High Level Road Map for Implementation of RED II Directive in Georgia

Introduction

Georgia as a contracting party of the Energy Community (EnC) is actively reforming its energy sector to adopt and adapt the EU Energy Acquis and to streamline its objectives towards EU integration, climate neutrality and development of a modern and reliable energy system. Adoption and implementation of the Renewable Energy Directive 2018/2001/EU is one of the steps in this direction that the government and Ministry of Economy and Sustainable Development are undertaking currently. The draft amendment to the Law on the Support of Energy Production and Use from Renewable Sources – has been prepared for adoption as well as several secondary legislation acts. This High Level Road map is intended to provide the picture and guidance for the MoESD in order to systematize and monitor the activities in different directions for the implementation of REDII.

Actions necessary for implementation of RED II in Georgia

Strategic Framework

The implementation of the Renewable Energy Directive II (RED II) necessitates a strategic framework that extends beyond conventional measures. This framework is essential for ensuring coherence, alignment, and coordination across various stakeholders, thereby enabling the effective deployment of resources and enhancing the achievement of renewable energy objectives. This should entail the following aspects:

- Refine NECP and related sectoral analyses
- Sub-sectoral plans and targets based on overall plans and objectives: Transport, Heating and Cooling, Electricity - intermediate and final targets
- Long-term network development plans and sectoral strategies
- Impact assessments and definition of support measures
- Preparation of position and policies for international RE cooperation (Joint projects, schemes, transfers).

Legal Framework

In Georgia, the successful implementation of the RED II Directive demands a solid legal framework to underpin and enforce the strategies outlined in the High-Level Road Map. The legal framework is essential to provide clarity, consistency, and legal certainty in the execution of renewable energy policies among governmental bodies, regulatory agencies, private sector entities, and civil society organizations. It encapsulates the following elements:

Adopt the primary legislation

- Amendments to the Law of Georgia on the Promotion of Production and Use of Energy from Renewable Sources and necessary secondary legislation defining standards, pro cedures, and rules are underway.

Prepare and adopt secondary legislation

- Sustainability criteria for biofuels and RFNBOs
- Grid integration procedures and rules
- Self-consumption and RE Community support legislation
- Mandatory standards and fiscal measures implemented in legislation
- Fuel supplier obligations
- Etc.

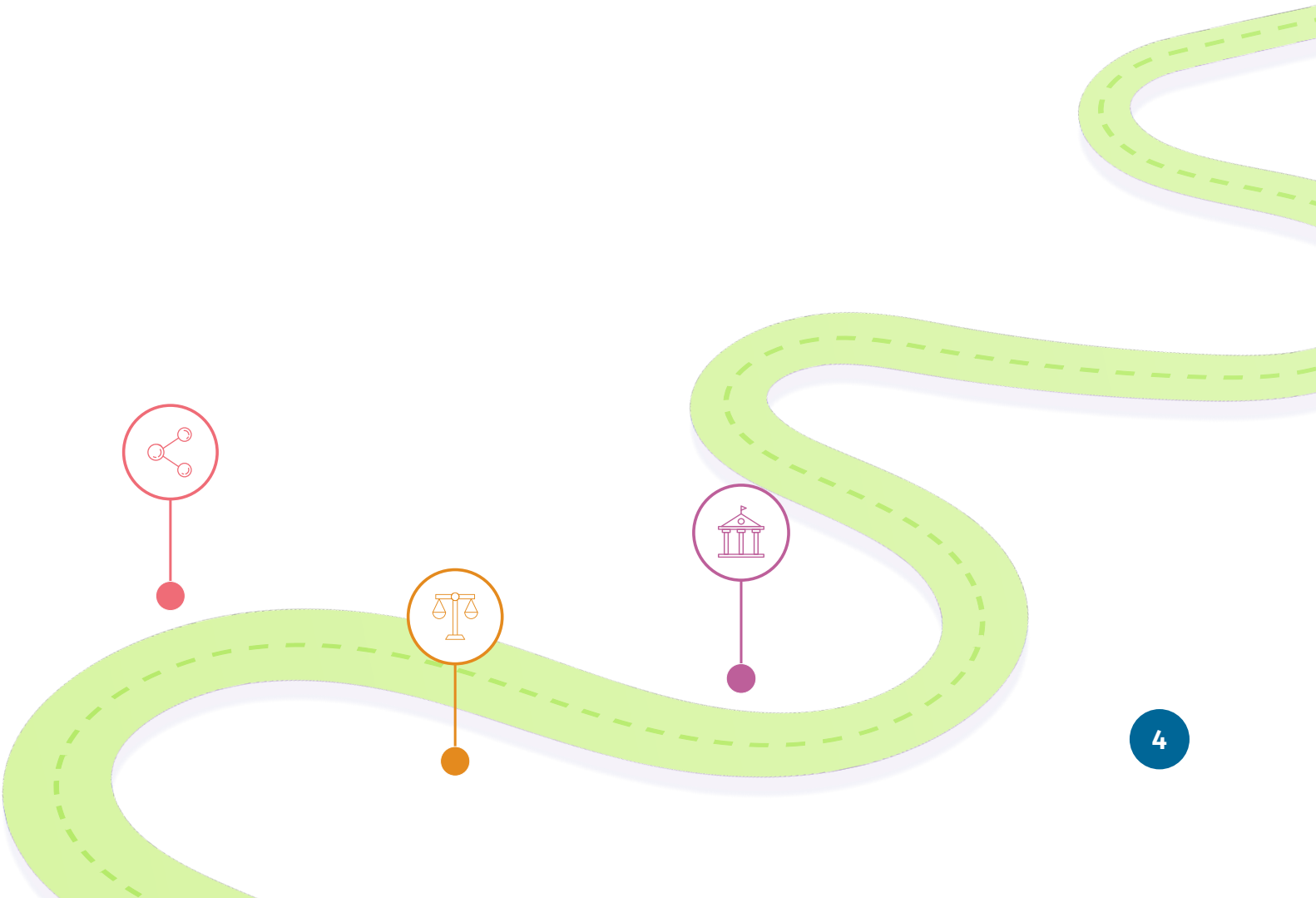
Develop and agree with EnCs following methodologies

- Accounting for EV energy consumption
- Accounting for Heat pump RE energy
- Accounting for RE biomass and biogas
- Accounting for self-consumer and RE community consumption

Institutional Framework

An effective institutional framework consists of the organizational structures, roles, and responsibilities of governmental bodies, regulatory agencies, and other relevant institutions involved in renewable energy policy formulation and implementation. The framework should facilitate stakeholder engagement and participation to ensure that diverse perspectives and interests are taken into account during decision-making processes.

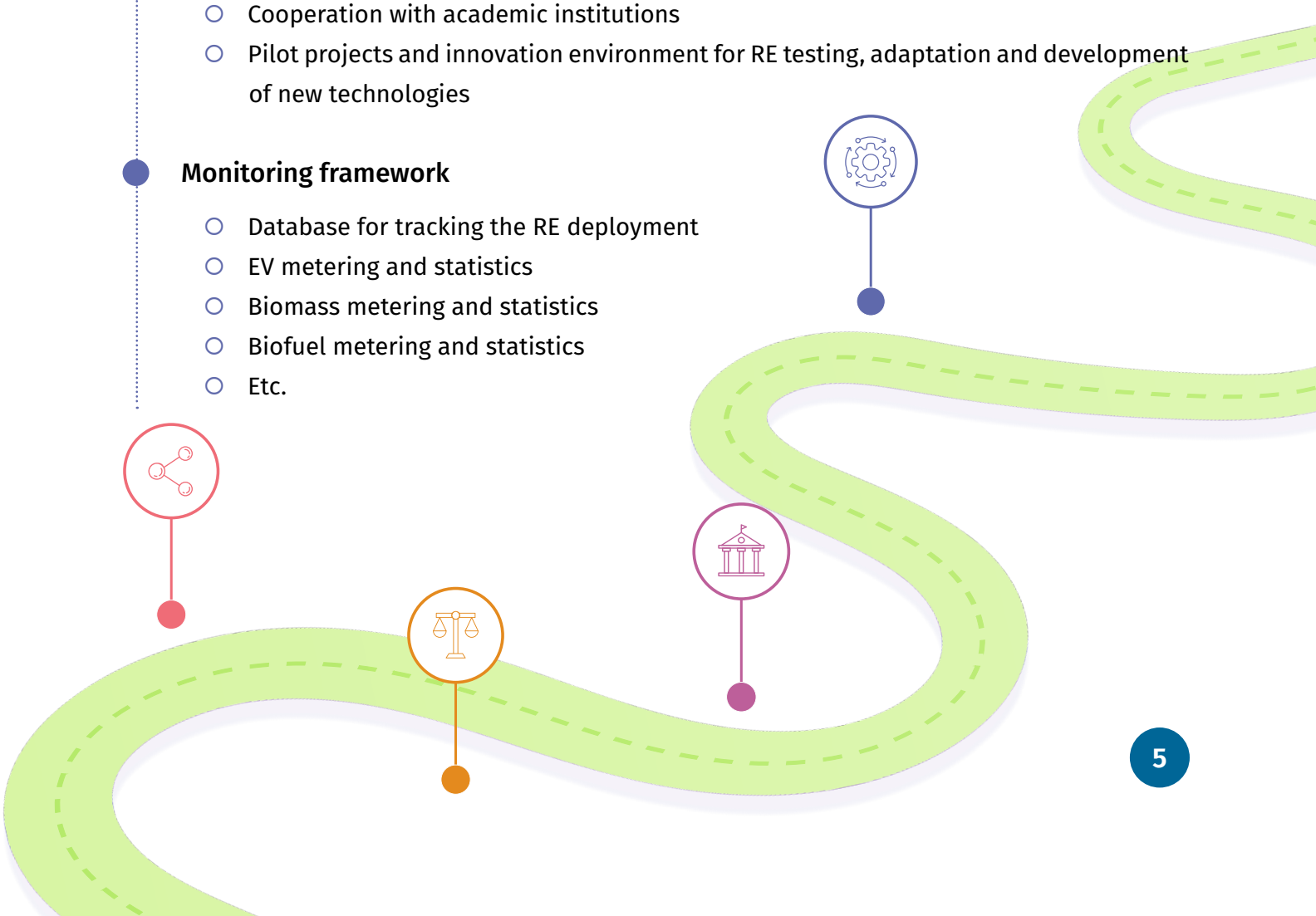
- Establish intra-ministry, intra-sectoral- and intra-governmental and regional communication and engagement on REDII targets and their implementation mechanisms
- Assign formal responsibilities for different subsectors for RED II implementation
- Strengthen the role and engagement of Regulator in setting up the necessary regulatory framework
- Strengthen the cooperation with industry and academia
- Strengthen donor coordination and fundraising for implementation of REDII provisions



Operational Framework

The operational framework connects to the practical mechanisms, procedures, and tools employed to fulfill the strategies. It incorporates mechanisms for capacity building, knowledge sharing, and technology transfer to enhance skills and capabilities, as well as the processes for road-map implementation development, permitting, licensing, financing, and monitoring of renewable energy projects. This includes the subsequent components:

- **Power Sector**
  - Electricity market, balancing market
  - System flexibility and grid accommodation
- **Biomass market**
  - Forestry reform
  - Development of solid advanced biofuels market
- **Research and development for RE deployment**
  - Cooperation with academic institutions
  - Pilot projects and innovation environment for RE testing, adaptation and development of new technologies
- **Monitoring framework**
  - Database for tracking the RE deployment
  - EV metering and statistics
  - Biomass metering and statistics
  - Biofuel metering and statistics
  - Etc.



Capacity Building

Data collection

For capacity building, first, the relevant measures should be implemented to develop robust data reporting systems, streamline survey processes, and enhance audit functionalities to foster comprehensive data management and analysis to:

- **Support deployment and reporting of RE production and consumption.**
- **Develop an MRV system for tracking the progress and reporting on the achievement the RE targets in various subsectors:**
  - EV data collection
  - Heat pump Data collection and method for calculation
  - Biomass use data collection
  - Metering of self-consumers and RE communities for consumed RE electricity

Long term planning

Long-term planning and the outlined steps are crucial for fostering a resilient and sustainable renewable energy transition. This should consider expanding the scope of the analytical group by:

- **Developing and analyzing the optimal scenarios**
- **Defining and communicating intermediate and sub-sectoral targets for achieving the RE**
- **Adjusting the projections and reoptimizing the scenarios over time**

Policy analysis and formulation capacity

By investing in human capital and institutional frameworks, Georgia can create an environment conducive to evidence-based policymaking and stakeholder engagement. As the country moves towards a future with sustainable energy, it's crucial to have a solid base built on thorough understanding, careful planning, and skillful policy-making.

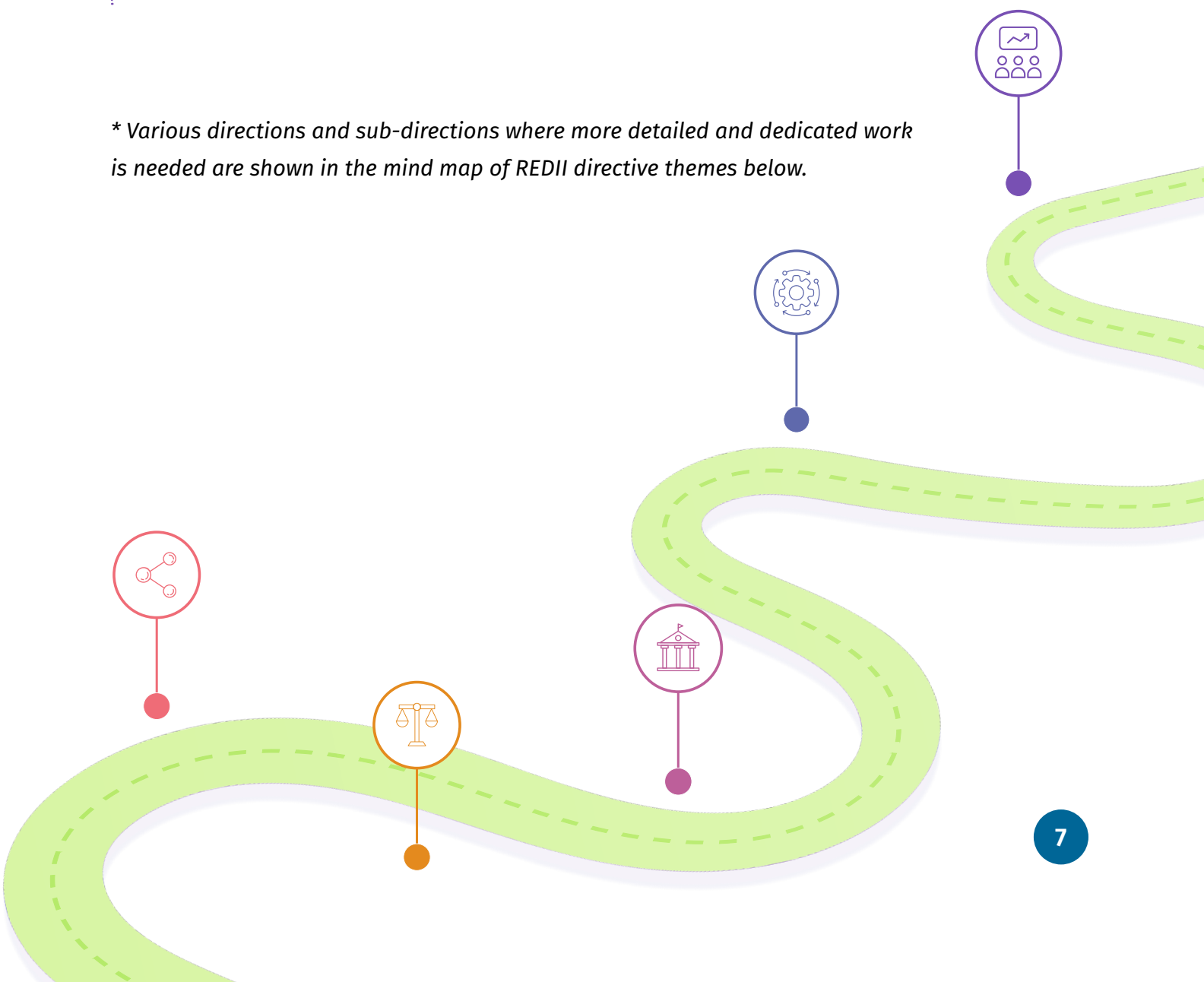
- **Develop analytical methods of impact assessment, cost-benefit analysis**
- **Develop a connection with academia and Include it in educational programs**

Stakeholder awareness and capacity building

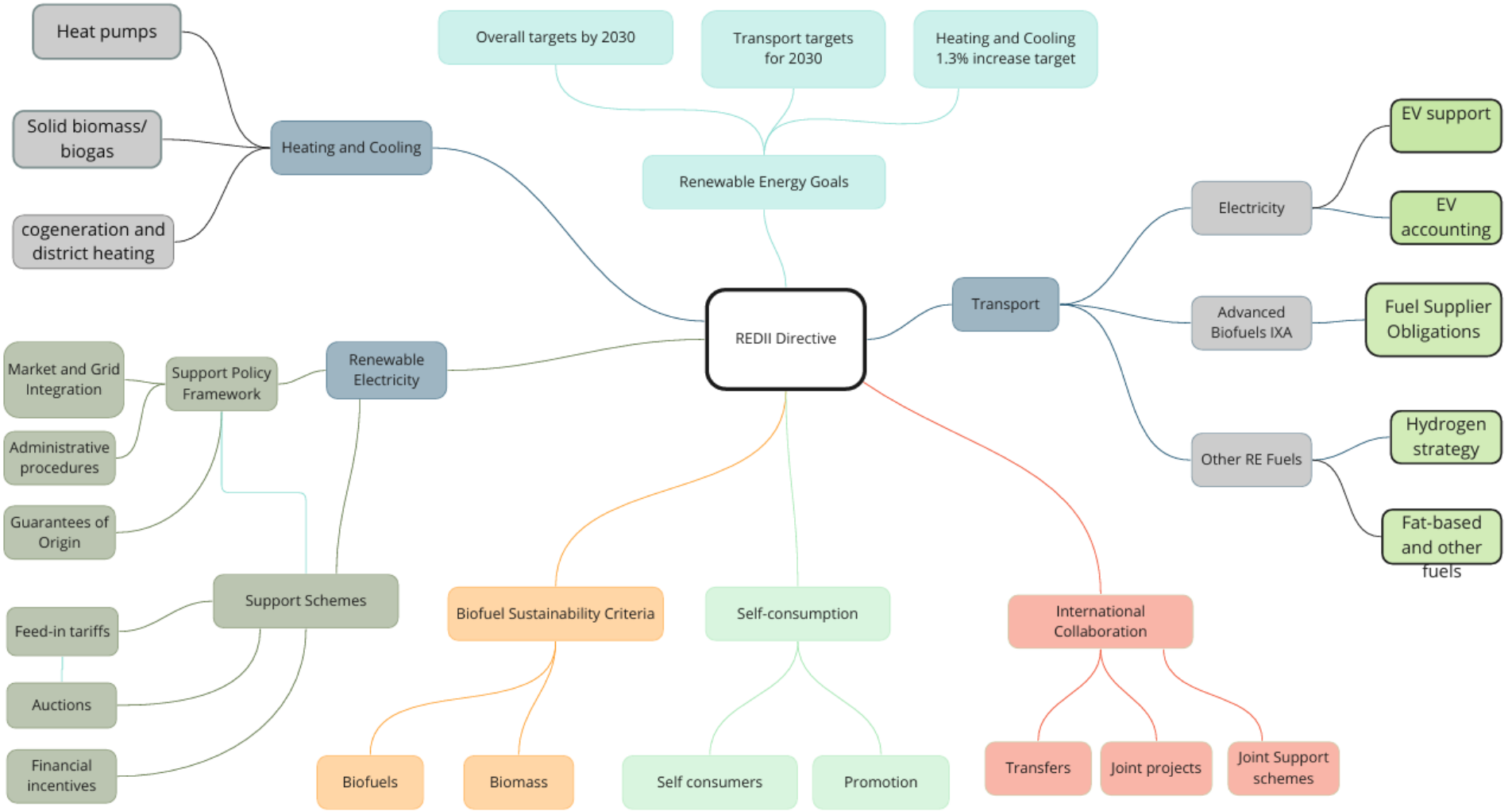
Through informed engagement and skill development, stakeholders can actively contribute to the achievement of renewable energy goals outlined in the road map. This inclusive approach fosters collaboration, alignment, and commitment, laying a solid foundation for sustainable energy initiatives across the nation.

- Awareness and preparedness of market participants
  - Fuel suppliers, RE developers
- Awareness and preparedness of (self) consumers and (RE) communities
- Capacity of relevant specialists (technicians, architects, weather and runoff forecasters)
- Data collection and processing, reporting capacity.

** Various directions and sub-directions where more detailed and dedicated work is needed are shown in the mind map of REDII directive themes below.*



Mind map of RED II Directive
For Implementation Planning and Monitoring



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