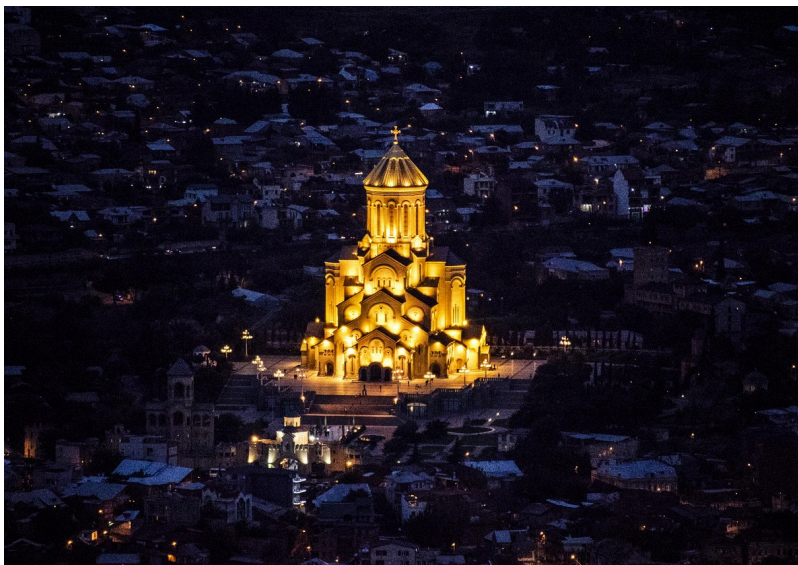


USEA Enhances Cross-Border Energy Trade and Bankability in the South Caucasus

The United States Energy Association's project on the Georgia-Türkiye 400 kV DC Interconnector created a market-based compensation mechanism that strengthens cross-border electricity trade and grid reliability. By aligning operational frameworks with advanced U.S. technologies, the initiative opens strategic opportunities for American energy companies in the rapidly evolving South Caucasus market.

The United States Energy Association (USEA) took a significant step toward enhancing energy trade and financial stability in the South Caucasus by promoting the development of a market-based compensation system for the Georgia-Türkiye 400 kV DC Interconnector. This interconnection, a key infrastructure asset connecting Europe and Asia, is central to the region's grid stability and energy market integration. Thanks to USEA's intervention, it is now positioned to attract greater investment and long-term financing.

USEA collaborated with Georgia's transmission system operator, GSE, and Türkiye's TEIAS to address a longstanding regulatory and operational gap: the absence of a structured



system to compensate for unintended hourly power deviations to the scheduled flows of electricity between the two countries. The project produced a detailed business model, deviation pricing formulas, and IT harmonization plans to support real-time coordination and transparent settlements. The project also delivered custom file exchange protocols, fallback mechanisms, and testing procedures to ensure uninterrupted cross-border operations.

By introducing formalized market rules and financial accountability to cross-border operations, the project enhances the interconnection's bankability and increases investor confidence in regional electricity trade. These advancements are

crucial for attracting blended finance, international development funds, and private capital to future transmission and grid modernization projects in the region.

This initiative supports broader U.S. foreign policy priorities, including advancing rules-based energy markets, strengthening regional cooperation, and fostering energy security. It also highlights USEA's role as a trusted technical advisor, helping partner countries adopt financially sound, investment-ready market frameworks that facilitate long-term infrastructure development. As Georgia and Türkiye move toward deeper energy integration, this project establishes the foundation for scalable, financeable energy trade across the broader Black Sea region.