

## Energy in the Dark

Energy security is an essential part of National Security and a necessary attribute of an independent and free country. Without secure energy supply the country can easily fall under political and economic influences and may fail to preserve its independence, territorial integrity and to defend the interests of economy and citizens.

Georgia in spite of its 72% dependence on external energy sources, has not had a robust and actionable strategy or a plan of achieving the main objective of the energy sector – improving its energy security. The official Energy Policy is merely a declaration of wishes, while fragmented plans and “strategies” of sector entities and some experts fail to provide comprehensive or reliable picture of energy security.

The two pillars of Georgian Energy Policy – Gas Supply Diversification and Maximal Development of Hydropower do not even deserve a serious criticism: The former has ended up in switching from one monopolistic supplier (Russia) to another one (Azerbaijan), which is not a satisfactory case; The program of hydropower development has evolved into uncontrolled transfer of land water and budget guarantees without adequate outcome. Moreover, even if majority of declared HPP projects gets implemented, this will not assure satisfactory level of energy security. Even more, due to substandard construction quality, excessive burden on state budget, confrontation with local community and the environment, this program has become a threat to country’s sustainable development itself.

*One needs to ask -why was it impossible to develop a reasonable and sound energy policy, strategy and action plan for so many years? There are many reasons to this and among them:*

- It is difficult to attract and retain professionals with needed skills, integrity and motivation in energy governance. The lack of knowledge and personnel turnover do not allow to establish the needed work processes;
- Policymakers may not be keen on developing sound and quality strategy documents since these can limit their freedom, require more action and make them accountable to public;
- The most basic reason however is that there is no research in energy (security) going on in Georgia. Therefore we have no basis for societal dialogue and demand for energy security improvement.

In absence of research<sup>1</sup>, we have no way of assessing and comparing threats and opportunities coming from various factors including: growth in energy consumption, import dependency and prices; uncontrolled Abkhazia consumption; forest devastation by fuel wood harvesting; Excessive dependence on gas from Azerbaijan; potential influences of Gazprom and Inter-Rao UES; climate change induced changes in hydrology; International and regional energy trends; New technology developments etc.

Consequently, we do not know for sure how to direct country's limited resources. Which projects and technologies to develop, in what timing and sequence; How to talk with population protesting new hydropower projects. We do not know what our politicians and diplomats should be discussing and what agreements should they pursue; *etc.* Without awareness and understanding of its environment the country is unprotected against political, economic and technology challenges and cannot use even its scarce energy resource properly. This way we are sure to gradually lose opportunities, fall under increased external influences and to pursue interests of others at the cost of our future. In other words, **the absence of conscious policy resulting from the lack of research is the biggest energy security threat.**

This is why we need to start systemic research in energy security. Initially it has to assess the main threats and opportunities, strengths and weaknesses of Georgian energy sector and will suggest a definition and criteria of energy security most adequate to our realities. This will create the basis for further development of realistic energy strategy and energy action plan.

We estimate, that allocating 1% of infrastructure costs to energy research could increase the efficiency of same infrastructure in attaining the energy security by at least 10-20%. Therefore, investment in energy research is the most profitable investment if we care about interests of country and its citizens rather than comfort and well-being of some individuals.

We hope that the Ministry of Economy and Sustainable Development and the Government will share these views and devote enough attention to scientific research in energy policy. There is a need to establish short and long term grants and research programs, support conferences and university programs, to bring together industry and academia for solution of country's acute problems in energy.

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<sup>1</sup> *WEGs own work of 2017 on assessment of Georgia's Energy Security through IEA MOSES methodology is only an episodic step in this direction*