



Technical workshop: Practical aspects of sustainable energy development in Kyrgyzstan

Promoting small hydropower development in Kyrgyzstan Bishkek, October 5, 2023

Experience of Georgian Energy Development Fund in promoting small hydropower development

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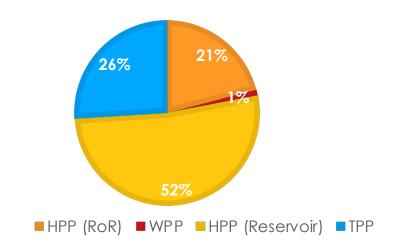


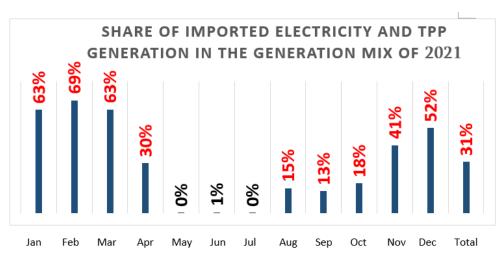


Energy Sector Overview



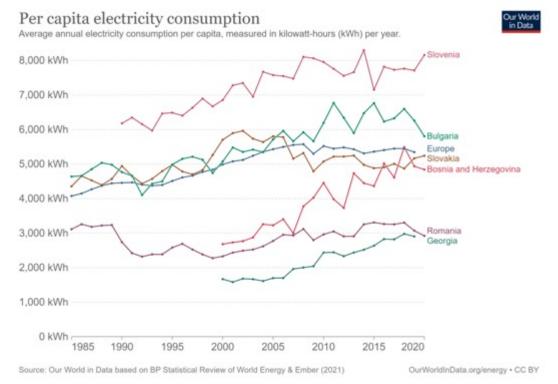
INSTALLED GENERATION MIX





Total installed capacity - 4 577 MW

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







HPPs In Georgia

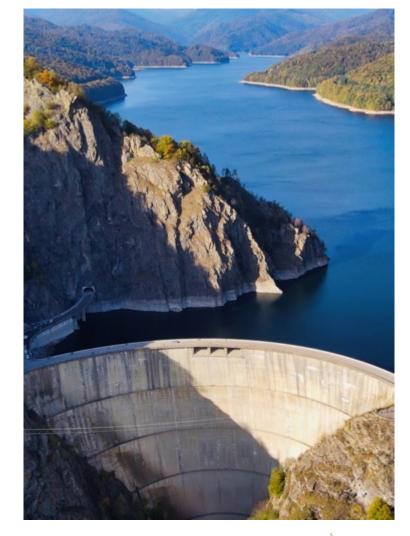
109 HPPs in the operational stage Total installed capacity - 3 367 MW

176 memorandum/agreement
Total installed capacity - 1935 MW
Total annual electricity production - 9.3 billion kWh
Total investment - 3.83 billion USD

Initiated - 180 projects

Total installed capacity - 1640 MW,

Total annual electricity production - 7.145 billion. kWh

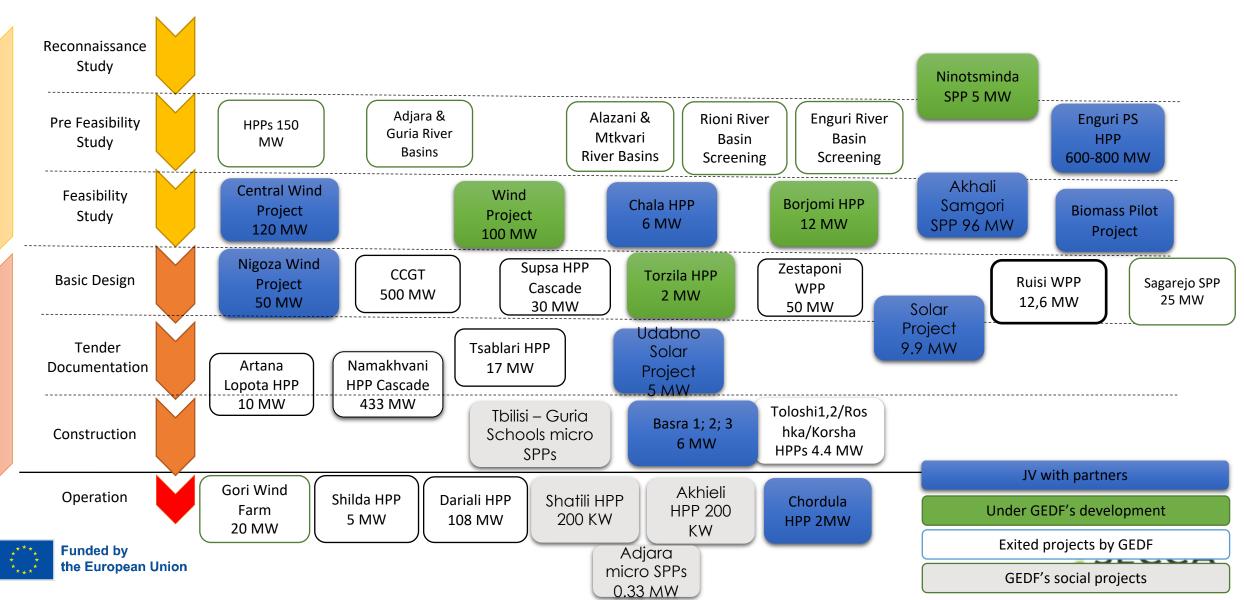






GEDF's Portfolio

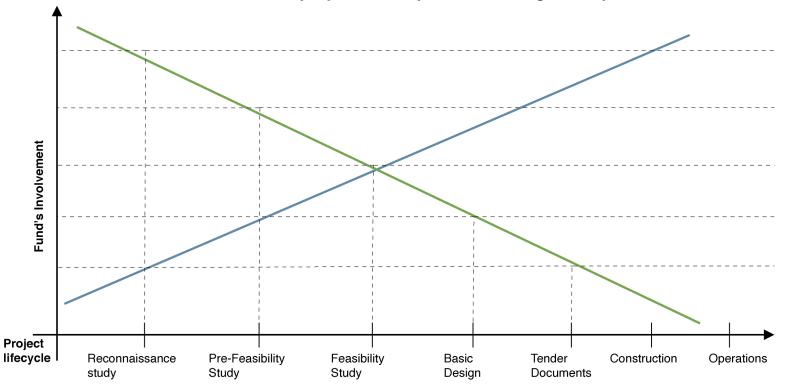




Parties involvement





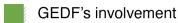


Core activities of Georgian Energy Development Fund

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





Investor's involvement





Project initiation process



Project Initiation by GEDF

Call for investor

MoU with GoG

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)

Investor selection

Investor's commitment

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.

JVC

Shareholder Agreement
- The Basic terms and

MOU / PPA - Ensured

Continuity of the proj-

be obliged to Obtain the

ect - The Investor will

Construction MoU and

period

Shareholder Agreement

the PPA during the previously agreed time

Conditions of the Share-holder 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 nformation 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 Agree ment considered





Cooperation schemes with GEDF



Project Development

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

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

Funded by the European Union

MoU Process

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

ship Agency

Feasibility and Design

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

Project Implementation

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

Permits & Licensing

- Preparation of Financial
- · Applying for bank financ-
- Cooperation with a range of Investors

Project Financing

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

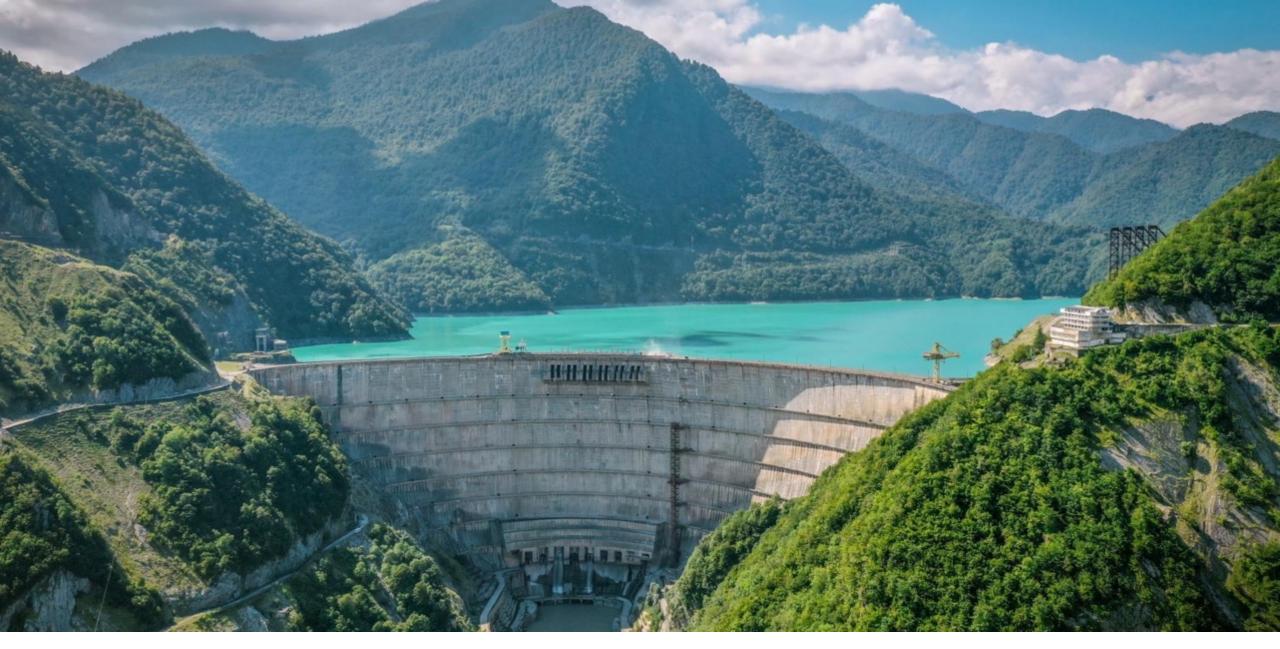
Construction

- Selection of Construction Operation of Plant
- company
- Construction Supervision

GEDF partners reliable investors at any stage of project development



Operation





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