

Energocredit for Profitable Investment Projects

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Georgian Energy Efficiency program is in place for the private sector companies and individual owners who are ready to invest in energy efficiency or renewable energy projects. EBRD made available a credit line of \$ 35 million to finance energy efficiency in the country. Nowadays, within the framework of “funding the energy saving projects” of “TBC Bank” and “Cartu Bank” the loans are given out for rehabilitation of Zahesi HPP. “TBC Bank” has already issued a loan in the amount of 3 million USD, “Cartu Bank” has issued overall \$800 000 for rehabilitation of the HPP. Within the framework of the program number of projects are being revised.

The research has also proved that the energy efficiency and renewable energy projects must have been put into force in Georgia: Studies indicate that Georgia uses **three times more** energy than the average OECD country as a percentage of GDP. **As an outcome the production costs of Georgian Businesses are quite high.** Already the program aiming at increasing the energy efficiency of businesses is operational together with the credit line, it also provides technical support, so that the potential beneficiaries and local banks work out profitable investment projects.

Within the framework of “**Georgian Energy Efficiency Program**” Georgian banks together with EBRD give the unique opportunity to the companies to reduce their production costs with the help of “Energocredit”. The credit line will be used to give out medium sized loans (up to 2.500.000 USD). The goal is to improve the energy efficiency of the households and increase the use of renewable energy.

“Georgian Energy Efficiency Program” is interested in working with enterprises using energy intensive production processes: by using energy efficiency – investing in energy efficient equipment they will be able to reduce the production costs significantly. Industrial energy efficiency implies investments in following equipment:

1. Increasing Efficiency of Boilers:

New condensing boilers provide improved efficiency by making use of the heat held by steam in flue gases. They typically provide an efficiency of over 90%. Improved controls also help to manage combustion better and optimize load, especially when several boilers are organized in a cluster.

- **Improving Steam efficiency:**

It is generally more efficient to generate steam near to where it is needed. The energy loss is reduced by providing proper insulation.

- **Saving Energy with variable speed drives of ventilators and pumps:**

Automatic control of valves, pumps, fans, etc, provides improved regulation of energy use.

- Modern control systems and the replacement of leaking pipe work can provide huge efficiency in compressed air production. In addition, a reduction of 1 bar in operating pressure can cut running costs by as much as 5%.
- Using heat exchangers to match heating and cooling requirements of a similar scale allows waste heat from one process to be used for another process.
- We should look for motors with at least 91% efficiency. Automatic controls and variable speed motors use the minimum capacity required.

“**Georgian Energy Efficiency Program**” also aims at giving out loans on energy efficiency projects of buildings. They are available for buildings or houses and other homeowners so that according to the modern standards the buildings can be built or renovated and the respective costs for heating and cooling reduced. Below are the energy efficiency projects of buildings:

- Improving insulation of buildings (walls, floors and roofs)
- High efficiency double glazing windows (energy efficient windows)

- Using energy saving equipment (Using thermal solar energy systems)
- Minimizing cooling necessity

Georgian Energy Efficiency team has set up the technical standards, to which the mentioned equipment must match. Otherwise the loan will not be issued.

Georgian Energy Efficiency program also aims at funding renewable projects. They are as follows:

- Biomass producing only heat or heat and electricity
- Small Hydro power plant electricity production
- Installation of solar panels for water heating in the buildings (factories, hotels, leisure centers).

The benefit of the program: the low interest rate, business oriented payback schedule and opportunity of business start up. The program also envisions free technical and financial consultations.

Interested individuals willing to participate in "Energocredit" project who wish to define the business opportunities or have already a certain project may receive the detailed information about the project from its web-site: www.energocredit.ge

It is noteworthy to state that in September 2008 the training for journalists was organized by the program where the journalists had the opportunity of getting familiar with the energy efficiency team program, also revised the examples of energocredit projects. Journalists received detailed information about significance of energocredit, namely what is the EBRD doing in post-soviet countries and how is energy efficiency reached in buildings, houses, industries and how to reach the efficient result. The discussion also touched upon the issue of supporting energy efficiency in other countries.

The GEEP team offers to the companies numerous free evaluations to simplify their investment project ideas.

Energy efficiency implies the reduction of energy use without affecting the quality of the products, by its help it is possible to improve the quality

of the production in general. Of course the main goal is to reduce the production costs, use energy efficiently and create good conditions for businesses (main benefit of energy efficiency is economic and environmental).

Investments in energy efficiency or renewable gives positive results, namely, reduction in energy use, using energy more efficiently, reduction of costs, increase of competition. Get ahead – Invest in energy efficiency – this slogan became very popular in Georgia after EBRD has issued 35 m credit line and started implementation of Energy Efficiency program. The companies have now the unique chance of reducing their production costs by energy efficiency. Funding of Industrial Energy Efficiency projects has already started (Zahesi, Sulori-HPP), different building projects are being reviewed. 35 million credit line exists for those companies and individuals which are ready to invest in Energy Efficiency and renewable energy projects. This credit line in the country will improve the energy efficiency and increase the use of renewable energy use. Investment in energy efficiency are quite viable these days in Georgia, as it provides guaranteed result. “Reassess what you use” – this is energocredit.

To sum up, 35 million USD energo creditline is already in force for increase of energy efficiency in Georgia.