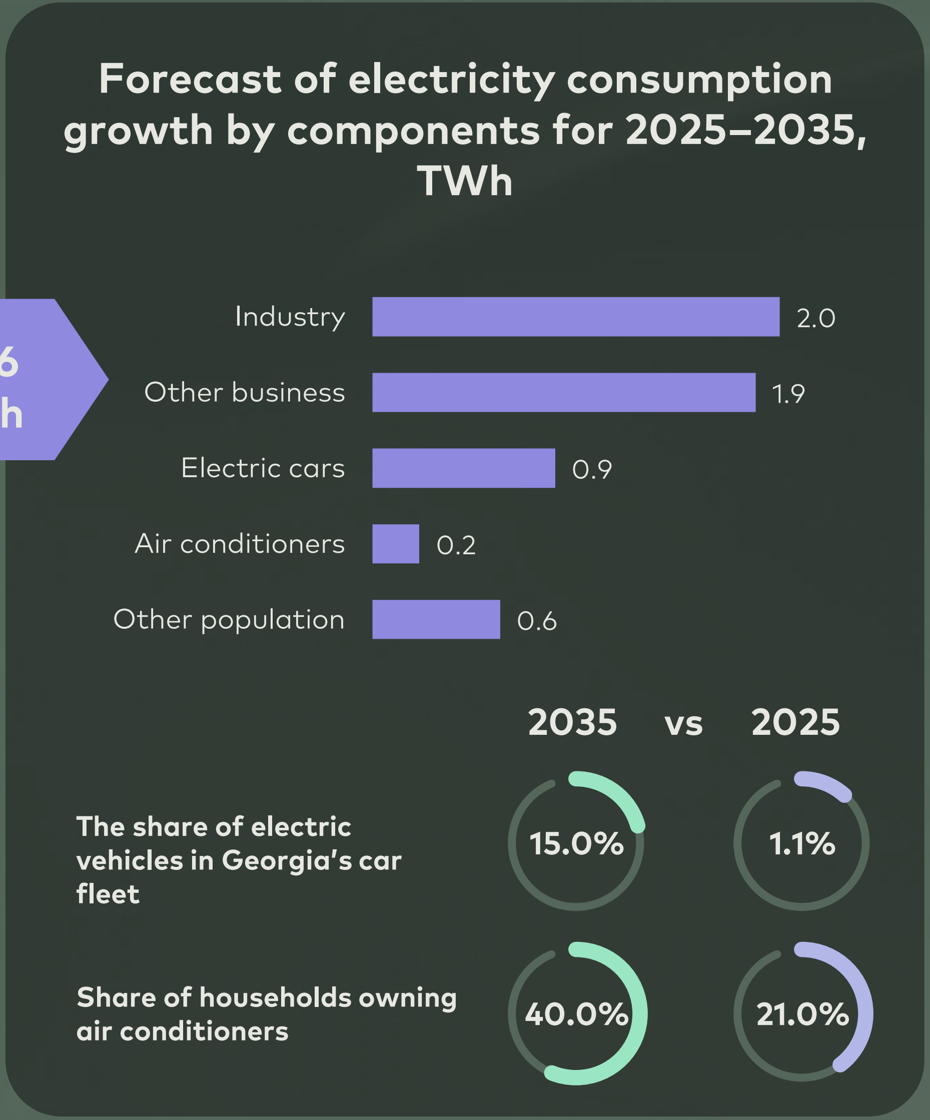
Growth in electricity consumption and real GDP



Source: GSE, ESCO, Galt & Taggart Note: Value of distribution loss is linked to total consumption, therefore growth dynamics is less relevant

We expect electricity consumption in Georgia to reach 20.0 TWh by 2035, driven by economic growth, EVs, appliances, and energy-intensive industries

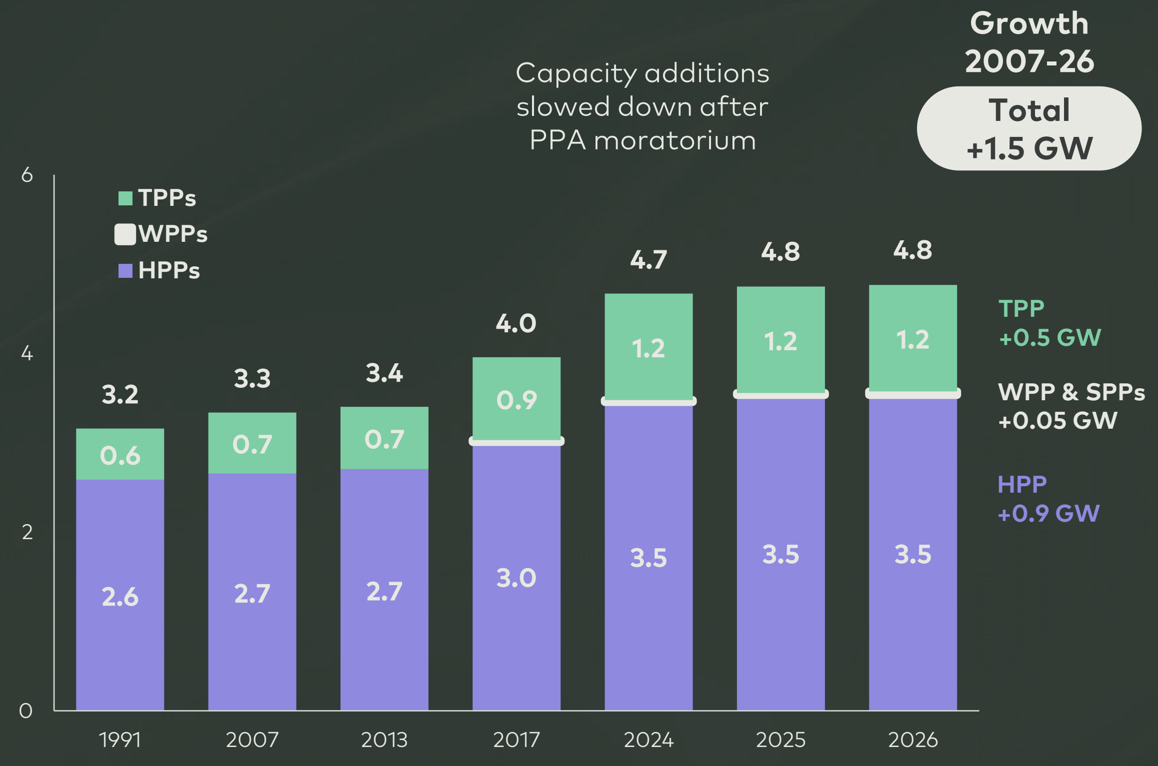




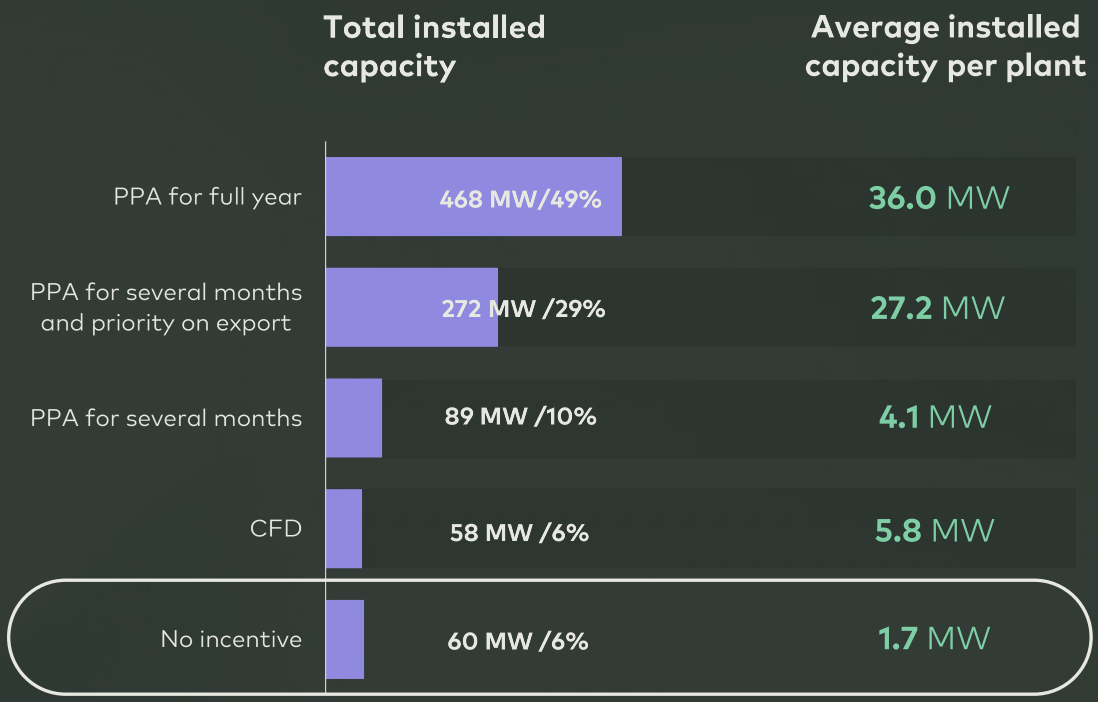
Source: GNERC, Caucasus Barometer, Galt & Taggart

State support drove most capacity additions, while CFDs revived investor interest, though commissioning remains slow

Installed capacity of power plants in Georgia, GW



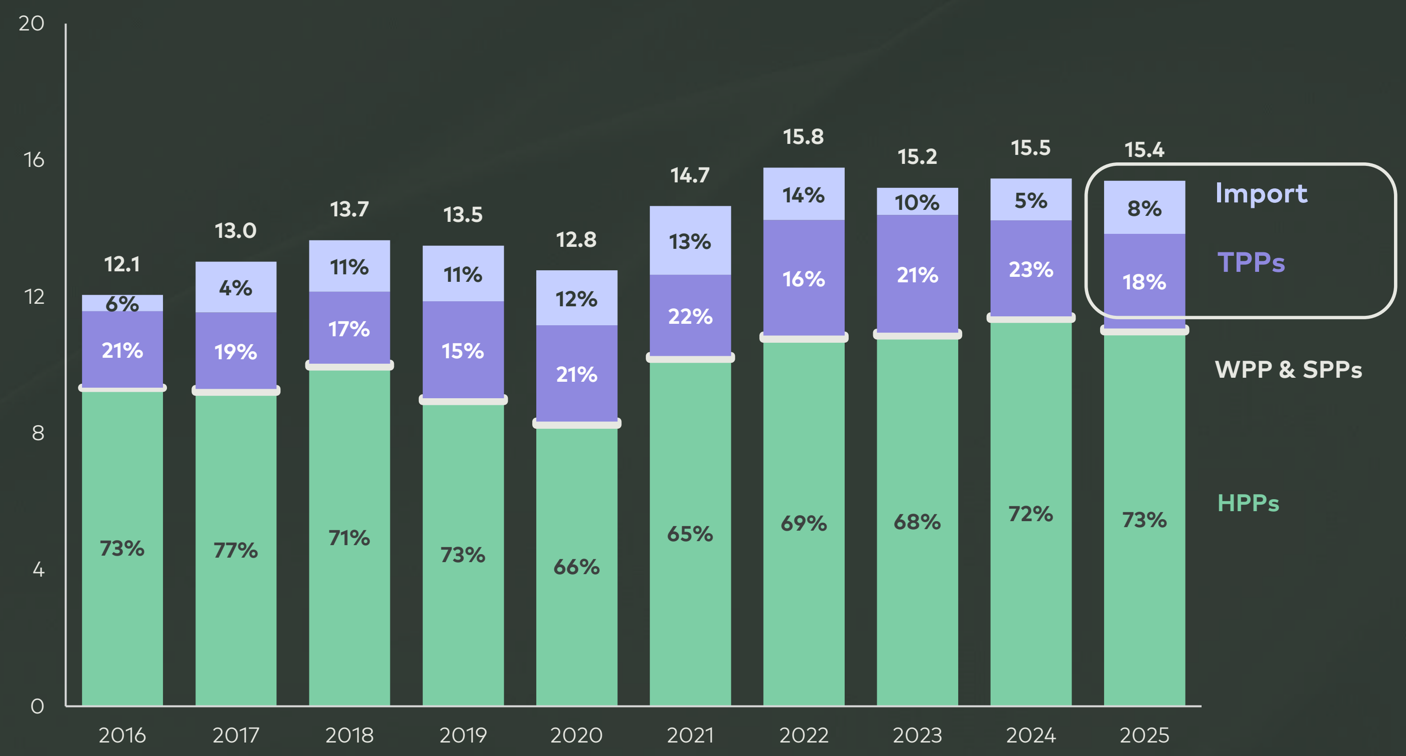
Renewable energy plants constructed over 2007-26 by the incentive mechanism



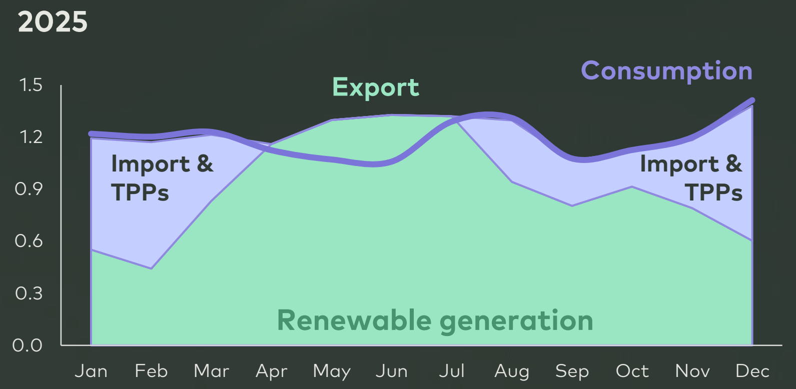
Source: GSE, ESCO, Galt & Taggart Note: as of April 16, 2026

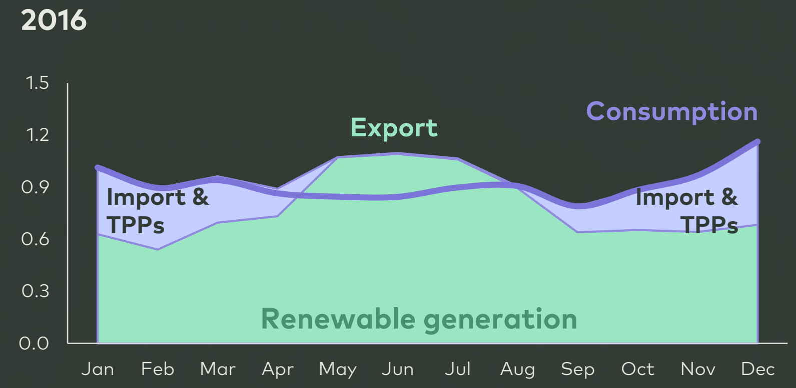
Georgia's winter deficit remains, driven by demand growth, hydro seasonality and slow capacity additions

Electricity generation and import, TWh



Supply-demand seasonality of Georgia, TWh





Source: GNERC, Galt & Taggart

Georgia needs higher winter generation and several hours of reserve capacity to reduce import needs and balance hourly volatility of demand, wind and solar generation

Comparison of renewable energy sources by generation profile

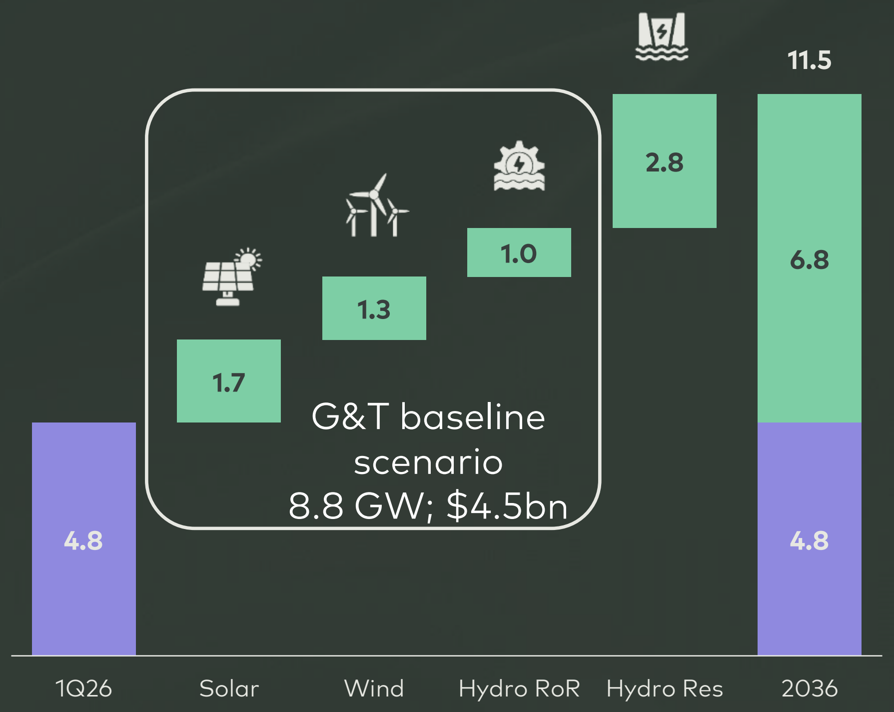
	Annual profile of power plant: September to April	Annual profile of power plant: May to August	Intraday generation variability
Hydro Run-of-river	59%	41%	LOW
Hydro With reservoir	66%	34%	AS PLANNED
Wind	67%	33%	HIGH
Solar	60%	40%	HIGH

Source: GNERC, GSE, survey of companies, Galt & Taggart

Source: GSE, Galt & Taggart Note: Summer day is an average day of May and June in 2023-25: Winter Day is average day of November, December, January and February of 2023-26

Government targets 11.5 GW of installed capacity by 2036, supported by CFDs and grid investments; our baseline scenario assumes capacity reaches 8.8 GW by 2035

Government target for Georgia's installed capacity (2026)



1.25 GW
Total wind and solar capacity cap set by GSE until 2030

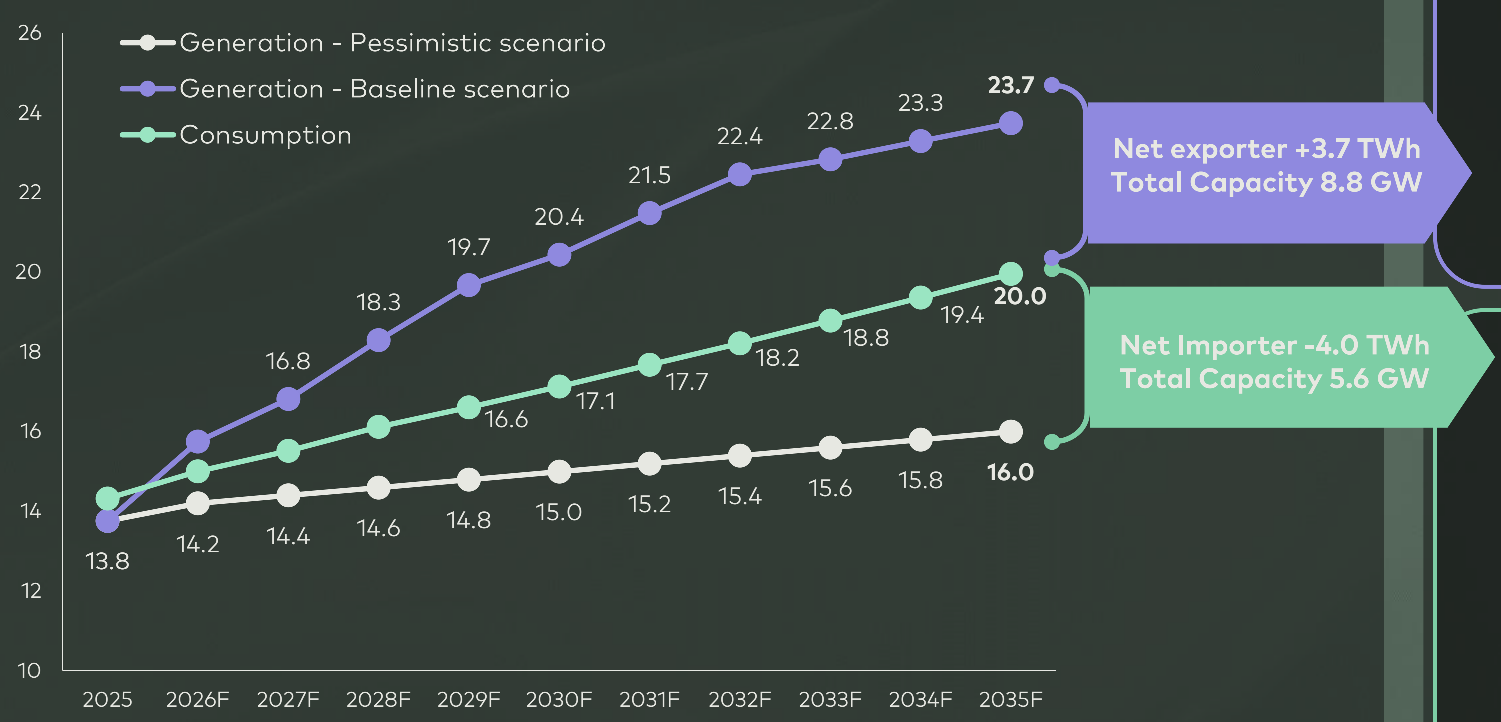
Implemented and upcoming government initiatives

- CFD mechanism introduced
- c. $1.0bn grid investment
- Energy storage rollout (batteries)
- State-backed reservoir hydropower
- Regulatory framework streamlined

Source: MoESD, Galt & Taggart Note: Hydro RoR means run-of-river hydropower plants and Hydro Res means hydropower plants with reservoir. Note: government target is not yet reflected in GSE's 10-year plan and chart data is based on public statements

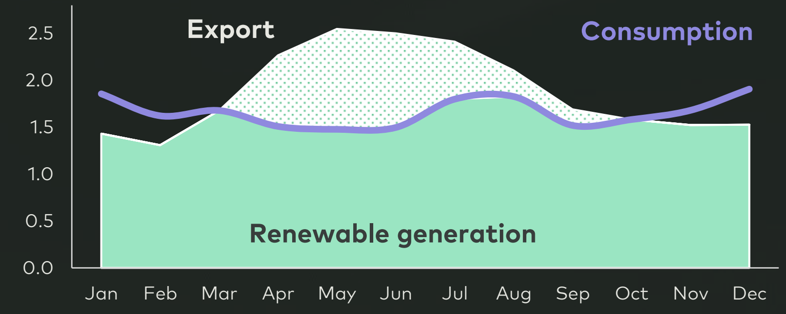
Georgia could become a net exporter under the baseline scenario, while delays would keep import dependence high

Galt & Taggart forecast for consumption and generation, TWh

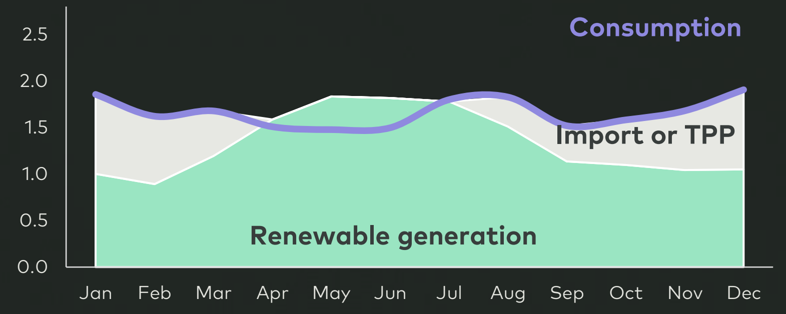


Annual generation and consumption profile

Generation, baseline scenario 2035



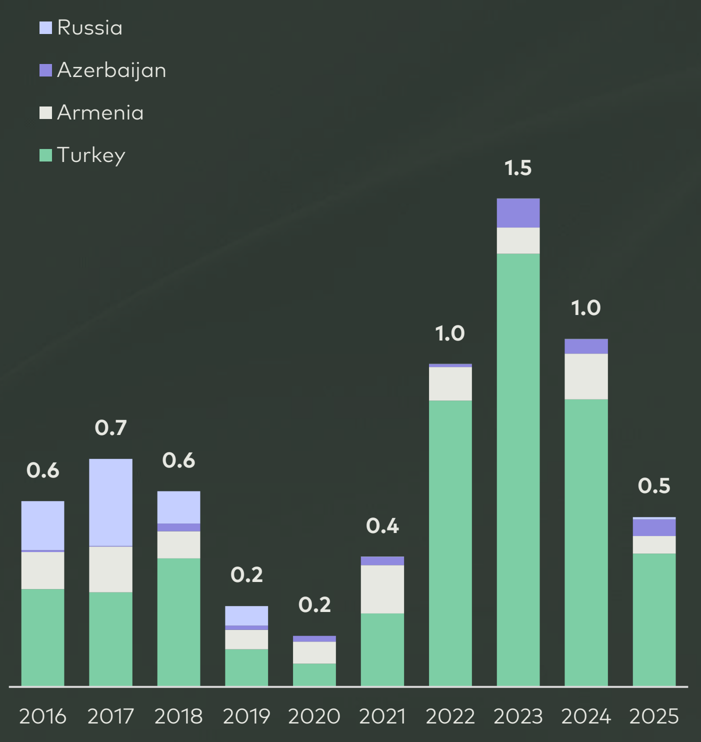
Generation, pessimistic scenario 2035



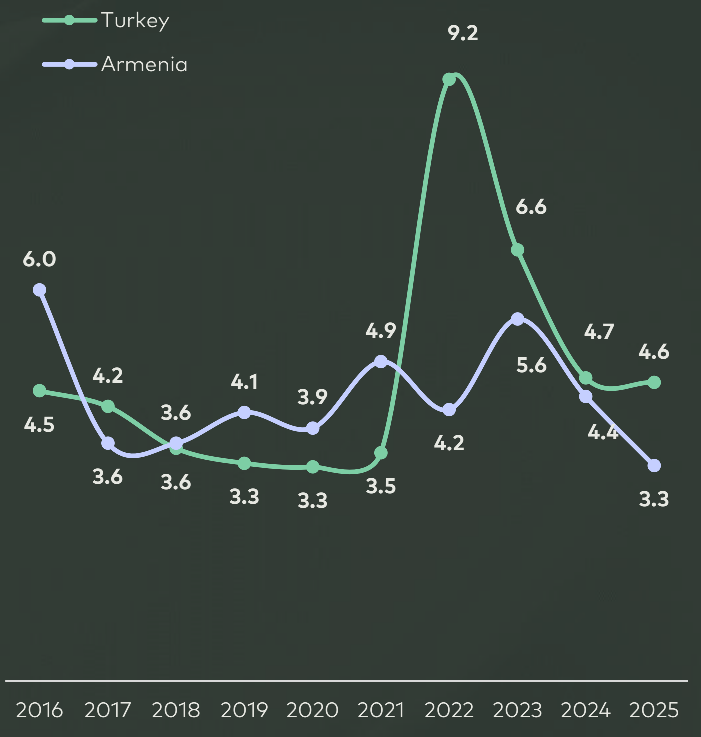
Source: Galt & Taggart Note: In the baseline scenario, Georgia adds 1.0 GW of hydro, 1.7 GW of solar, and 1.3 GW of wind capacity by 2035, raising total installed capacity to 8.8 GW

Georgia has historically been a net electricity importer, with seasonal summer exports mainly to Turkey

Export by country, TWh



Average export price, USc/kWh



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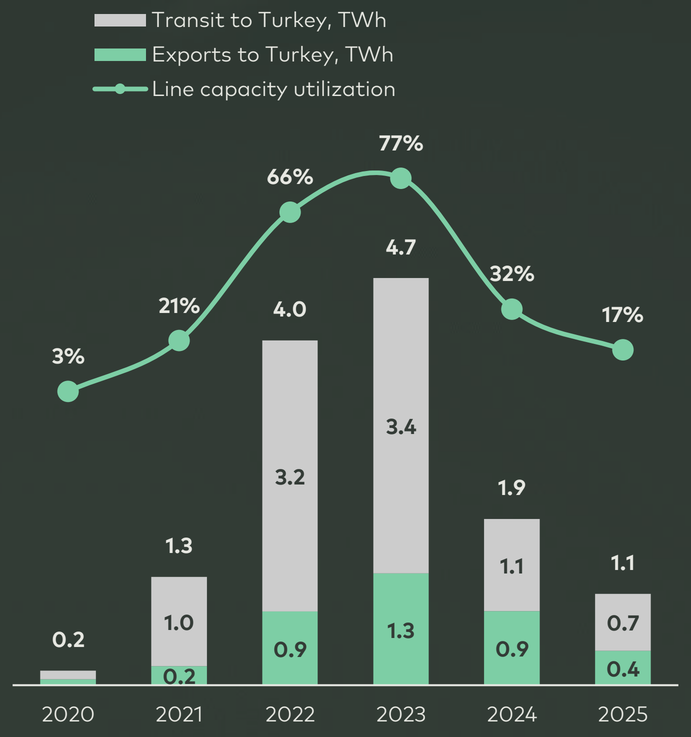


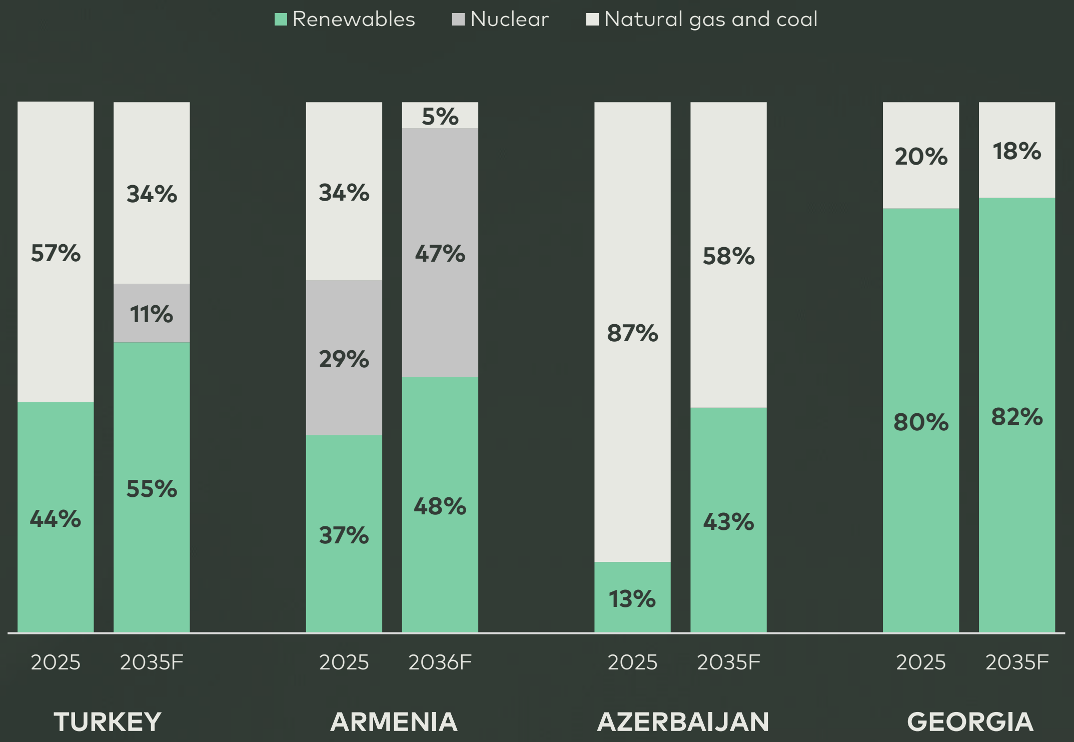
Source: GNERC, Geostat, Galt & Taggart

Regional electricity trade will depend on interconnection capacity, prices and renewable expansion

Existing and planned capacity of cross-border interconnection lines, MW

Note: Purple years show indicative commissioning dates

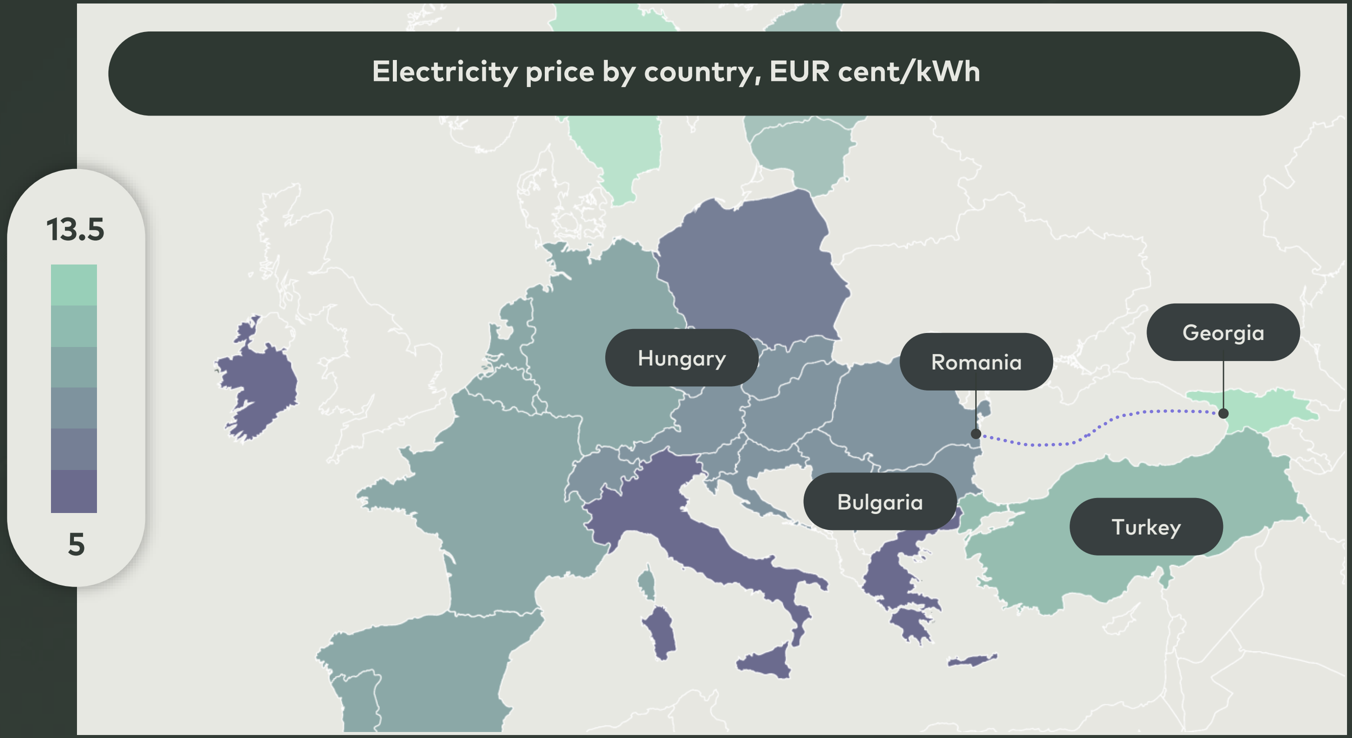
Existing and planned generation mix in neighboring countries, % share in total



Source: GSE, GNERC, Armstat, Ministry of energy and natural resources of Turkey, Ministry of energy of the Republic of Azerbaijan, Galt & Taggart

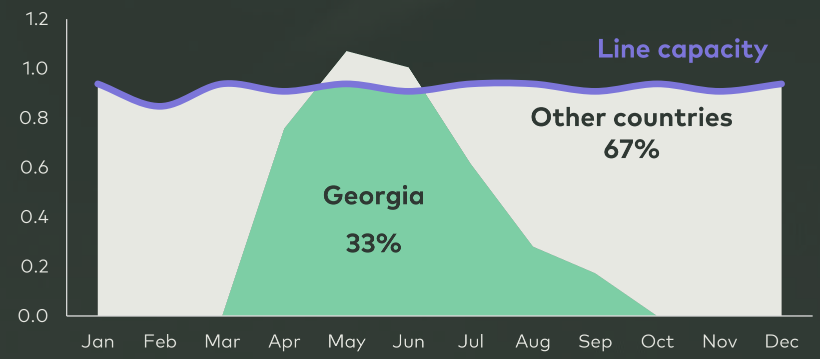
The Black Sea Submarine Cable could open a new export route to Europe

Project Characteristics



- Capacity 1.3 GW
- Project cost € 3.5 bn

Load distribution of Black Sea Submarine Cable in Baseline Scenario 2035, TWh



Electricity prices in selected countries, EUR cent/kWh

	2025	2030F
Georgia	5.1	5.5
Turkey	5.9	8.4
Bulgaria	10.7	6.6
Romania	10.8	6.4
Hungary	10.9	6.2

Source: ENTSO-e, GET, GSE, Galt & Taggart

Key findings

Local Consumption

- Growth 3.4% annually over 2026-35
- 20.0 TWh by 2035

Generation

- Installed capacity in baseline scenario at 8.8 GW by 2035

Investments

- $4.5bn investments in generation capacity in baseline scenario
- $ 1.0 bn grid investments

Foreign Trade

- The Black Sea Submarine Cable to Europe is a tool for export diversification.

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