INVESTMENT OPPORTUNITY · BAKU, 22 OCTOBER 2026

Green Energy Corridor

Caspian renewable power for Europe

A multi-terminal HVDC corridor linking Azerbaijan, Georgia, Romania and Hungary. The Feasibility Study is complete and endorsed by the four governments; the project is now entering its development phase.

3.9 GW
three HVDC links of 1.3 GW

€14.3bn
transmission investment

11.7%
economic IRR

2032
first link in operation

THE OPPORTUNITY

Low-cost Caspian renewables meet European demand

THE RESOURCE

25 GW

of offshore wind in the Azerbaijani Caspian, about 96 TWh a year

plus about 19 GW of solar PV and onshore wind (15 GW and 4 GW)

THE MARKET

20 TWh/yr

of renewable power exported to the EU by 2040

8 TWh/yr from 2032; lower wholesale prices in Romania and Hungary as gas-fired generation is displaced

THE ASSET

60–70%+

interconnector load factors across the horizon

congestion revenues above €315m a year from 2032; CO_2 cut by 3.6 Mt a year by 2040

Source: CESI Feasibility Study, Task 2 (zoning results) and Task 6 (scenario analysis)

THE PROJECT

Three HVDC links from Baku to the EU, built in phases

Black Sea subsea cable: ~1,124 km per link, at depths of ~2,200 m



Azerbaijan
Baku renewable hub

Georgia
Tbilisi, Tskaltubo; landing at Anaklia, Poti

Romania
Constanța, Bucharest

Hungary
Albertirsa

Link 1 · 2032

Azerbaijan–Georgia–Romania–Hungary · 1.3 GW, with 2 GW from Romania to Hungary

Link 2 · 2036

Azerbaijan–Georgia–Romania · 1.3 GW, to Bucharest

Link 3 · 2040

Azerbaijan–Georgia–Romania · 1.3 GW, to Constanța

Source: CESI Feasibility Study, Tasks 5, 7 and 8

THE ECONOMIC CASE

A robust economic case

€26.6bn

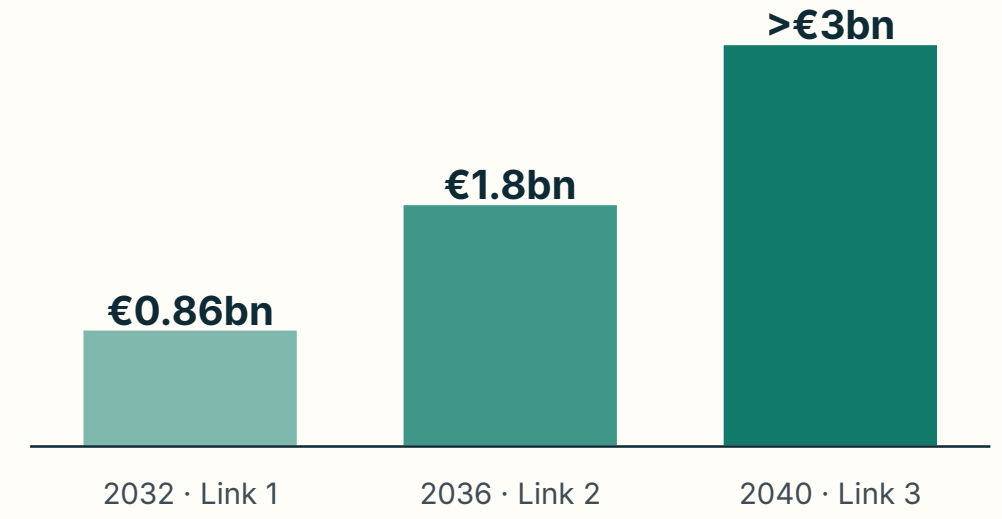
economic net present value at a 4% social discount rate

11.7%

economic IRR; stays above the discount rate with 20% cost overruns

~€22bn

total investment: €14.3bn transmission and €7.8bn dedicated renewable generation



Source: CESI Task 6 CBA (societal view). 2040 benefits include ~€1.7bn of CO_2 value.

HOW TO INVEST

A hybrid model built for public and private capital

Each 1.3 GW link is split in two

Regulated · 500 MW

- Earns a return on the regulated asset base (RAB)
- Regulatory WACC of 8% real, pre-tax; 40-year depreciation

Merchant · 800 MW

- Earns congestion revenue and long-term transmission rights
- Break-even rights price of ~€34/MWh with grant, ~€46/MWh without, calibrated to a ≥10% equity return
- 80% debt, repaid over ~30 years

Where partners fit

- Strategic equity in the merchant vehicle
- Long-tenor debt and guarantees from MDBs, ECAs and banks
- EU grants through PMI status and CEF
- Long-term off-take: PPAs and transmission rights
- Cables, converters and marine installation

Next: development phase and roadmap to FID. GECO invites expressions of interest.

Source: CESI Task 9. Assumes a 25% EU grant on capex; CEF eligibility still to be confirmed.