

Terms of Reference

Regulatory Assessment and Recommendations on Electricity Capacity Utilization and Energy Storage Integration in Armenia

1. Background of the assignment

In partnership with the Swedish International Development Cooperation Agency (Sida), HELVETAS Swiss Intercooperation is leading a regional inclusive and green economic development program, RECONOMY, in 11 countries of the Eastern Partnership (Armenia, Azerbaijan, Georgia, Moldova, Ukraine), and the Western Balkans (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo, and Serbia).

Within the Eastern Partnership region, RECONOMY implements the Energy Efficient Construction and Renovation (EECR) project, which aims to foster inclusive and green economic development by supporting market systems that enable energy efficiency uptake, green construction practices, improved policy enforcement, and stronger private sector participation.

One of the systemic constraints identified under the EECR project is weak enforcement and insufficient optimization of energy efficiency-related regulatory frameworks and enabling mechanisms. In Armenia, current electricity capacity reservation practices allow entities to reserve electricity capacity without actual utilization over extended periods. This contributes to inefficient infrastructure planning, unnecessary expansion of substations and network capacities, inefficient allocation of resources, and increased costs within the energy system. Addressing these inefficiencies can contribute to improved energy system management, more effective infrastructure utilization, and a more enabling environment for sustainable investments and energy-efficient economic development. In this context, ***RECONOMY seeks to engage a group of experts or a consultancy company to conduct a rapid assessment and develop practical recommendations for improving the existing rules and mechanisms related to electricity reserve capacity utilization and energy storage integration into electricity networks and markets in Armenia.***

The assignment will support evidence-based dialogue and contribute to policy improvement processes led by the Public Services Regulatory Commission (PSRC) of the Republic of Armenia.

2. Objectives and Scope of the Assignment

2.1 Objective

The objective of this assignment is to:

- a) Assess the existing electricity reserve capacity utilization mechanisms in Armenia and develop practical, evidence-based recommendations and a policy suggestion document aimed at improving efficiency, reducing unutilized reserved capacity, and supporting a more sustainable and effective energy infrastructure management system.
- b) Provide dedicated technical assistance to support the PSRC in the development of a framework for energy storage integration into electricity networks and markets.

2.2 Scope of Work

The selected experts or consultancy company will carry out the following tasks:

a) Electricity reserve capacity utilization mechanism integration:

1. Review the existing regulatory framework, rules, and practices related to electricity capacity reservation and utilization in Armenia.
2. Assess key challenges, inefficiencies, and market implications resulting from long-term unutilized electricity reserve capacities.
3. Conduct consultations/interviews with relevant stakeholders, where relevant and feasible.
4. Assess implications for infrastructure planning, energy efficiency, market development, and investment environment.
5. Review relevant international and/or regional good practices where applicable.
6. Develop practical recommendations and suggested improvement mechanisms for the optimization of electricity reserve capacity utilization rules.
7. Prepare a concise policy suggestion/recommendation document that can support dialogue and further consideration by the Public Services Regulatory Commission of the Republic of Armenia.
8. Present key findings and recommendations to RECONOMY and relevant stakeholders if requested.

b) Development of a framework for energy storage integration into electricity networks and markets:

1. Review the newly adopted legislative changes in the Energy Law for the deployment of storage facilities.
2. Assess the required list of decisions and technical regulations which need to be changed stemming from the law to enable utilization of storage facilities.
3. Explore international best practices on storage facilities and roadmap for its regulatory localization in Armenia.
4. Develop the respective recommendation document/changes to the PSRC technical regulations and decrees to enable utilization of storage facilities.
5. Present the respective documents to the Public Services Regulatory Commission of the Republic of Armenia.
6. Present key findings and recommendations to RECONOMY and relevant stakeholders if requested.

3. Deliverables

The selected expert/service provider shall deliver:

1. **Brief Inception Note** (Due within 2 weeks of contract signing)
Including proposed methodology, workplan, and approach.
2. **Draft Recommendation Document**
Including findings, assessments, and proposed recommendations.
3. **Final Recommendation Document**
Incorporating feedback from RECONOMY and relevant stakeholders.
4. **Brief Presentation**
Summarizing key findings and recommendations.

4. Timeline and Duration

The assignment is expected to be conducted over approximately 2-3 months from the date of contract signing.

No	Activity	Timeline	Payment terms
1	Inception Report	2 weeks after signing the contract	20%
2	Interim Presentation	1.5 months after signing the contract	20%
3	Draft Final Report, Policy Brief, and Presentation Slide Deck	2,5 months after signing the contract	40%
4	Revised Final Report, Policy Brief, and Presentation Slide Deck	Two weeks after receiving written and verbal feedback from the RECONOMY on the final report	20%

The consultancy shall take place between **July 2026 - October 2026**.

The final recommendation document is expected to be completed within the agreed implementation period to support timely policy dialogue and potential regulatory updates.

5. Expertise Required

The applicant (individual expert or consultancy company) should demonstrate the following expertise and experience:

- Experience in energy sector policy, regulatory analysis, energy markets, infrastructure planning, or related fields.
- Understanding of electricity systems, regulatory mechanisms, and/or energy efficiency policy environments.
- Familiarity with Armenia's energy sector and institutional environment, previous experience working with the Public Services Regulatory Commission of the Republic of Armenia.
- Engagement in the development of the electricity market liberalization and renewable energy reforms in Armenia.
- Understanding of green transition, sustainable infrastructure, or energy efficiency topics is an advantage.
- Experience in research, analytical assessments, and policy recommendation development.
- Experience working with development programmes, public institutions, regulatory bodies, or donor-funded initiatives is an advantage.
- Strong analytical and report-writing skills.

6. Technical Proposal

Interested applicants should submit a brief technical proposal including:

- **Profile of the group of experts/consulting company.** Provide a brief overview of the consultancy company/expert(s), including name, location, size, and any key information that showcases the presence and history of the company/organization/expert(s) in the field of energy efficiency studies.

- **Relevant experience and qualifications.** Present the group of experts/consultancy company's experience in meeting the required expertise as described in Section 5. Mention any notable clients or programs/projects that demonstrate it.
- **Proposed Methodology, Approach, and Implementation Plan:** Describe the methodology and approach to prepare, design, and implement each component of this assignment.
- **Team Expertise:** Describe the qualification, experience and expertise of the experts(s) assigned to the engagement. The CV(s) should highlight the relevant expertise, skills, and experience that make the team suitable for the assignment.
- **Examples of relevant previous work,** if available or reference letters.

7. Financial Proposal

Applicants should submit a financial proposal indicating the total proposed budget for implementation of the assignment, including all applicable taxes and costs.

The total budget should not exceed CHF 50,000.

No.	Deliverables	Total Fee
		(CHF)
1.	Inception Report	
2.	Interim Presentation	
3.	Draft Final Report, Policy Brief, and Presentation Slide Deck	
4.	Final Report, Policy Brief, and Presentation Slide Deck	
TOTAL (tax included)		