

International Conference
Sustainable energy in Kyrgyzstan: prospects and challenges
Park Hotel Bishkek, 15 May 2023

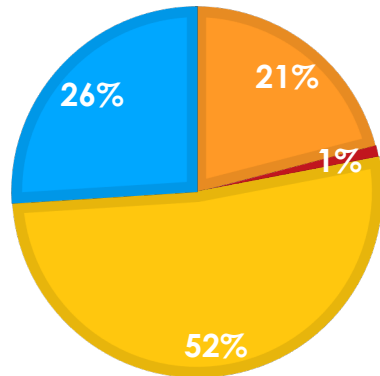
Experience of Georgian Energy Development Fund in the development and promotion of Renewable Energy projects

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Development Fund (GEDF)**

Energy Sector Overview

INSTALLED GENERATION MIX



■ HPP (RoR) ■ WPP ■ HPP (Reservoir) ■ TPP

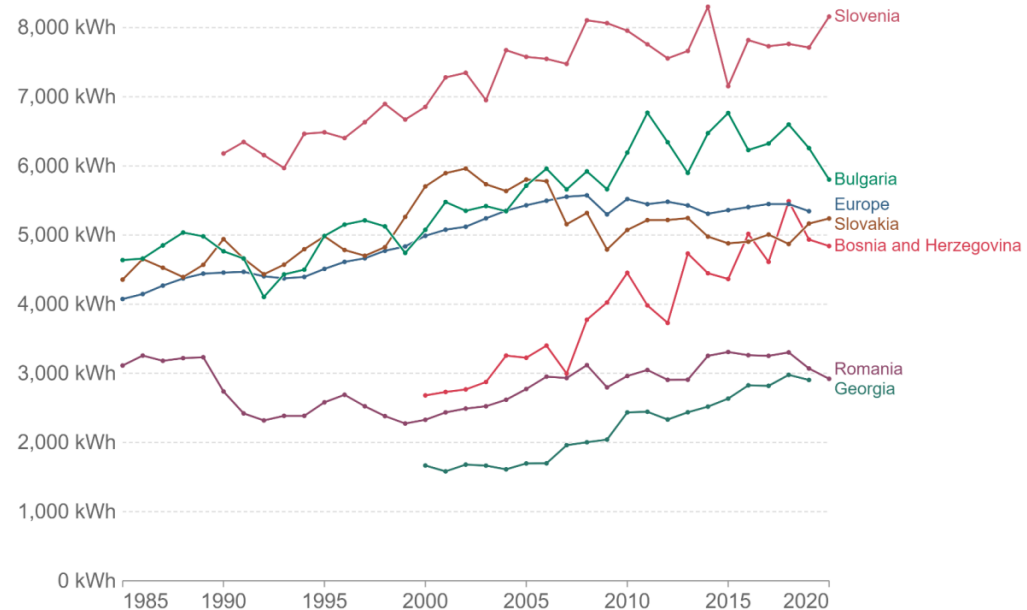
Total installed capacity - 4 577 MW

- Hydro Power- 3 367 MW
- Wind Power -20,7 MW
- Thermal Power - 1 189 MW

Per capita electricity consumption

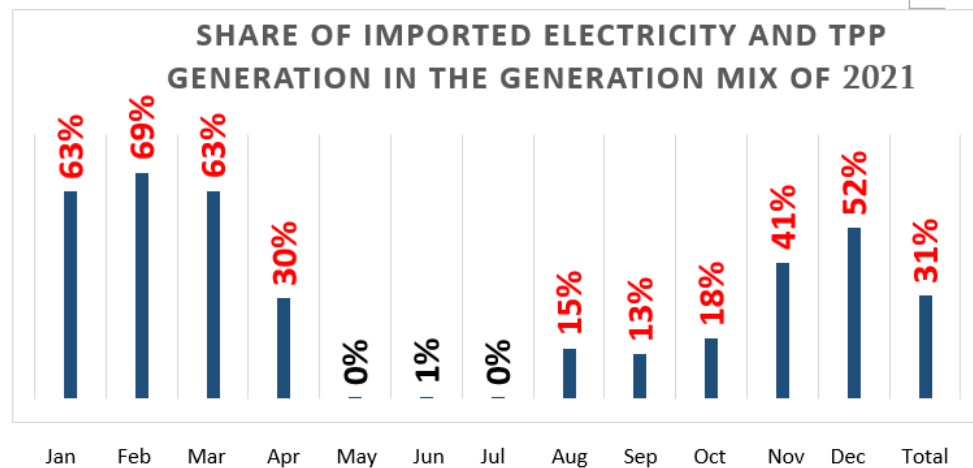
Average annual electricity consumption per capita, measured in kilowatt-hours (kWh) per year.

Our World
in Data



Source: Our World in Data based on BP Statistical Review of World Energy & Ember (2021)

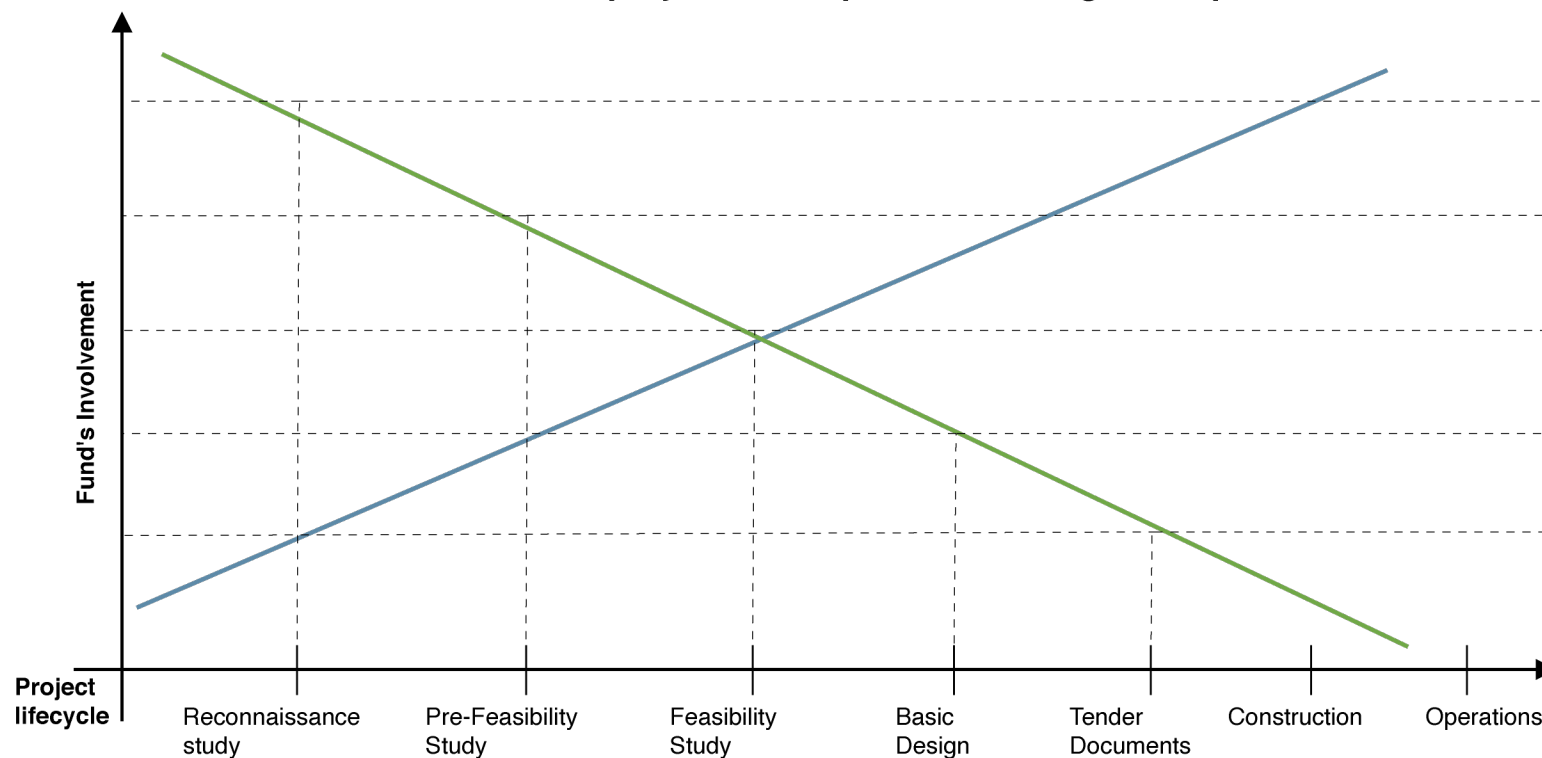
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Parties involvement

Parties involvement in project development & management processes



Core activities of Georgian Energy Development Fund

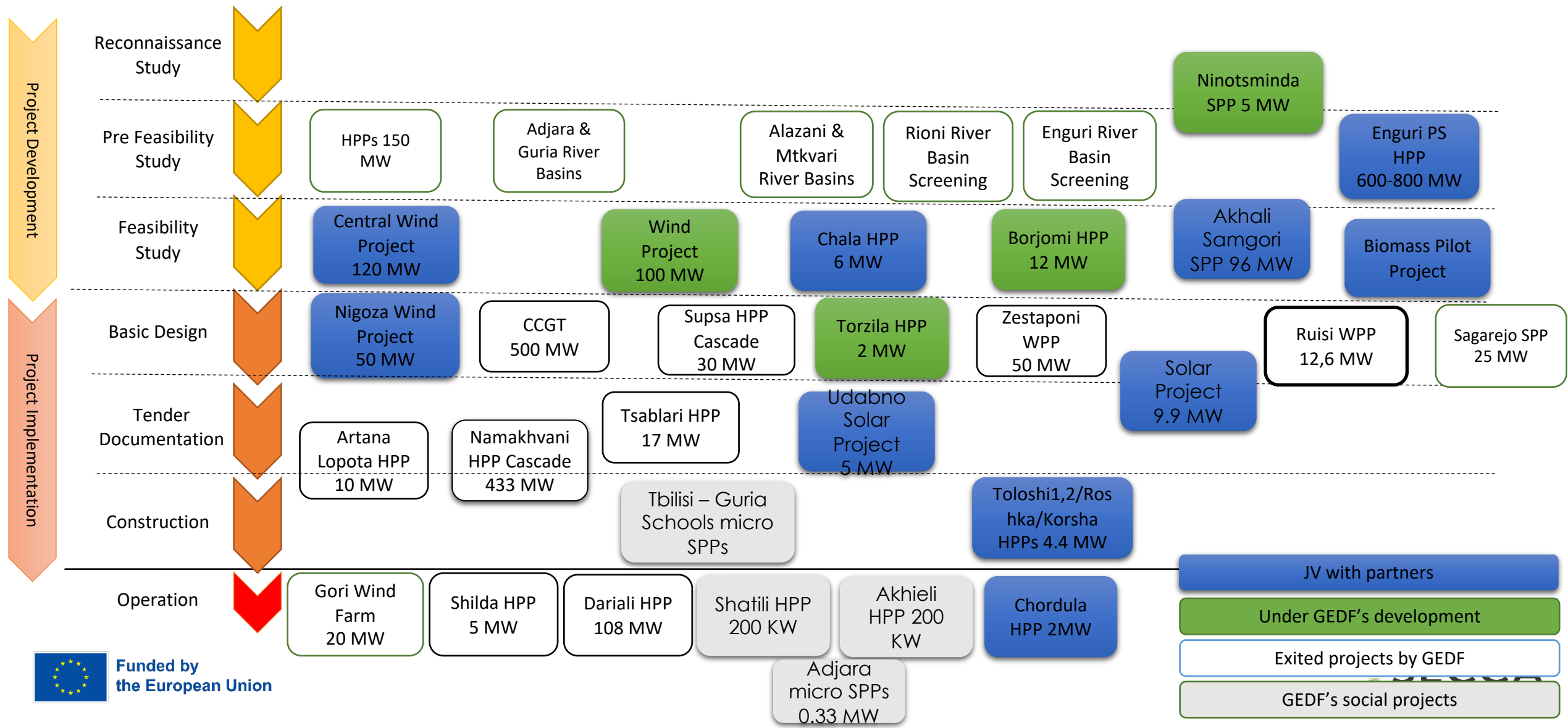
Identification and analysis of potential “greenfield” sites including river-basin planning – and investigation of other renewable energy projects

Finance initial costs related to the development of identified energy projects

- Jointly – with a private investors – develop projects with an exit option for the Fund at various stages of development;
- Support developing energy projects;
- Facilitate project investment promotion;
- Support potential financing arrangements with international financial institutions and/or private financial entities

 GEDF's involvement  Investor's involvement

GEDF's Portfolio



Project initiation process

Project Initiation by GEDF

Tender Opening and Investor Selection

– The tender for the investor selection will be governed based on the rules and criteria's published by GEDF on the official Web Page (The investor proposing the most favorable exit Terms for the Fund will be awarded)

Call for investor

MoU with GoG

Investor selection

Investor's commitment

Shareholder Agreement

JVC

Bank Guarantee - The Selected Investor will be obliged to submit the Bank guarantee in amount of the necessary (agreed in the shareholders agreement) equity contribution within 5 (five) working days from the MoU /PPA signature Date.

JVC – The Joint Venture Company will be governed based on the rules and principles and equity contribution issues previously agreed in the shareholder agreement.

MOU / PPA - Ensured Continuity of the project

– The Investor will be obliged to Obtain the Construction MoU and the PPA during the previously agreed time period

Shareholder Agreement

- The Basic terms and Conditions of the Shareholder Agreement will be also published on the official Web Page of the Fund along with the requirements; The Details will be agreed with the selected investor.

Project Initiation by Investor

Letter of Intent

- Investors write letter of Intent specifying:
- The projects they want to cooperate on and the intended way of cooperation.
- Information about the investor, their background and their view about project implementation plan

NDA and Information Sharing

- IGEDF and Investor/project developer sign Non-Disclosure Agreement and share all the available information on specific projects
- If needed site visits and discussions are made to evaluate projects

Due diligence

- GEDF conducts technical, financial, legal and any other (if required) investigations of the proposed case

Agreement

- Investor and GEDF make decision on the way of cooperation and projects to cooperate with
- Investor and GEDF sign shareholding agreement/ service agreement. Terms of agreement are negotiable from project to projects.

SPV

- Special purpose vehicle is established for further activities to be taken under Shareholder Agreement considered

Cooperation schemes with GEDF

Project Development

Project Implementation

Partnership/Shareholding

- GEDF is able to partner reliable investor in renewable energy projects
- Projects can be initiated by both parties – investor or GEDF
- GEDF may inject capital but should be in minority
- GEDF and partner establish Joint Venture (Special Purpose Vehicle)
- GEDF should have an exit option at defined stages, mainly after commissioning

No further capital contribution is done by GEDF at the construction stage

Service agreements

- Engineering consultancy for project scoping, preliminary design, etc...
- Procedures needed for construction permit: mainly land ownership definition and other legal and administrative issues
- Project management activities

Selecting a project(s)

- Project Screenings
- Engineering Due diligence
- Conceptual design
- Financial model
- Decision making

MoU Process

- Applying project proposal to the Ministry of Economy and Sustainable Development of Georgia and copy to Public-Private Partnership Agency
- MoU Assignment process

Feasibility and Design

- Preparation of TOR for Contractors
- Bidding and selection
- Technical supervision
- Engineering decision making
- Financial model
- Decision making

Project Financing

- Preparation of Financial model
- Applying for bank financing
- Cooperation with a range of Investors

Permits & Licensing

- Defining land ownership
- Land registration and purchase
- Applying for Construction Permit
- Applying for environmental permit

Construction

- Selection of Construction company
- Construction Supervision

Operation

- Operation of Plant

GEDF partners reliable investors at any stage of project development



THANK YOU FOR YOUR ATTENTION!



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