The new INOGATE Project
Electricity & Gas
Key Expert 2: Nikos Tsakalidis
Tbilisi, February 2014
BUILDING PARTNERSHIPS FOR ENERGY SECURITY
www.inogate.org
Electricity and Gas
(scope of work & approach)

Objectives:

- Improved Trade/Competitive Markets/Harmonised Standards
- Efficiency of Infrastructure

Policy Framework:
- Baku Initiative
- Eastern Partnership
- Energy Security Platform
- Energy Community

Tariffs, Market rules
Regulatory issues

Cross-border trade

Standards

Infrastructure Efficiency

REGIONAL ACTIVITIES
(Seminars, workshops, studies)

SPECIFIC ASSISTANCE (AHEF)
(Short projects)
Stakeholders Targeted

Cabinets of **Ministers Ministries** in charge of Energy Ministries of Economy

Energy **Regulators**

**Consumer protection Organisations**

Electricity Companies (**TSOs**)  
Gas Companies (**TSOs**)  
**Commercial System Operators**

NSBs (National **Standardisation Bodies**)  
**Certification & Accreditation** organisation

**Research** Energy Institutes
Technical Experts Groups (TEG) in PCs

...about 120 specialists in 11 PCs (17 in Georgia)

**TEG 1: Energy Markets & Infrastructure**

- Team 1: Energy Policy
- Team 2: Tariffs & Regulation
- Team 3: Licensing, Markets and Monitoring
- Team 4: Cross-border trade Electricity
- Team 5: Cross-border trade Gas
- Team 6: Gas infrastructure

**TEG 2: Standardisation (Electricity & Gas)**

- Team 1: Standardisation policy, Technical regulations
- Team 2: Gas standards
- Team 3: Electricity standards
Technical Experts Groups (TEGs)

**Purpose**

- TEGs support the CCs in the overall steering of the INOGATE Programme to **maximise benefits** in the PCs
- Strengthen **ownership and results** of the project activities
- TEGs as a **contact point for** INOGATE team
EU partner organisations
Regional Activities (1)

with participation of Georgia

Tariffs
- Tariff Study methodologies review & recommendations – first draft is ready.
- Tariff Seminar, Budapest, 29-31 October, 2013

Regulatory Issues, Market rules
- High-level national seminars (6 PCs):

Cross-border Trade (E & G)
- Capacity building of TSOs (2 regional seminars, Jan & May 2013)
- Sub-regional workshops
Regional Activities (2)  
with participation of Georgia

**E & G Infrastructure**

- EU Gas Technologies & Methodologies – Study with updated approach (1st draft is ready)
- Regional seminar in EU, April/May 2014 show case of methodologies & technologies for gas losses, PIMS, LDAR, optimal programme for each PC.

**E & G Standards**

- PC Road Maps & Action Plans for harmonisation of standards (for Georgia under preparation)
- Facilitated implementation of the agreement EASC on transfer of 60 translated gas standards to PCs – NSBs will be provided on request
- Study tour to DWGV, April 2014, Bonn, Germany
Regional Activities (example 1)

Capacity Building of Gas TSOs, Venice, Milan, May 2013
Regional Seminar/study tour.

Work scope & Key Results:

- latest EU CBT gas platform
- gas markets & prices
- visit to SNAM facilities
- 3rd GIE conference
- access to 350 EU gas stakeholders, exchange of experience
- increased capacity of PCs gas TSOs (high evaluation results)
- PCs gas investment projects promoted (initial negotiations held)
- AHEF ideas initiated (Uzbekistan)
Regional Activities (example 2)
Capacity building of National Standardisation Bodies,
London, Loughborough, July 2013
Regional Seminar/study tour.

Work scope & Key Results:

- concept RM & AP presented
- key competences of NSBs discussed
- visit to BSI facilities & laboratories (E & G)
- agreement to go ahead with RM & APs for 6 PCs
- agreement to harmonise Priority standards (Ukraine, etc)
- agreement with EASC, transfer of 112 translated standards to PCs
Regional Activities (example 3)

Review of standardisation and technical legislation systems of 11 NOGATE Partner Countries. Regional Study.

Work scope & Key Results:

- review of standardization and technical legislation systems of the PCs.
- recommendations for establishing the new TCs in E & G, and strengthening the existing TCs
- state of play to be used for RM & APs
- gap analysis with EU framework
Regional Activities (example 4)
Tariff Study

Tariffs not always:
Cost reflective
Set under transparent procedures

Joint IEA-ITS Energy Policy Review Questionnaire

How networks are regulated in the PCs?
## Specific assistance AHEF: Active Applications

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>6</td>
</tr>
<tr>
<td>Moldova</td>
<td>5</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>5</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>2</td>
</tr>
<tr>
<td>Belarus</td>
<td>1</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>-</td>
</tr>
<tr>
<td>Georgia</td>
<td>8</td>
</tr>
<tr>
<td>Ukraine</td>
<td>3</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>5</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>3</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>5</td>
</tr>
</tbody>
</table>

**TOTAL: 43**
How AHEF works?

www.inogate.org

Eligible Applicant:
Application for TA under the AHEF

Selection

ITS Project Team:
Pool of Experts

AHEF Project ToR

Implementation

EC Approval:
AHEF: Georgia example (1)

1. Support Georgia in Energy Sector Reform process and actions towards full membership of the Energy Community (MoE), ongoing.


**Work scope:**
- Assistance in:
  - compliance with 3rd energy package
  - development of the market model and associated rules
  - functional internal electricity market
  - progress towards accession in ECT
  - adoption of new legislation

---

**Map:**
- Russia
- Azerbaijan
- Armenia
- Turkey

**Diagram:**
- Import/Export Co-ordination
- All Participants
- Wholesale Public Trader
- MO Import/Export Spare Capacity Auction
- Trading Partners
- Long term Bilateral Arrangements
AHEF: Georgia example (2)

1. Cathodic Protection System Design (on-going)
2. Direct Assessment Techniques of unpiggable pipelines
3. Construction Supervision (Non Destructive Testing-NDT) and Pipeline Testing and Commissioning (completed)

- 3 seminars in Tbilisi & study tour to Greece
- participation open to other PCs
- reduced cost of the construction and maintenance
- reduced gas emissions improving the environment
- optimal design of rehabilitation programmes
- internationally recognized NDT certificates
AHEF: Azerbaijan example

Consultancy services on Advanced Meter Infrastructure (AMI) application at Azerenerji’s distribution networks (ongoing)

Work scope:

- 2 phases
- Assessment of the current state of the Metering Data Management (MDM) systems
- AMI system design
- Support in procurement AMI systems
- 100% collection rates
- Reduction of technical losses to 5%
- Prevention of illegal access to grid and meters;
- Establishment of a modern and well-functioning customer services.
AHEF: Armenia example

Rules of connection to electricity and gas distribution networks (completed).

- Analysis of the current legislation framework on connection conditions and charging. Propose technology on utilisation.
- Recommendations regarding the rules and connection tariffs.
- Formulation and adoption by PSRC of proposals and an improvement of the relevant primary and secondary legislation.

Work scope & Key Results:
INOGATE Office in Tbilisi

First Caucasus INOGATE office is located in the building of the Georgian Oil and Gas Company (GOGC).

**Electricity & Gas team**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy TL/KE - Gas and Electricity</td>
<td>Nikos Tsakalidis</td>
</tr>
<tr>
<td>Electricity regulatory expert (long term)</td>
<td>John Swinscoe</td>
</tr>
<tr>
<td>Gas infrastructure expert (long term)</td>
<td>Achilleas Gekas</td>
</tr>
<tr>
<td>Office Manager</td>
<td>Keti Mirianashvili</td>
</tr>
<tr>
<td>Communications and Event Expert</td>
<td>Rusudan Nonikashvili</td>
</tr>
</tbody>
</table>

**Back up team / Project Management - Greece**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Market Governance &amp; Electricity Expert</td>
<td>Sophia Nikolakaki</td>
</tr>
<tr>
<td>Energy Markets Convergence Expert</td>
<td>Nikos Tourlis</td>
</tr>
</tbody>
</table>

**One expert in Kiev office**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardisation Expert</td>
<td>Viktor Petrenko</td>
</tr>
</tbody>
</table>
Thank You!

Nikos Tsakalidis
Key Expert, ITS project
INO Gates Caucasus Regional Office
Georgian Oil and Gas Corporation (GOGC)
Kakheti Highway, N21,
Tbilisi, 0190 Georgia
4th floor. Room 402
n.tsakalidis@inogate.org
Tel: +995 32 2 24 40 50
Fax: +995 32 2 24 40 50