Policy for Electrification of Public Transport in Georgia

Margalita Arabidze
Head of EE and RE Policy and Sustainable Development

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Project: Policy for Electrification of Public Transport in Georgia

Within UNESCAP initiated Technical Cooperation Project entitled “Accelerating the transition to electric-mobility for public transport in Asia and the Pacific”.

Duration: From August 2021 to April 2022

Implemented within project:

• Support Georgian officials in developing strategies for transitioning to low carbon/electric public transport through an analysis of urban passenger transport system in Georgia and development of guidelines.

• Organize national stakeholder engagement and capacity building workshops on passenger transport aimed at:
  (i) sharing best practices and experiences of other cities and countries in the region in the deployment of low carbon/electric public transport; and
  (ii) discuss policy options and strategies to accelerate the shift to low carbon/electric public transport systems in support of resilient and sustainable passenger transport systems.
Development of the Georgia’s Transit Potential
Key Priorities

- Implementation of transport-logistics infrastructure projects
- Enhance multilateral and bilateral cooperation with the regional countries
- Development of new transport corridors and routes
- Digitization of transport corridors
- Raising the level of qualification in the transport and logistics sector by prioritizing education
- Approximation of legislation with European standards
- Increase the safety and security of transport operations
Current Situation

- Registered vehicles by 2021 – 1.5 mln (total):
  - 97 435 Hybrids (6.4%)
  - 2 343 EV (0.2%)
  - M2 & M3 – 54 445 (3.6%)

- Increased tax for the import of old vehicles

- Tax code, incentives:
  - for hybrids - 50-60% excise tax
  - for EV – entirely exempt from tax

- As a result increase of hybrids import by 34%
Current Actions

• Nationally Determined Contribution (NDC)
  – GHG emission reduction by 15%, by 2030 from transport sector (BAU)

• Climate Strategy Action Plan (CSAP)
  – Measure - adoption of EV in public transport in Tbilisi and Batumi

• National Integrated Energy and Climate Plan (NECP) 2021-2030
  – Measures – adoption of cleaner transport, development of relevant infrastructure, improvement of existing transport legislation

• Green City Action Plan and Sustainable Mobility Action Plan by Tbilisi and Batumi City Halls (2017)
  – several directions for public transport development.
State Incentives for Electric Vehicles

Incentives according to Tax Code of Georgia:

• Import of EVs are 100% exempt from excise and import duty;
• Electric Buses and Mini-buses are exempt from VAT;
• Usage of EV by employee is exempt from Income Tax.

Incentives for Technical Inspection and Parking:

• 20% discount is applied on periodic technical inspection fee for EVs
• Certain categories of EVs are exempt from Parking Fee within Tbilisi Municipality
Challenges & Barriers

Challenges and barriers related to EVs adoption in public transport:

- Absence of national integrated strategy/plan related to EVs adoption in public transport;
- Very limited country/municipal budget which mostly aimed to the social programs and human’s direct health care rather than procure of EVs;
- Initial capital cost of EVs is too high because of the high cost of battery technologies;
- Lack of experience related to the charging stations installation and operation and maintenance;
- High cost of establishment of charging infrastructure;
- Lack of places for charging stations and needed power capacities considered by TSO/DSO;
- Absence of day/night tariff to avoid grid overload during the day-hours and encourage EVs charging at night off-peak hours.
Recommendations

Recommendations for adoption of EVs in public transport:

- Must be develop national strategy/plan for investment of EVs and respective infrastructure including charging stations/terminals and PVs installation grid capacity enforcement, battery disposal or recycle scheme;
- Increase governmental effort with IFI for procurement of EVs and installation of charging facilities;
- Develop requirements in the existing grid code for charging facilities to ensure grid stability;
- Develop adequate logistics to provide reliable range estimation considering the factors affecting the dynamic driving range to ensure developing of route plans and schedule proper to the given battery capacity and charging schedule;
- Establish municipal owning EVs maintenance and repair facility including ensuring of the qualification upgrade training for technicians to avoid dependence on private service companies; and etc.
Future Plans

• By 2024, 15 new charging points will be installed in Tbilisi on the streets for electric vehicles – with significant scale up afterward

• At least 3,500 places have been added within the framework of the zone-hour parking system throughout Tbilisi, which envisages zero tariffs for electric vehicles

• Estimated market targets include the following:
  • 2030 - hybrids - 40%, electric - 10%
  • 2050 - hybrids - 60%, electric - 35%

• Increase the tax on imported vehicles older than 12 years by 200%;

• Increase the tax on imported vehicles between 10–12 years old by 120-160%; and

• An increase of 14-80% on cars between 6–10 years old.

• Potential promotion of electric vehicles in green and sustainable public procurement
Thank you for your attention!

Margalita Arabidze
E-mail: marabidze@moesd.gov.ge
Tel: +995 593 72 85 95