

State Program "Renewable Energy 2008"



About the Program

The Ministry of Energy of Georgia declares the express of interest for the power plants listed in [the list of potential alternative sources](#) based on the building, operation and owning (BOO) principal according to the following:

- During the 10 years of the power plant operation, in the winter season of each year during three months agreed by the memorandum, the electricity produced by the power plant shall be realized (according to the electricity balance) only to ensure domestic consumption. In other seasons of the year an interested party is free to choose a market (local or/and export) without any limitations.
- During the 10 years of the power plant operation, in the winter season of each year during three months agreed by the memorandum, the electricity produced by the power plant shall be realized to any buyer in Georgia by free (deregulated) tariff and/or by means of the guaranteed purchase agreement agreed upon in advance with ESCO (standard form, which may be the enclosure of this memorandum) in which the tariff is determined according to the legislation in force;
- In order to guarantee power plant construction and exploitation on time, a bank guarantee should be provided by an appropriate person. Bank guarantee should be issued for USD 170 000 for each megawatt, according to the power plant total capacity, by any bank in Georgia or abroad licensed by OECD. Amount of the guarantee should not exceed 15% of the bank's capital.

The Government shall grant the investor land plot necessary for the construction of such power plant at a nominal price through a direct sale agreement.

Should there be 2 or more prospective investors announcing interest for the same power plant project, priority will be given to the investor providing:

1. Higher percentage of a financial guarantee
2. Commitment to faster time for construction and setting into operation of the power plant. (Evaluation criteria 50% on a 10 point scale).

A standard form of MOU will be signed between the Georgian Government, "ESCO" and the selected party.

Any interested party or a group of persons has the right to express interest and fill out an application for the maximum of 7 power plants from the list. Interested party can apply for the other power plants only after they fulfill their obligation to construct and bring into operation of power plant under the Memorandum.

-Interested parties can submit their interest for the construction, operation and ownership of the power plants listed in the list of renewable energy generating sources, by filling out an application form, approved by the resolution N107 of the government of Georgia dated April 18, 2008, submitting to the Ministry of Energy of Georgia at the following address: 10 Lermontovi str. Tbilisi. (Tel: 99 53 10 E-mail: mail@minenergy.gov.ge)

-Submitted applications are registered at the Ministry of Energy. Within two working days, the Ministry of Energy will publish all submitted applications on the official web-site (www.minenergy.gov.ge). Applications will be listed on the web-site in the "List of Potential Renewable Energy Sources of Georgia". Information will include names of the power plant(s) for which the applications are submitted and the deadline for expression of interest on these power plants. Applications will not be accepted after 30 calendar days from the initial application date.

- Within 5 working days after the deadline the Ministry will review submitted application(s); if the application(s) completely satisfies the requirements, conditions and criteria declared in the expression of interest, provides a bank guarantee for unlimited amount within 5 working days after application review. A short list of qualified candidates will be forwarded to the government of Georgia for discussion.

- If a submitted application(s) does not meet the requirements, conditions and criteria and/or is not submitted on time and a bank guarantee is not provided on set time, application(s) will be disqualified and not taken to the next level of discussion with the Government of Georgia. Information stating the above mentioned will be sent to the applicant within 10 working days after the review process.

-If submitted applications are determined to be similar, according to the Government decision, the Ministry has the right to send a notice to the applicant and ask to improve the proposal. Improved applications should be submitted to the Ministry during 10 working days after the request. The Ministry will then forward improved applications to the Government of Georgia for a decision.

-The Government of Georgia is entitled to determine the best application(s) and the date for the memorandum signing no later than 3 months after the decision is made.

-The Ministry will send a notice to the selected party along with details on the time frames for the signing of the memorandum. The other applicants will be notified and a bank guarantee provided for the selection process will be returned to them in 5 working days after the request.

-The Ministry will introduce the draft MOU to be signed with the selected applicant to the Government. If the draft is approved, a memorandum of understanding is signed for the building, operation and ownership between the Government of Georgia, the selected party and ESCO. Above mentioned memorandum of understanding will be available on the Ministry's website (www.minenergy.gov.ge) Memorandum of understanding is mandatory for the applicants. Changes could be made to the draft MOU with the consent of the Government.