
Georgia, Russia in talks over hydropower plant

By Niko Mchedlishvili

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Georgia said on Monday it was in talks with Russian electricity trader Inter RAO over joint control of the vital Enguri hydroelectric power plant, which straddles Georgia's de facto border with breakaway Abkhazia. "We are in talks to create a council with equal representation, which will manage the operation of the Enguri plant," Georgian Energy Minister Alezander Khetaguri told reporters. He said a memorandum on the start of negotiations was signed in Tbilisi at the end of December, despite a war between the two countries over breakaway South Ossetia in August. The Enguri plant generates 4.2 billion kwh of electricity per year, accounting for 45 percent of Georgian electricity generation. Under a deal between Tbilisi and Abkhazia, which threw off Georgian rule in the early 1990s, the breakaway region gets 1.2 billion kwh. The plant's five generators lie on the Abkhaz side of the de facto border, but the Enguri dam is on the Georgian side.

Russia recognised Abkhazia and South Ossetia as independent states after the August war, and has thousands of troops in both regions.

Khetaguri said there was no prospect of transferring any shares in Enguri to Russia. "All 100 percent of shares of Enguri were, are and will be in the hands of Georgia," he said. Khetaguri said that if a final agreement is signed, Russia would pay Georgia for electricity consumed in Abkhazia. He said Russia was ready to buy additional electricity from the Enguri plant for its southern regions. Inter RAO is one of the biggest investors in Georgia, with an electricity distribution firm for the capital Tbilisi, a 300-mgwt capacity thermal electric plant and two hydroelectric stations each with 120 megawatt capacity.

Inter RAO announced last month that it would export electricity to Turkey via Georgian territory.
