

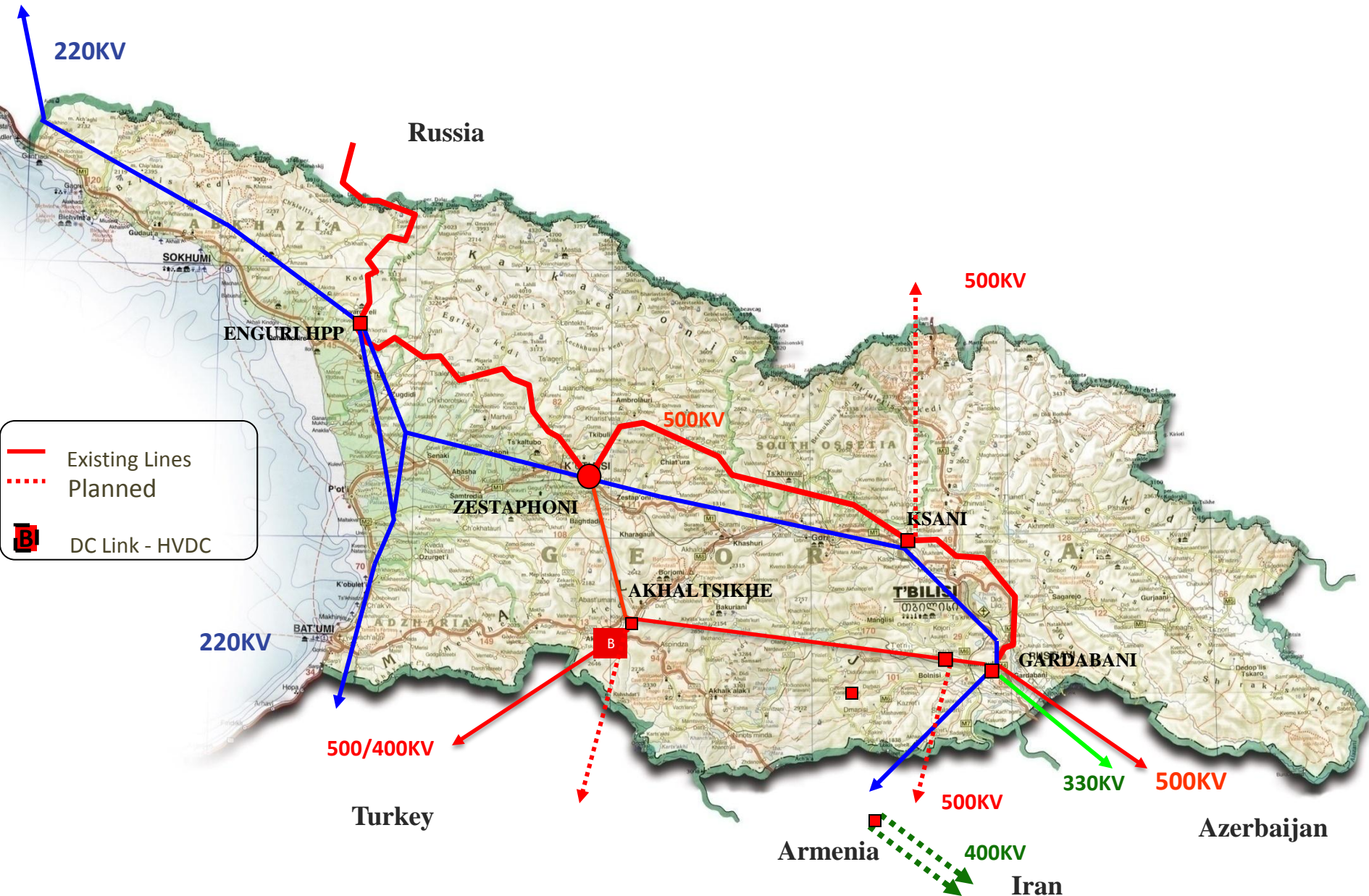
# **Auctions for Interconnection Activity**

July 2014

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**Operational Planning and Contract Registrations Service  
Georgian State Electrosystem, JSC**

# Interconnection and HV internal lines



# Borcka –Akaltsikhe Line

**Georgia**



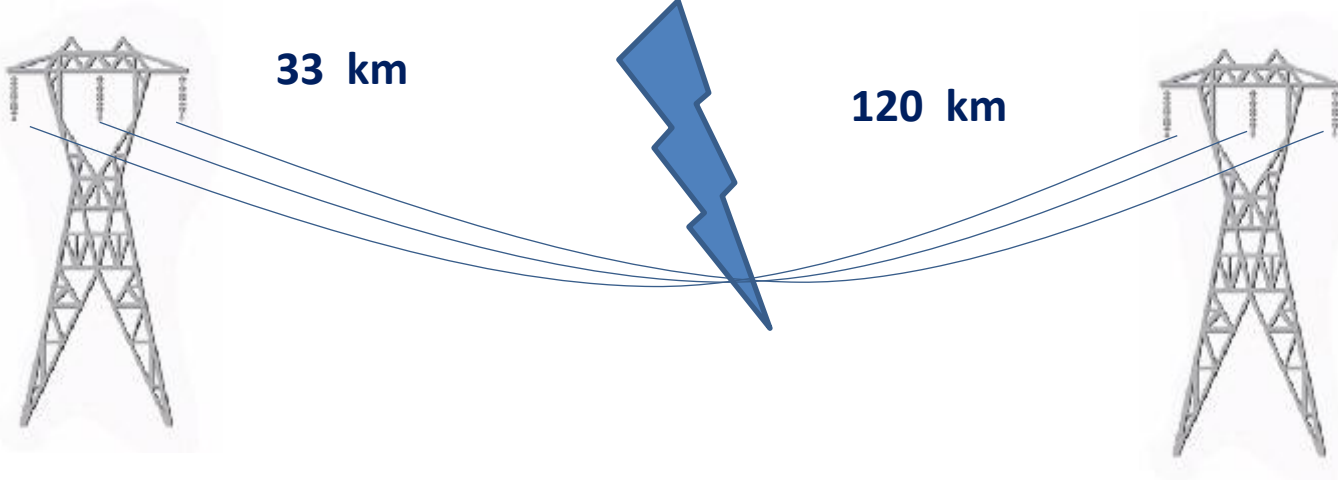
**Turkey**



400 kV

33 km

120 km



**Two 350 MW HVDC (Classic)**



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# Legal Framework

## - Cross Border Electricity Trade Agreement (20/01/12)



Government of Turkey



Government of Georgia

## - Interconnection Operation Agreement (18/09/13)



TEIAS



GSE



ENERGOTRANS

## - Electricity (Capacity) Market Rules

## - Special Auction Rules



## Capacity Allocation Steps

- Determine with TEIAS and Announce for each month of calendar year:
  - NTC of the line
  - Export Direction
  - ALC (reserved)
  - ATC Volumes
- Hold Annual Capacity Allocation process, Identify Constrain Periods (months)
- Announce Annual Capacity Allocation Auction for the constrain Periods (Months)
- Announce monthly Capacity Allocation Auction

# Who & How

- Who can take part in the Auction?
  - Export
  - Transit
- How One can take Part in the Auction?
  - Export:
    - Letter from System commercial Operator certifying Status of Exporter
    - Direct Agreement on Dispatch Service
    - Direct Agreement(s) on Transmission/Distribution Services
    - Direct Contract on Electricity Export (with Georgian supplier)
    - Contract on Electricity Export (with Turkish off-taker)
    - Bank Guarantee (if applicable)
  - Transit:
    - Contract with Turkish off-taker
    - Contract with non-Georgian Supplier
    - Contract with GSE for Transit Service
    - Contract with ESCO for Deviations

# Priorities

A) Electricity import and export in emergency situations;

B) Export of electricity **generated by a renewable power plant** (including hydro power plants) built in Georgia after 2010, conditional that **there is a long term electricity export agreement on Transmission/Distribution Services** during the effective period of the agreement;

C) Export of electricity **generated by a renewable power plant** (including hydro power plants) built in Georgia after 2010, conditional that less than 10 years have passed since the start-up and beginning of the commercial operation of the power plant and **there is no long term electricity export agreement on Transmission/Distribution Services**. Export of electricity generated by a renewable power plants (including hydro power plants) which are **under construction also belong to the same priority group** if:

C.A) An **agreement is signed with the government** on construction of the power plant,

C.B) A long term agreement **on Transmission/Distribution Services** has not been signed for export of its generation.

D) Export of electricity generated by other Georgian power plants which is not provided for in Paragraphs (a), (b) and (c) mentioned above.

## Future Plans

- Before August 1<sup>st</sup> 2014 Determine and Publish
  - NTC of the line for 2015
  - Export Direction for 2015
  - ALC (reserved) for 2015
  - ATC Volumes for 2015
- Approve Energy Balance in order to set Volumes allowed for Export – before December 1<sup>st</sup> 2014
- Hold Capacity allocation Annual Auction for 2015 - before December 1<sup>st</sup> 2014
- **GCAT –Software**



**Thanks you for your Attention!**

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