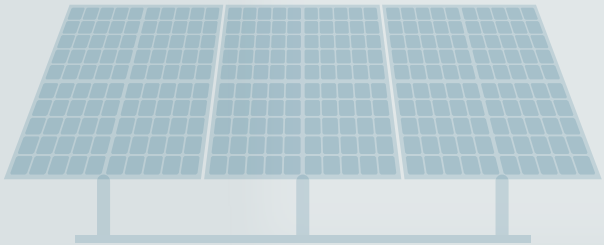
Electricity Authority

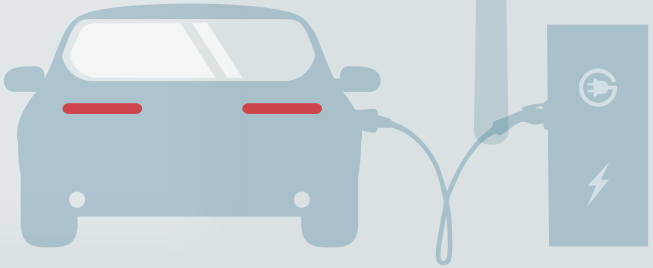
Report on the State of the Electricity Sector

September

2025

2024 Summary and 2025 Trends





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September 2025

2024 Summary and 2025 Trends

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The report is intended to provide the reader with a general idea of the electricity sector in Israel and the roles of the Electricity Authority. The description in the report does not constitute a binding position on behalf of the Electricity Authority, and the data appearing therein are not binding for the purpose of tariff updates, the Authority's regulations, and its policies.

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Statement by the Minister of Energy and Infrastructure

The Israeli electricity sector has proven itself to be strong and resilient over the past two years, and even more so during the "Rising Lion" war. The sector has been functioning flawlessly since the war broke out on October 7, and Israeli citizens did not experience any shortages during the war with Iran, despite the damage incurred by strategic facilities and the gas rig being shutdown. Even when electricity consumption records were broken day after day during the summer, the electricity supply continued as usual. This is thanks, in part, to the huge investments in infrastructure, the increasing diversification of production sources, and above all, the dedication and professionalism of employees in the energy sector.

As Minister of Energy and Infrastructure, in addition to the electricity supply being continuous and reliable, it is also very important that prices are competitive and fair. As such, when we opened the electricity sector to competition almost a year ago, we broke the large monopoly in the sector and lowered prices by up to 20%. Over a million and a half citizens have already joined the reform, and I am proud of the privilege to save every family hundreds or even thousands of shekels a year.

Opening the sector to competition isn't limited to just lowering prices. It increases investments by private entities, and makes the electricity sector more efficient, innovative, and advanced. We continue to work to remove barriers and encourage further investments, with the belief that a free and competitive market is the way to ensure better service for the entire public at a lower price.

This report that you are holding presents the fruits of this policy: a surge in solar electricity production, increased integration of energy storage facilities that ensure grid stability, and unprecedented investments to develop the transmission and distribution grids. These are not just economic developments, but strategic assets that strengthen the energy independence and security of the State of Israel.

I wish to thank the employees at the Electricity Authority for their hard work and for preparing this comprehensive report, which clearly presents the sector's dramatic progress.

I will conclude by sending encouragement to the IDF soldiers and security forces who stand guard over our country, and with the hope for the speedy return of all the hostages.

Kind regards,
Eli Cohen
Minister of Energy and Infrastructure

2024 was a complex and challenging year for the State of Israel and the Israeli electricity sector. Alongside the continuation of the Swords of Iron War and the difficult security challenges, the Electricity Authority continued to resolutely promote reform in the electricity sector and lead fundamental changes that will ensure a reliable and competitive economy.

During the past year, the Authority made conscious moves that strengthened competition in the electricity sector. The integration of basic meters into supply competition has opened the door for hundreds of thousands of additional consumers to benefit from discounted tariffs offered by private suppliers. At the same time, licensing virtual providers has expanded competitive diversity and opened the market to new and diverse players.

The privatization of the Eshkol Power Plant was successfully completed at a cost of approximately 9 billion NIS, providing further impetus for opening the production segment to competition. The excess proceeds from this sale were used, among other things, to cover unusual costs in the sector while also ensuring a proper economic balance.

In the field of renewable energies, the Authority acted decisively to advance the government's goals for reducing emissions. The amendment to redesignate the standard under the fast track removed barriers and accelerated the connection of photovoltaic and storage facilities to the grid. The decision to cancel production licenses for small facilities reduced the regulatory burden without harming the proper operation of the facilities.

Despite the security challenges, the Authority acted responsibly and with flexibility. The extension of deadlines due to the war were determined with the proper balance between the need to help the market handle delays and the need to continue to promote the development of the electricity sector.

Looking ahead to 2025, the Authority intends to continue to lead changes that will lead to strengthening the reliability of electricity supply, establishing the market model, and increasing the available supply for competition among suppliers. As such, establishing the bilateral market model will allow large production facilities to sell electricity to virtual suppliers, and changing the tariff structure and the marginal price methodology will ensure greater transparency and create the right incentives for efficient production.

The Authority has worked and continues to work to introduce significant production volumes into the sector in order to respond to the increase in electricity demand stemming from industrial electrification trends, alongside other trends including higher penetration of electric vehicles, the growth of artificial intelligence and the server farms needed to support such growth, and more. Moreover, the Authority continues to work to create a fair market, among other things, by updating the rules regarding concentration and limiting complementary tariffs for IPPs.

The Israeli electricity sector continues to develop and strengthen. The data in the report reflects a competitive and sophisticated sector, proving the effectiveness of the reforms promoted by the Authority and their success in making the electricity sector more reliable, competitive, efficient, and cleaner. This is also reflected by investments into the sector totaling approximately 90 billion NIS that are expected by the end of the decade. These investments – to develop the transmission and distribution grids,

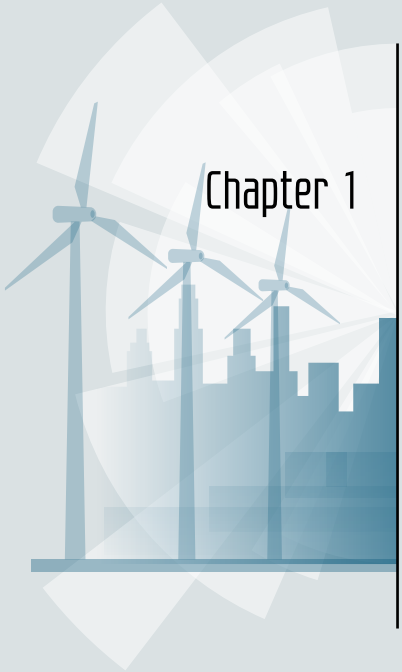
construct new power plants and introduce renewable energy production and storage across all voltage levels – will create infrastructure for the sector's continued prosperity and bring innovation to it, whether through the continued trend of transportation and industrial electrification, or through supporting EV penetration and the construction of server farms.

I would like to thank the members of the Electricity Authority Plenum for their joint efforts, and the Authority's employees for their dedication and outstanding professionalism, which is evident during routine times and especially during this challenging period. I also extend my gratitude to our partners in the sector – the Ministry of Energy, the Ministry of Finance, the Israel Electric Corporation, Noga, the IPPs and suppliers – for their collaborative action in advancing the electricity sector.

I invite all those who read the report to continue the important dialogue between the public and the Authority so that we may continue to advance the Israeli electricity sector together.

Hoping for quieter days and the return of all our hostages.

Kind regards,
Amir Shavit
Chairman of the Electricity Authority

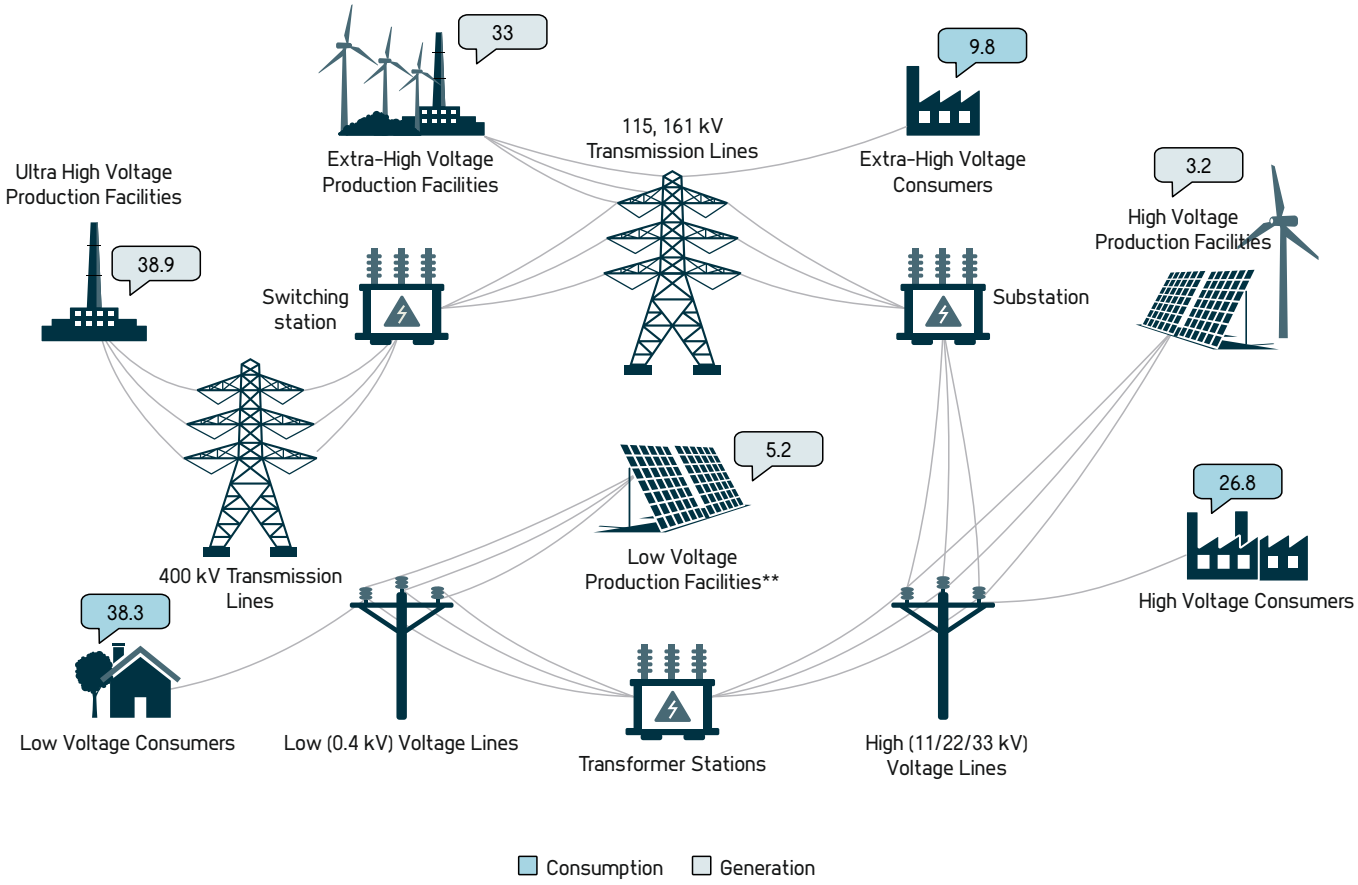


Chapter 1

State of the Electricity Sector

- Electricity Flow in 2024 by Voltage
- Sector Production
- Capacity in the Sector
- Demand in the Sector
- Peak Demand
- Power Outage Minutes in High-Voltage Power Lines
- Storage Development in the Sector
- Investments in the Sector

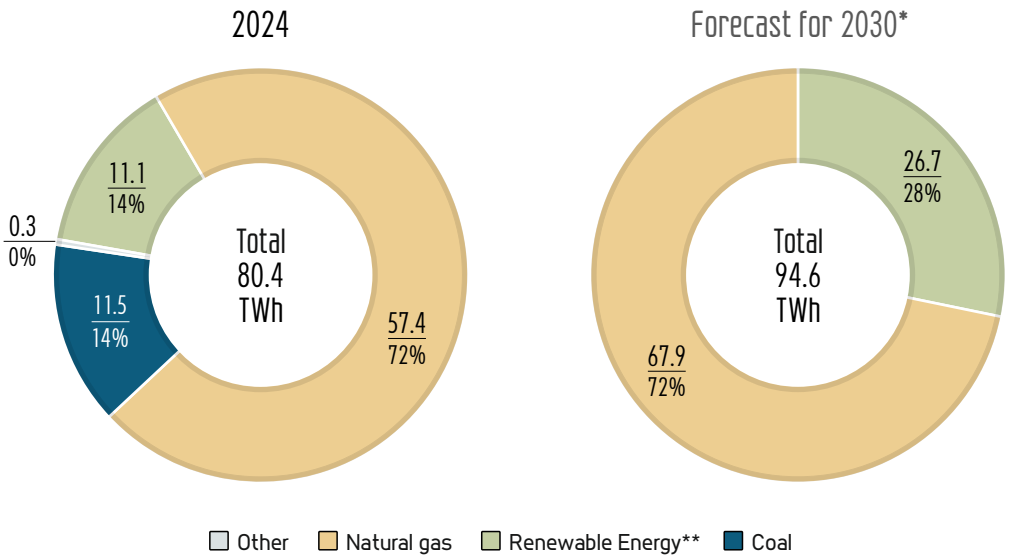
Sources: Noga, IEC and the Electricity Authority's Processing



1.2 Production in the Sector (TWh)

Sources: Noga, IEC and the Electricity Authority's Processing

In 2024, the sector produced 80.4 TWh, whereas 72% of production was based on natural gas.
Significant changes are expected in the production mix by 2030: Renewable energy production is expected to grow to approximately 28% of total production and approximately 30% of consumption in the sector. Routine coal-fired production will cease in accordance with Government Resolution 4080 regarding the cessation of Production Units 1-4 at the Orot Rabin Power Plant and in accordance with the Minister of Energy's decision from 2019 and 2025 regarding the conversion of the remaining coal production units to operate on natural gas. The remainder of production is expected to be based on natural gas.

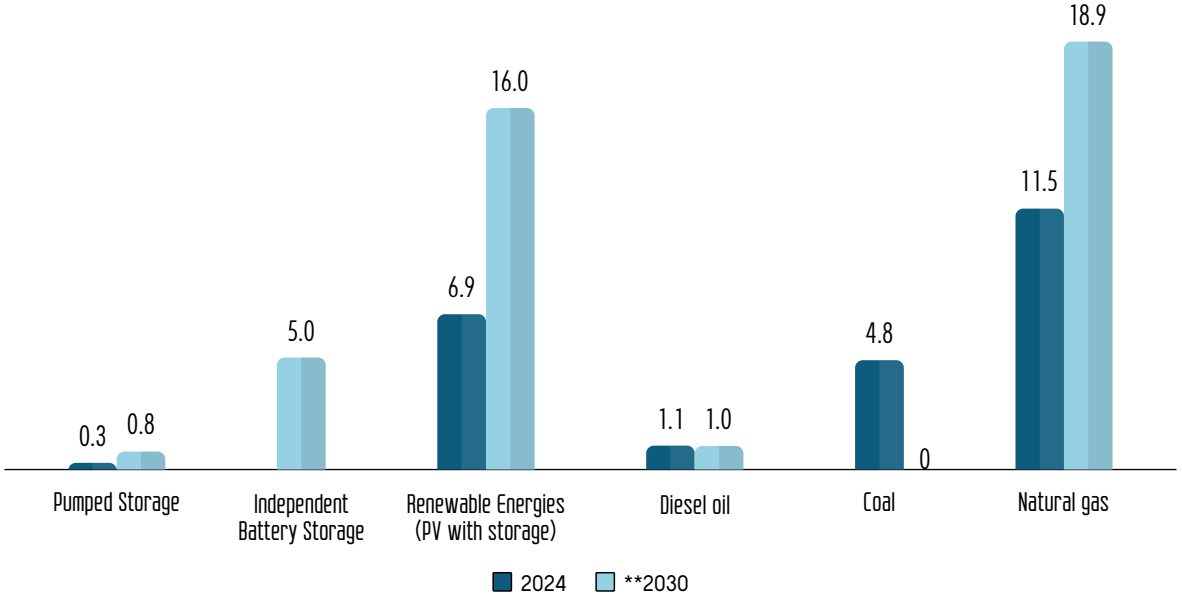


* The total production forecast is based on the "business as usual forecast" by the Forecasting and Information Unit at Noga.
** The government's targets for renewable energies refer to the consumption rate and not to the production rate as shown in this table.

1.3 Capacity in the Sector (GW)

Sources: Noga, IEC and the Electricity Authority's Processing

In 2024, the sector's capacity was 24.6 GW. By 2030, the installed capacity mix is expected to change significantly: The installed capacity of facilities producing renewable energy is expected to continue to grow to approximately 40% of the sector's capacity. The capacity produced with coal as the primary fuel is expected to cease operation for routine usage in accordance with Government Resolution 4080 regarding the cessation of Production Units 1-4 at the Orot Rabin Power Plants and in accordance with the Minister of Energy's decision from 2019 and 2025 regarding the conversion of coal-fired production units to operate on natural gas. Moreover, standalone battery storage capacity is expected to be established by the end of the decade.

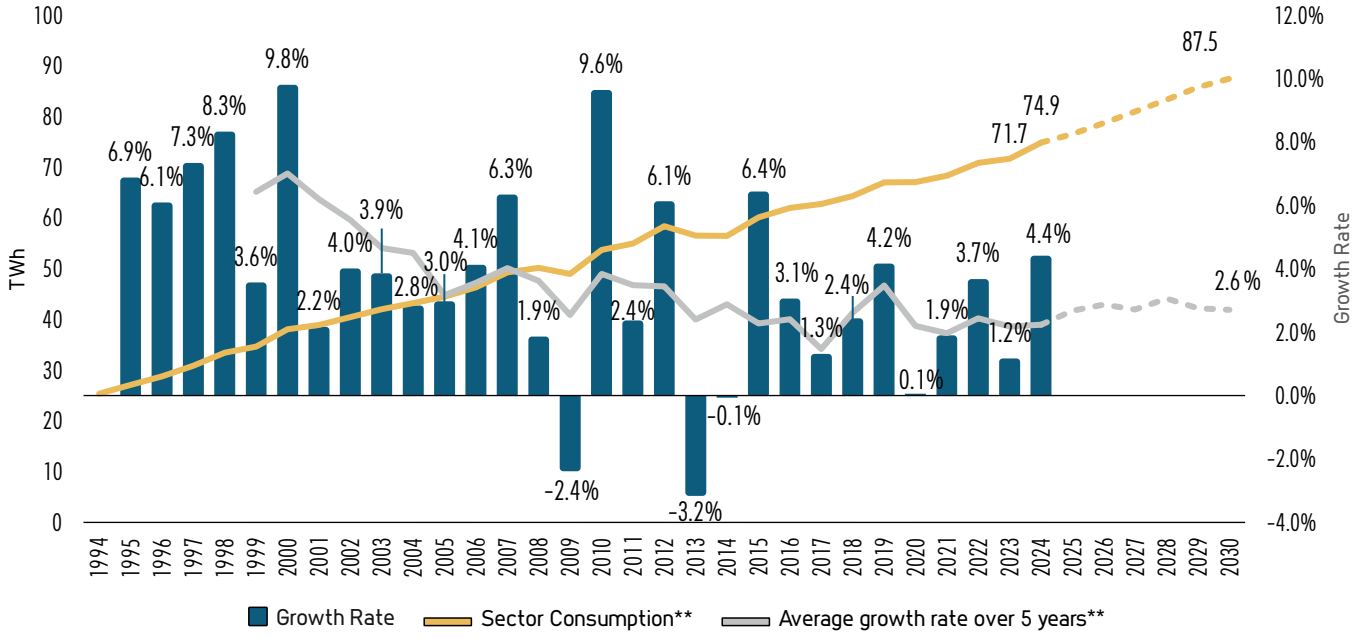


* Based on the primary fuel.
** Forecast.

1.4 Demand in the Sector (TWh)

Sources: Noga, IEC and the Electricity Authority's Processing

In 2024, demand increased by approximately 4.4%. This year's growth was higher than in recent years.



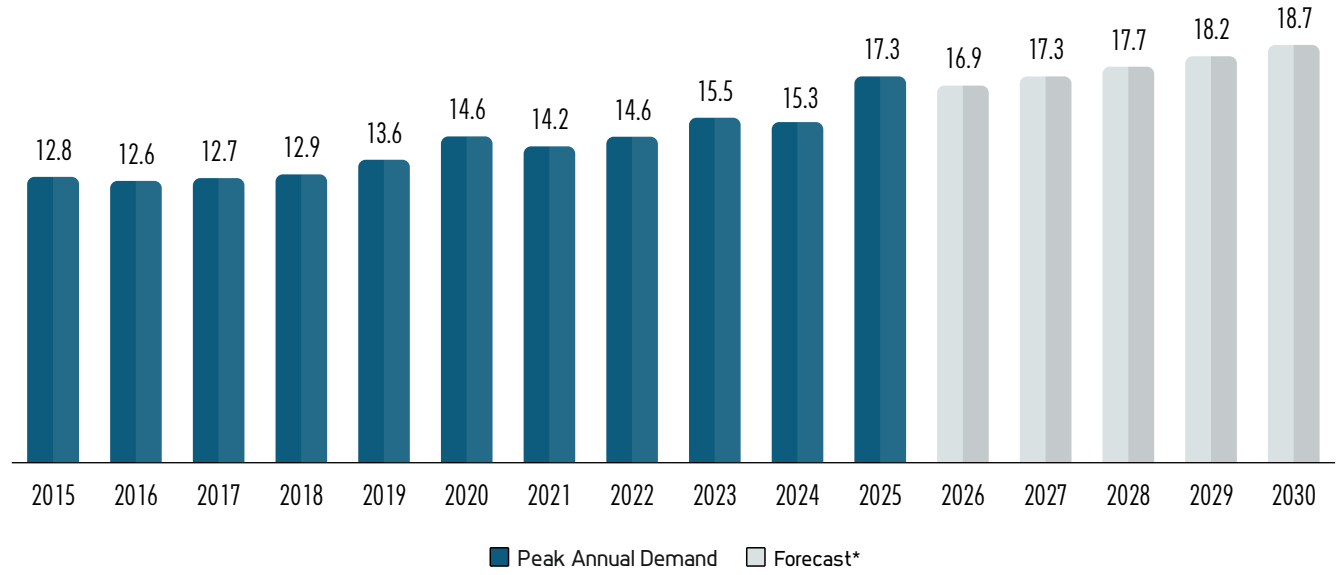
* The difference between demand and production is mainly attributed to grid losses and the production units' own consumption.

** The demand forecast for 2030 is based on the "business as usual forecast" by the Forecasting and Information Unit at Noga. The demand forecast for 2025-2029 assumes a constant growth rate in order to reach the demand forecast in 2030.

1.5 Peak Demand (GWh)

Sources: Noga and the Electricity Authority's Processing

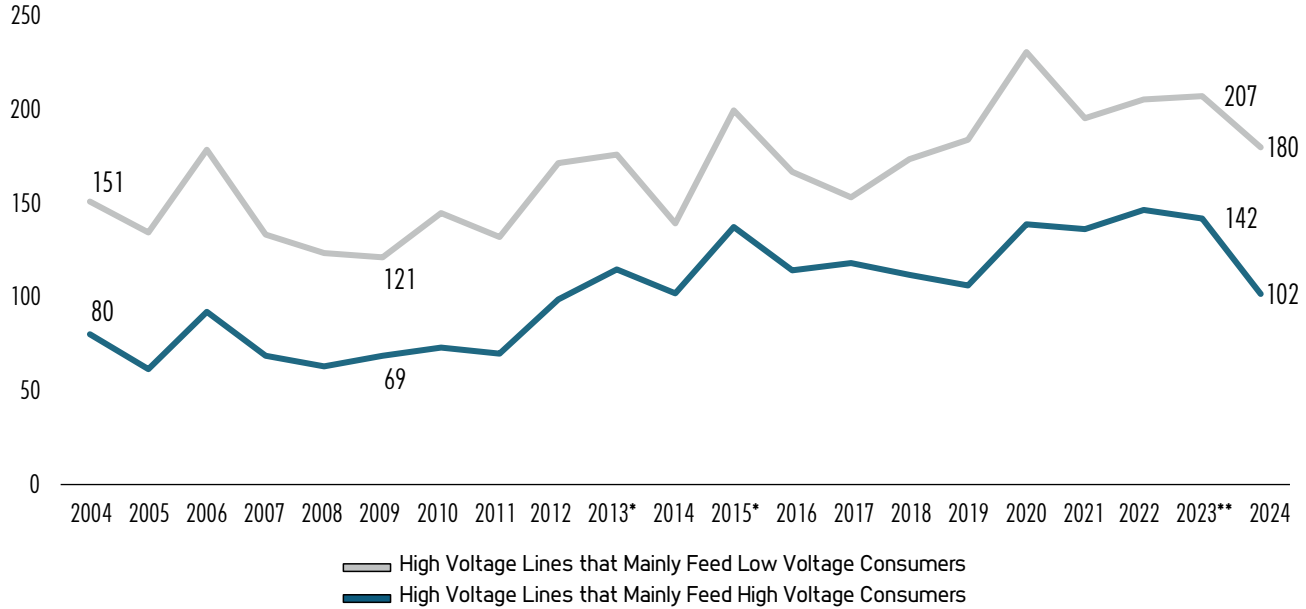
In August 2025, peak demand reached record high levels of 17.3 GWh.
Actual demand in 2025 exceeded the forecast for that year.



* Forecast based on the "business as usual forecast" by the Forecasting and Information Unit at Noga.

1.6 Average Customer Interruption Duration in High-Voltage Power Lines (minutes) Sources: IEC

In recent years, there has been an increasing trend in total duration of interruptions to consumers. The Authority has set targets for the IEC to reduce the total duration of interruptions in the coming decade. The development plan for the distribution system includes investments of over NIS 3 billion to improve the reliability of electricity supply.
In 2024, there was a decrease in total duration of interruptions in the sector. This decrease was mainly due to the favorable weather compared to previous years and the IEC focusing investments in the distribution grid.

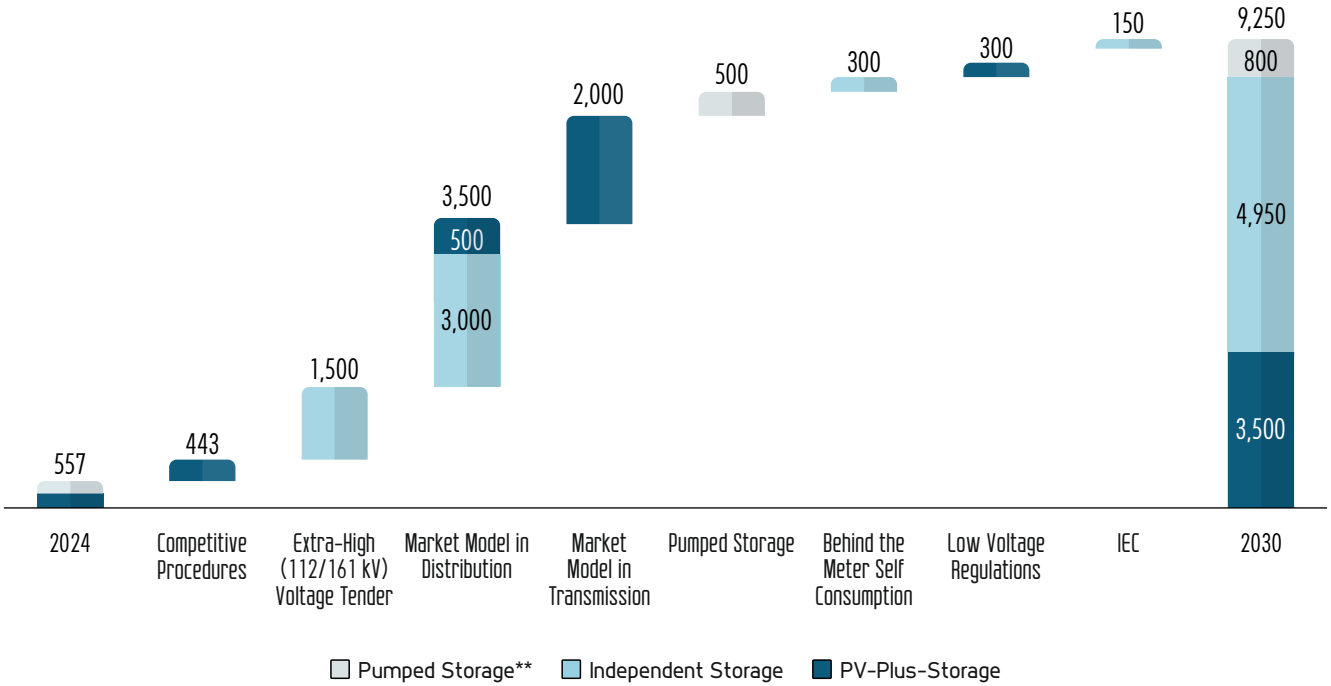


* Total duration of interruptions in 2013 and 2015 do not include abnormal storm occurrences.
** Total duration of interruptions in 2023 do not include the abnormal power outage event on 2/06/2023 and power outages that occurred due to the Swords of Iron War.

1.7 Storage Development (MW)

Sources: IEC and Noga

A significant influx of storage facilities is expected in the coming years. In 2024, the sector had less than 600 MW of storage capacity. The Authority is working to promote the establishment of large-scale storage projects. It is expected that by 2030 the sector will have over 9,000 MW of storage capacity.



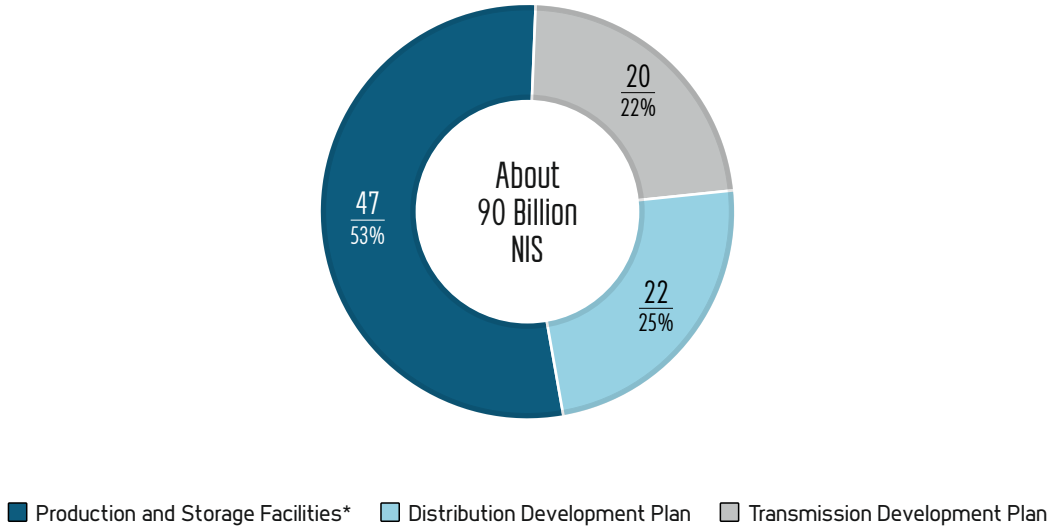
* Based on the responses by the DNO and the grid connection studies provided in the sector.

** In February 2025, a pumped storage facility with a capacity of 344 MW was connected in Kochav HaYarden.

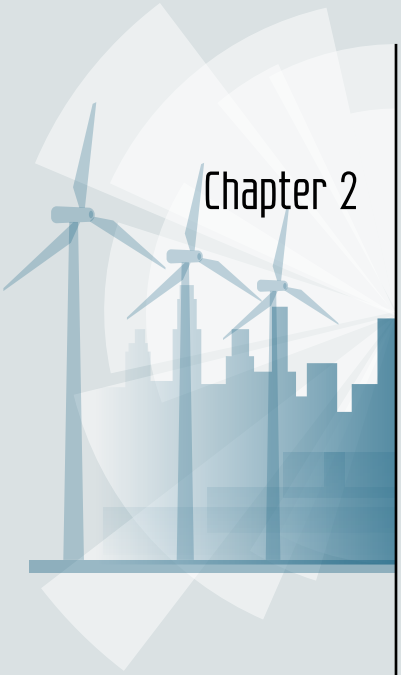
1.8 Investments in the Sector (NIS Billions)

Sources: IEC

The Electricity Authority promoted and approved investments in various segments in the sector totaling approximately NIS 90 billion between 2024 and 2031.



* Excluding IEC investments.



Chapter 2

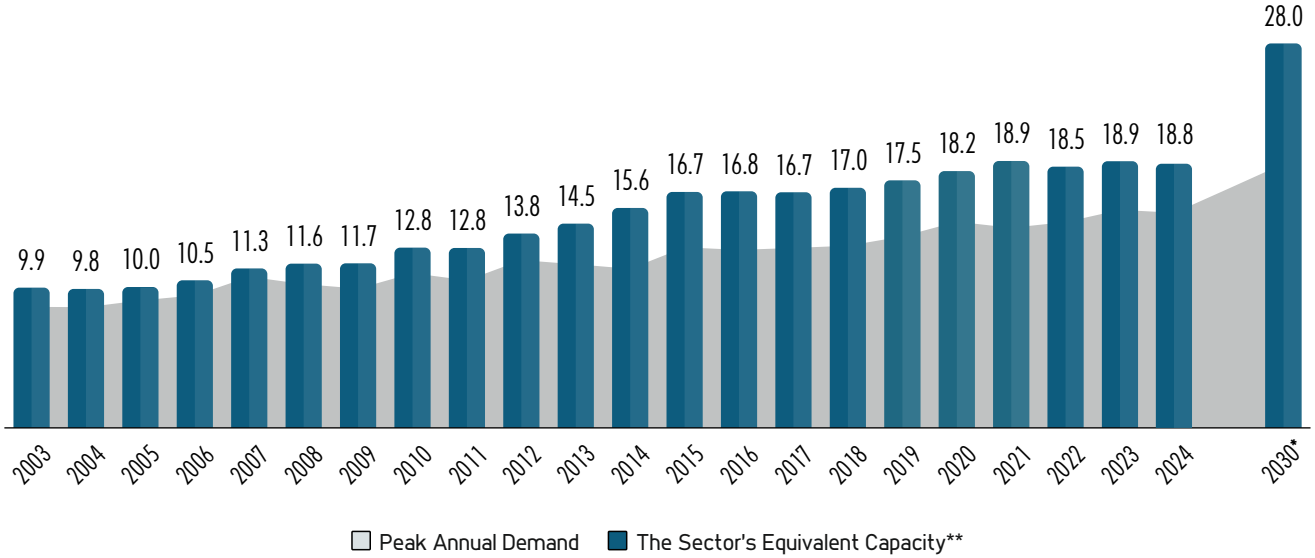
The Production Segment

- Installed Sector Capacity vs. Peak Demand
- Market Share of Main Holding Entities as of 30/6/2025 (for Natural Gas-Fired Production Facilities)
- Planned Capacity of Natural Gas by the End of the Decade
- Market Shares in the Production Segment – Installed Equivalent Capacity
- Market Share in the Production Segment – Actual Production
- Average Production in the Sector in 2024 by Seasons and Hours of the Day
- Fuel Mix in the Sector
- Installed Capacity by Primary Fuel
- Installed Capacity by Producer
- Natural Gas Consumption
- IEC Gas Sources
- Natural Gas Prices for IEC and IPPs
- Coal Prices Recognized for the IEC
- Daily Production Distribution by Fuel Type in 2024
- Average Hourly Production
- Storage
- Storage by Voltage

2.1 Installed Capacity vs. Peak Demand (GW)

Sources: Noga and the Electricity Authority's Processing

In 2024, the sector's production capacity was approximately 3.6 GW higher than peak demand of that year.
2030 shows an increase in expected capacity relative to peak demand. This increase is mainly due to a significant entry of storage facilities (standalone and PV-integrated) intended to meet renewable energy goals, as well as from advancing investments to increase competition in the sector.

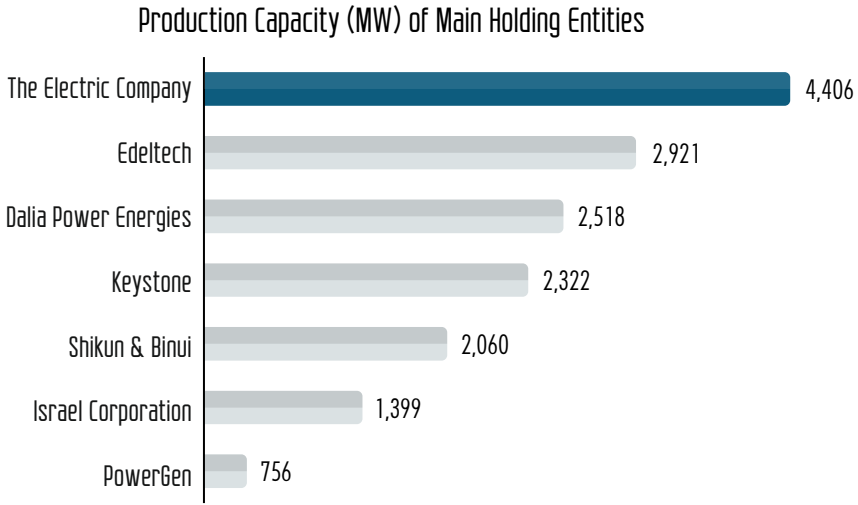


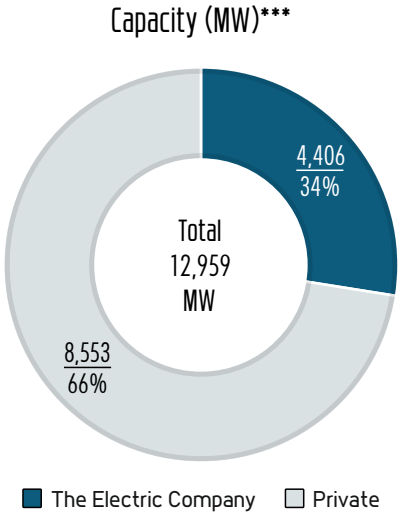
* Demand forecasts and demand peaks are based on "business as usual forecast" by the Forecasting and Information Unit at Noga.

** The equivalent capacity in this report, pursuant to the methodology published in reports in previous years, includes non-storage renewable energy capacity multiplied by a 0.3 capacity coefficient up to a total capacity of 3,600 MW, and a 0 capacity coefficient for any additional capacity beyond that level. In this report, storage capacity is multiplied by a coefficient of 0.75. The coefficients in this report are different from the capacity credit coefficients.

2.2 Market Share of Main Holding Entities as of 30/6/2025*,** (for Natural Gas-Fired Production Facilities)

In December 2021, regulations were enacted stipulating that no private entity in the sector shall hold a significant market share (over 20%) of the capacity of natural gas-fired power plants in the electricity market as planned under the regulations for 2024 (set at 16,700 MW). The Authority acted in accordance with these regulations when making official decisions regarding the eligibility of competitors in the context of sectoral concentration. These regulations expired at the end of 2024 and the Authority is in the process of formulating new regulations regarding concentration



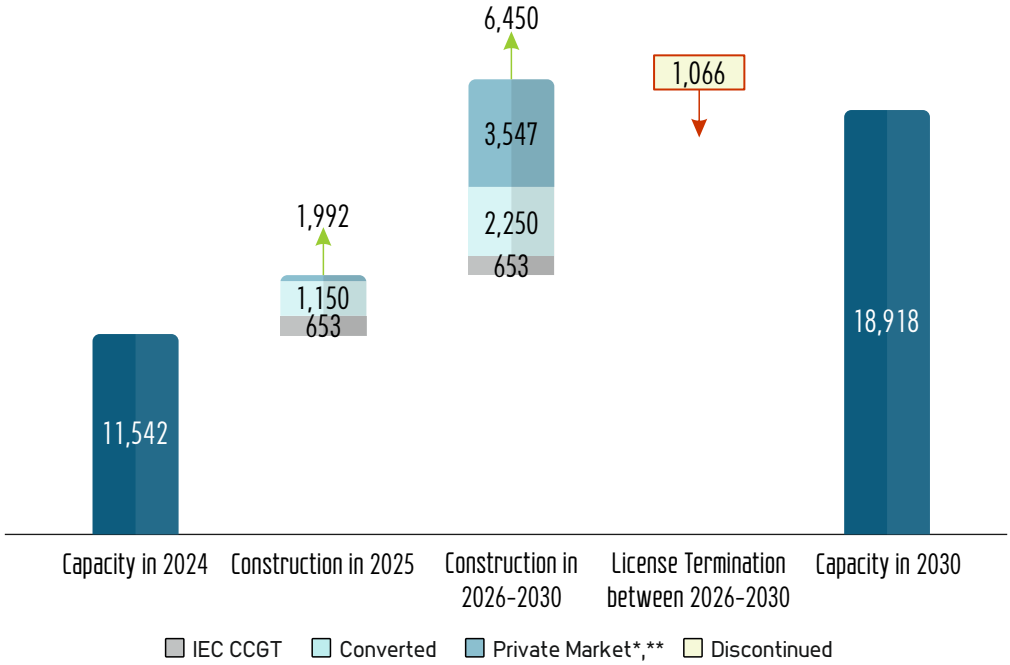


* Within this report, a main holding entity is someone who owns more than 5% of a production facility. The entire capacity of the production facility is attributed to the main holding entity.

** These data are correct as of June 30, 2025. They do not include facilities under construction and do not necessarily correspond to the Authority's assessment under the regulations regarding concentration. Moreover, the data refer to existing natural gas-powered capacity as of June 30, 2025 (12,959 MW).

*** Some of the private production facilities have more than one main holding entity, hence the total capacity of all the holding entities amounts to more than 12,959 MW

In the coming years, conventional capacity in the sector will increase significantly and will reach 18.9 GW in 2030. This is due to an influx of new capacity and existing capacity being converted from coal to natural gas for a total of approximately 8.4 GW, while also taking into account the expiration date of licenses with an approximate capacity of 1 GW.

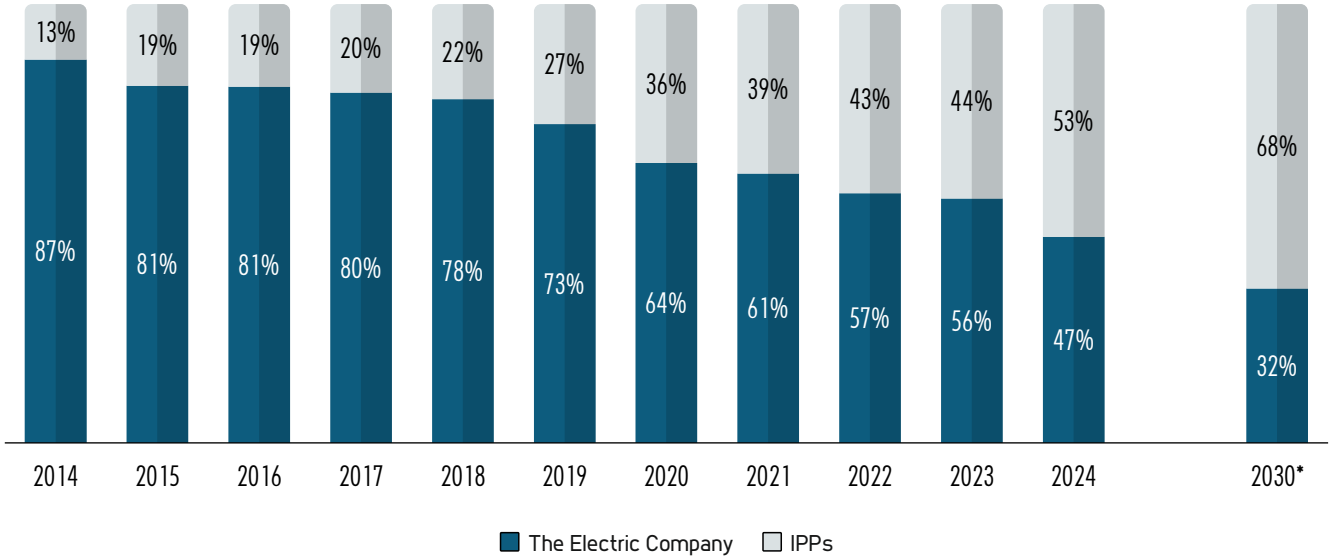


* This report takes into account the construction of 4 new natural gas CCGTs by the private market, even though the Authority's regulations allow the private market to construct 6 new natural gas CCGTs by 2030.

** For H-Class CCGTs, capacity is limited to 670 MW until 2035 due to an operational constraint intended to maintain system survivability.

2.4 Market Shares in the Production Segment — Installed Equivalent Capacity** (%)

There is a continuing trend of IPPs increasing production capacity. As of June 2024, most of the equivalent capacity in the sector is private following the sale of the Eshkol Power Plant to IPPs as part of the reform. By the end of the decade, 4 additional CCGTs are expected to be built by IPPs.***



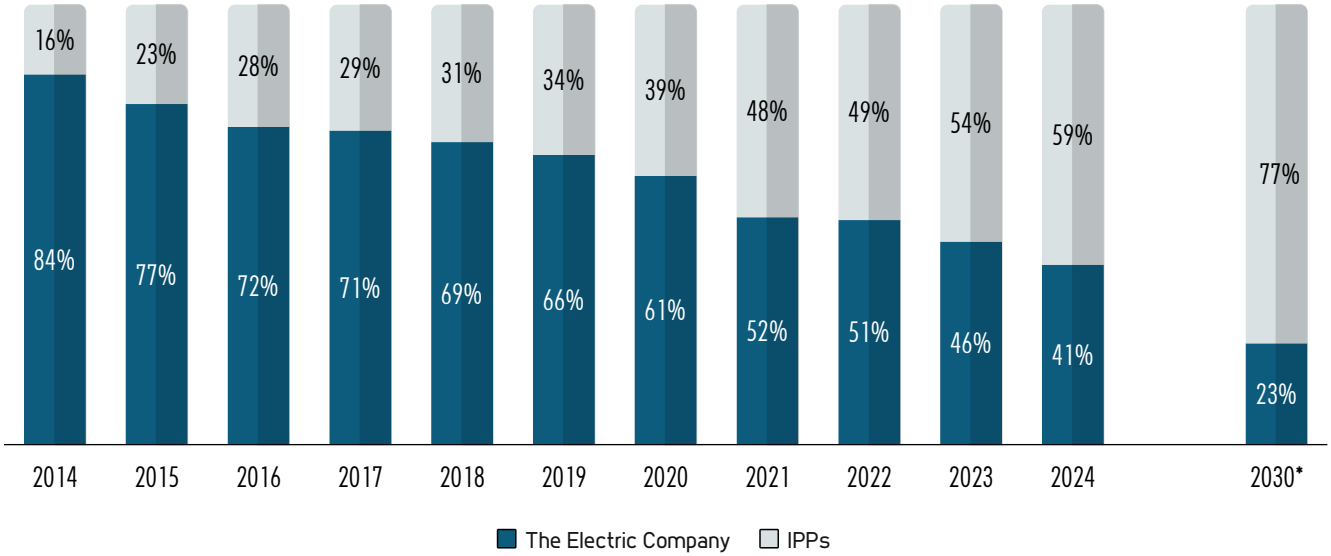
* Forecast.

** Within this report, non-storage renewable energy capacity is multiplied by a 0.3 capacity coefficient up to a total capacity of 3,600 MW, and a 0 capacity coefficient for any additional capacity beyond that level. Moreover, PV storage capacity within this report is multiplied by a coefficient of 0.75. The coefficients in this report are different from the capacity credit coefficients.

*** This report takes into account the construction of 4 new natural gas CCGTs by the private market, even though the Authority's regulations allow the private market to construct 6 new natural gas CCGTs by 2030.

2.5 Market Share in the Production Segment — Actual Production (%)

In 2024, approximately 60% of the electricity in the sector was produced by IPPs. In the coming years, continued growth is expected in the market share of private production, mainly due to the construction of conventional power plants and renewable energy production facilities by IPPs. To the extent that 4 CCGTs enter the private market by the end of the decade and the converted units operate at a minimum, the IEC's share of the production segment in 2030 is expected to fall below 23%.

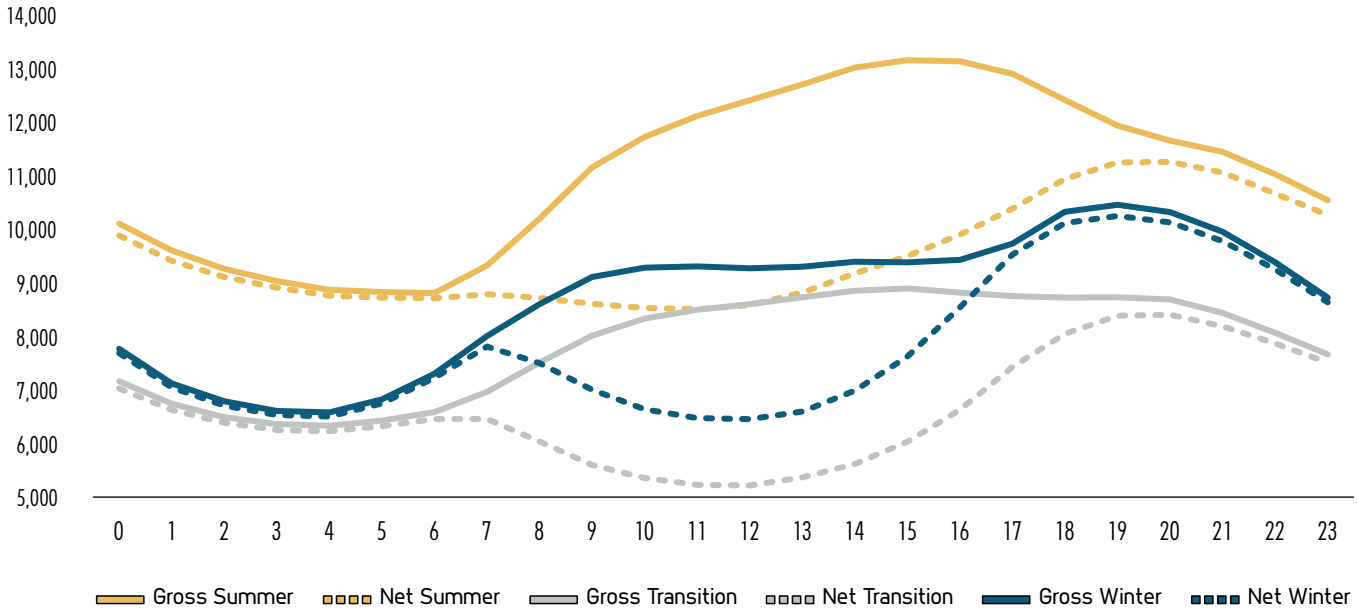


* Forecasted under the assumption that 4 new CCGTs enter the private market and the converted plants in Orot Rabin and Rutenberg are under minimal operation.

2.6 Average Production in by Seasons and Hours of the Day

Sources: Noga and the Electricity Authority's Processing

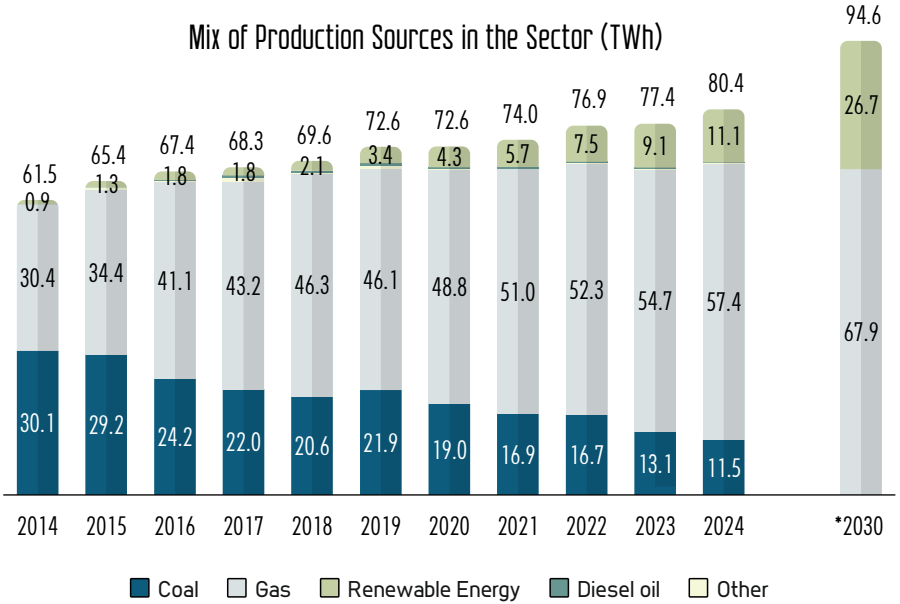
During the summer and the transitional seasons, the peak in gross production (including production from renewables) occurs in the late afternoon, while the peak in net production (excluding production from renewable energies) is in the evening.
In the winter months, the peak in both gross and net production occurs in the evening hours.

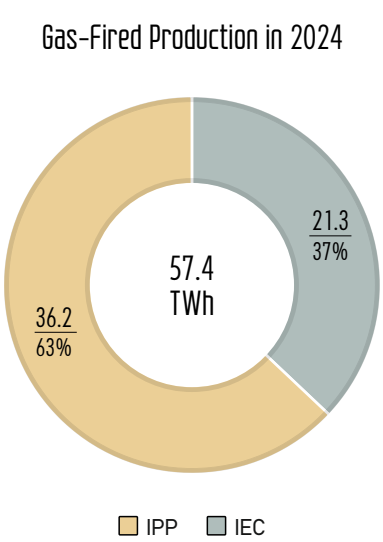


* Simple average of the days in each season.
**Seasons are classified according to demand hour clusters.

Sources: Noga and the Electricity Authority's Processing

In 2024, over 60% of natural gas electricity production was produced by the private market. Moreover, there is a continuing downward trend in the use of coal for electricity production: its share will have dropped in 2024 to 14%, compared to about 30% in 2019 and about 60% in 2012. A significant decrease in coal-fired electricity production occurred upon activation of CCGT 70 in January 2025. This trend will continue until routine coal-fired production ceases. This is dependent on the IEC upholding the timetables for converting the coal-fired units, the construction of CCGT 80 in Orot Rabin, and the shutdown and preservation of Units 1-4 in Orot Rabin.





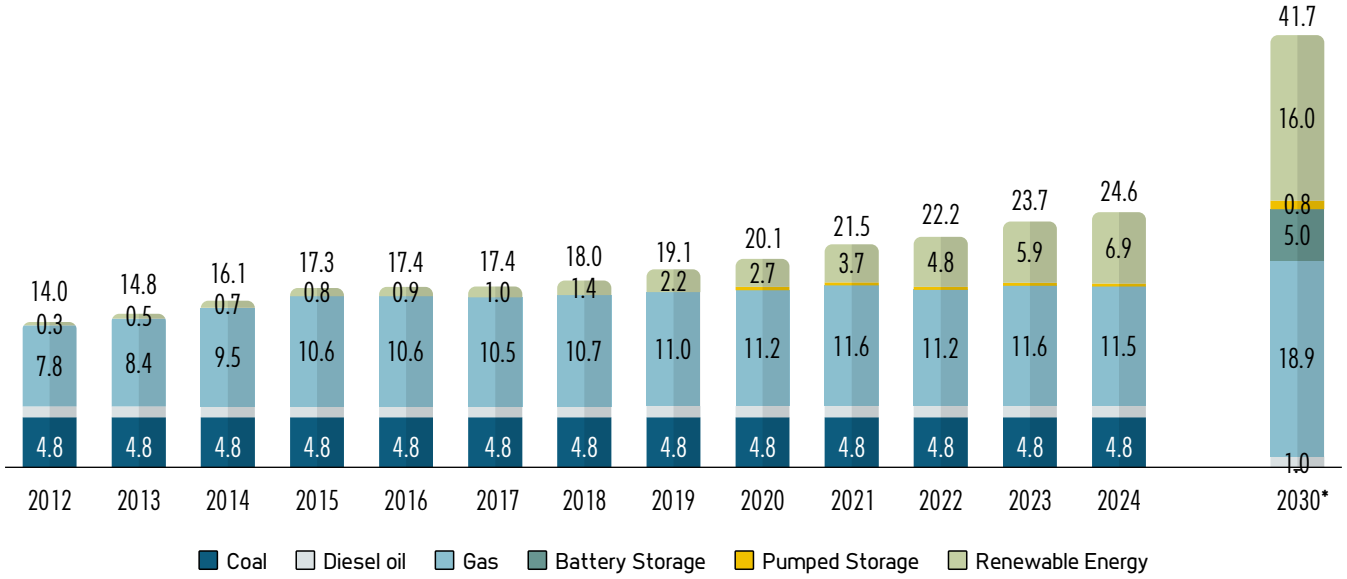
* Forecast. In this table, the forecast refers to the production rate, while the forecast for renewable energies following government targets refers to the consumption rate. Moreover, this report takes into account the construction of 4 new natural gas CCGTs by the private market, even though the Authority's regulations allow the private market to construct 6 new natural gas CCGTs by 2030.

2.8 Installed Capacity by Primary Fuel (GW)

Sources: Noga and the Electricity Authority's Processing

The fuel mix in the sector has changed significantly in the last decade. Total capacity is expected to triple in 2030 compared to 2012. The routine use of coal is expected to cease by 2030 in accordance with Government Resolution 4080 and the Minister's policy from 2019 and 2025.

Starting in 2018, there has been a growing trend in renewable energy capacity, and renewable energy capacity is expected to reach approximately 16 GW in 2030.

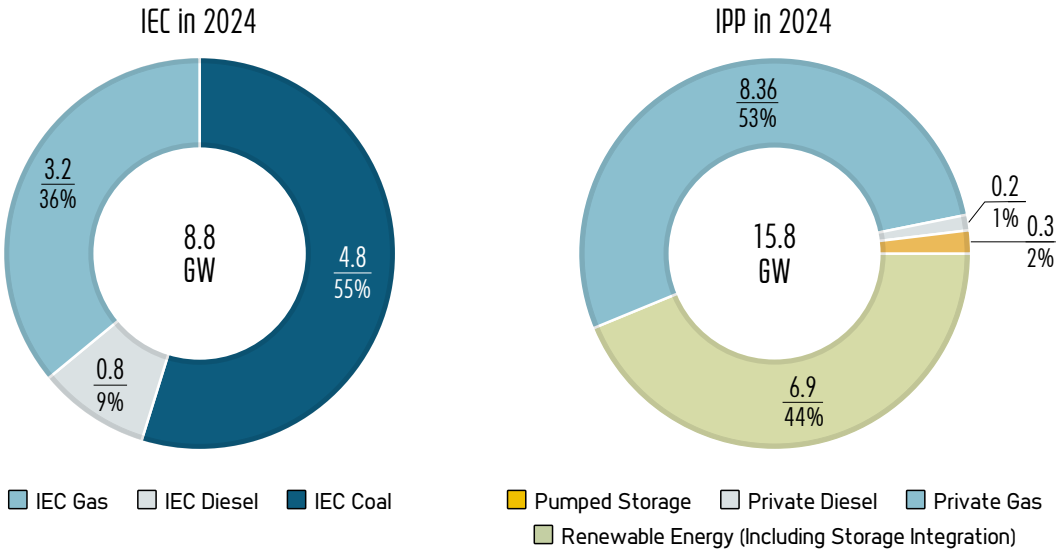


* Forecast. This report takes into account the construction of 4 new natural gas CCGTs by the private market, even though the Authority's regulations allow the private market to construct 6 new natural gas CCGTs by 2030

2.9 Installed Capacity by Producer (GW)

Sources: Noga and the Electricity Authority's Processing

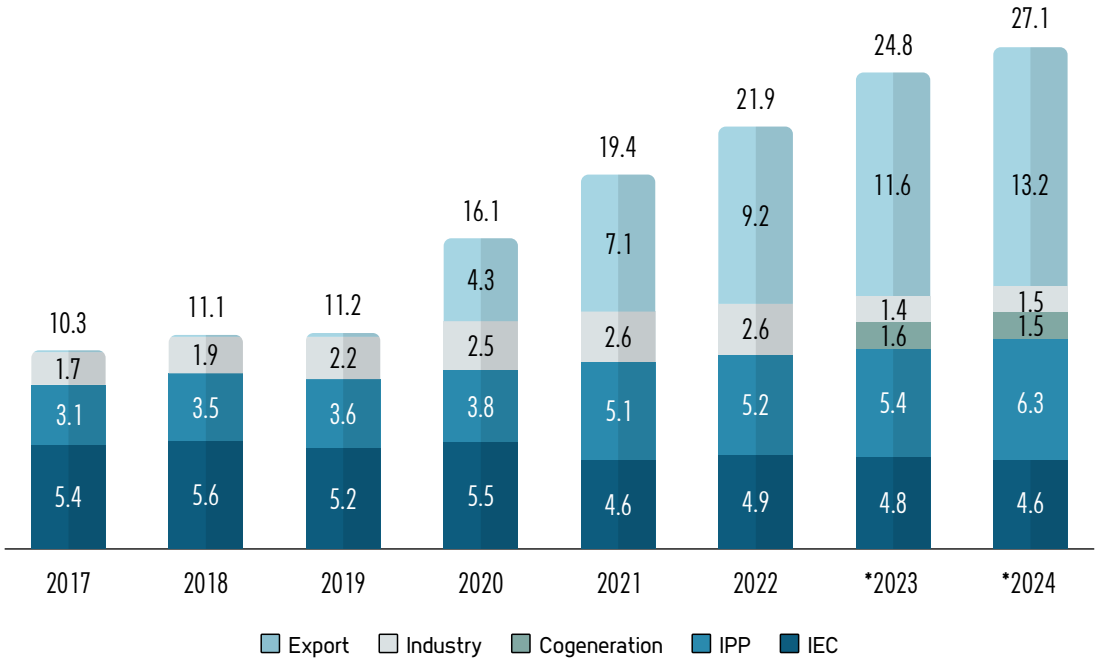
In 2024, about 53% of the production capacity in the sector was held by IPPs, compared to only about 3% in 2012.
In 2030, although the total production capacity of the IEC is not expected to be significantly different than in 2024, the capacity in the private market is expected to increase two-fold or more relative to the same time period.
The IEC's fuel capacity mix is expected to change significantly – from power capacity based on coal to routine use of natural gas. This is expected to be made possible by the completion of CCGT 80 at Orot Rabin, the conversion of the coal-fired units at Orot Rabin and Rutenberg to natural gas, and the shutdown for routine use and preservation of Units 1-4 at Orot Rabin.
Fuel capacity mix used by IPPs is expected to grow significantly, and more than double by 2030. The bulk of the increase is expected to stem from the construction of renewable energy facilities (including facilities that integrate storage), standalone storage facilities, and the construction of 4 CCGTs by the private market.



2.10 Natural Gas Consumption (BCM)

Sources: Natural Gas Authority and the IEC

In 2024, changes were made to classifications in the Gas Authority's 2023-2024 report whereby a new category was added for cogeneration customers who produce for the electricity sector and use steam and heat for industrial production. In other words, a portion of cogeneration customers' consumption in actuality constitutes an addition to IPPs in the electricity sector.

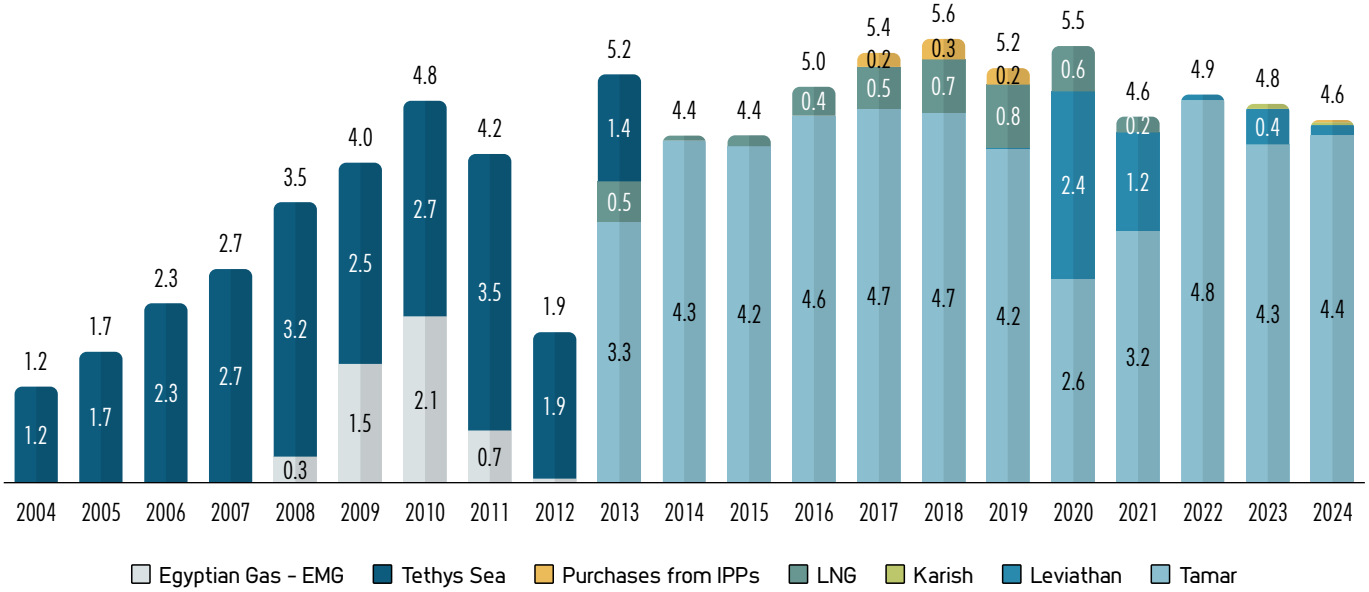


* In 2024, changes were made to classifications in the Gas Authority's 2023-2024 report whereby a new category was added for cogeneration customers who produce for the electricity sector and use steam and heat for industrial production. In other words, a portion of cogeneration customers' consumption in actuality constitutes an addition to IPPs in the electricity sector

2.11 IEC Gas Sources (BCM)

Sources: IEC

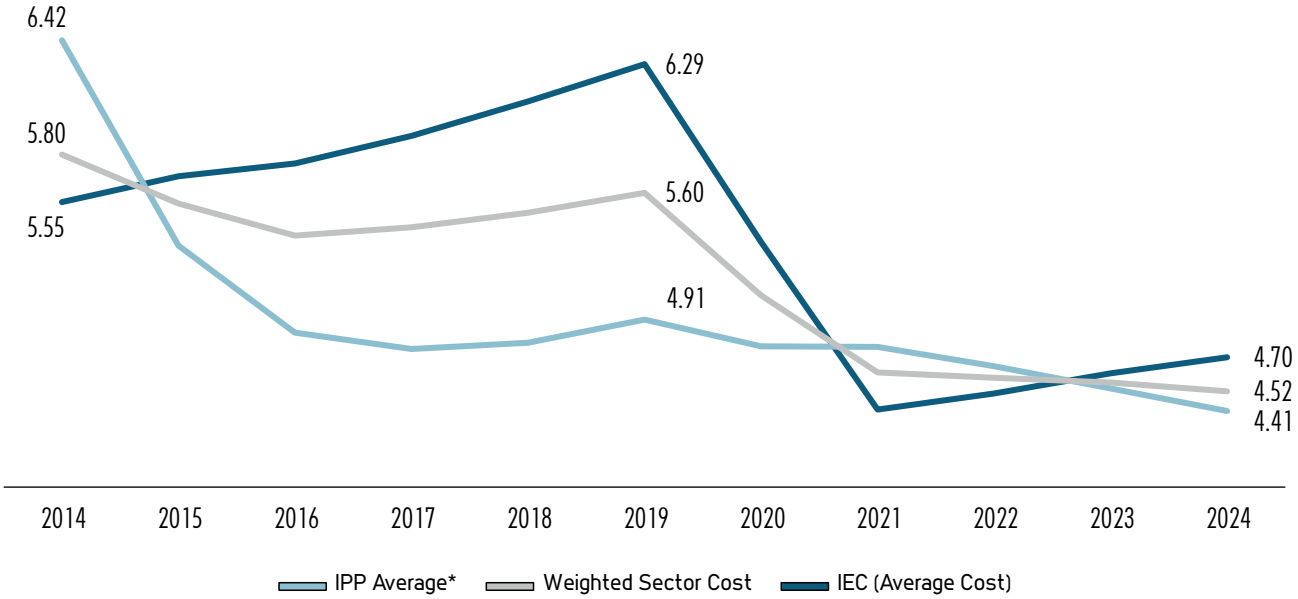
The Leviathan Natural Gas Reservoir began commercial operation at the end of 2019. A significant portion of the company's gas sources in 2020-2021 were from the Leviathan reservoir. Over the past three years, following an amendment to the agreement with the Tamar reservoir that reduced gas prices for the company, the vast majority of gas has been supplied from the Tamar reservoir. The Tamar reservoir was temporarily closed in 2023 due to the outbreak of the Swords of Iron War and 9% of the IEC's gas was supplied from the Leviathan reservoir.



2.12 Natural Gas Prices for IEC and IPPs ($/MMBTu)

Sources: Natural Gas Authority and the IEC

The decrease in the price of gas for the IEC in 2020-2021 is mainly due to an amendment to the agreements with the Tamar reservoir and the commercial operation of the Leviathan reservoir. The average gas price for independent power producers decreased upon the commercial operation of the Karish reservoir. As of the end of 2024, there is an option to reopen the gas agreements between IEC and Tamar. The IEC is in the negotiation stages with the Tamar Partners.

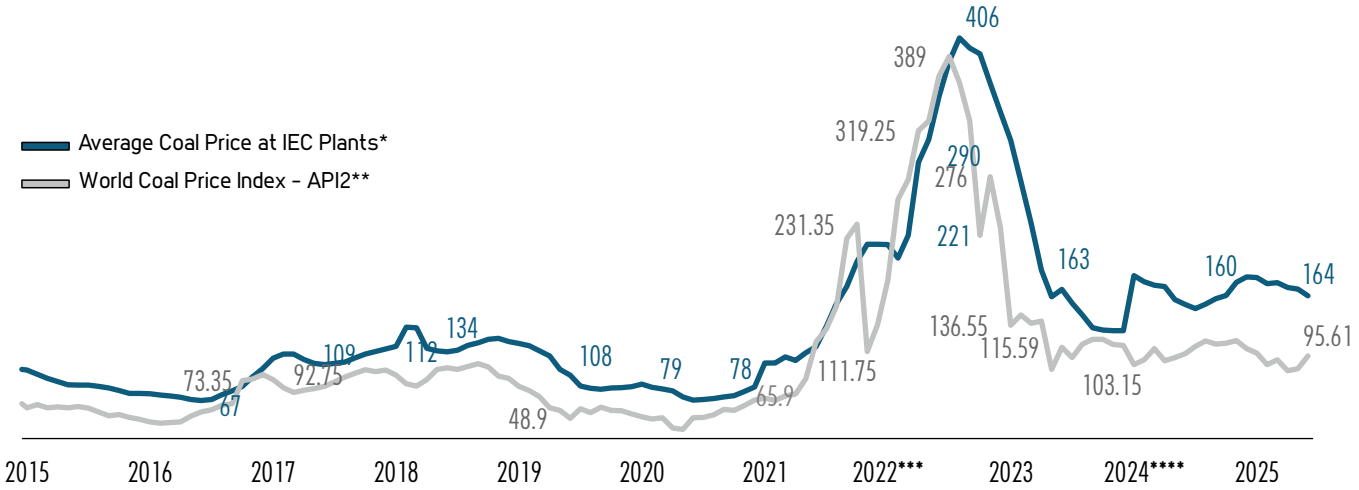


* Up until 2021, the IPP average is a simple average of the recognized gas costs of IPPs that are not under market regulation and are signatories to a gas agreement. As of 2022, it is based on reports from the Gas Authority and Electricity Authority processing, and also includes the industrial sector.

2.13 Development in Coal Prices

Sources: API2 and the Electricity Authority

Since mid-2020, there has been an upward trend in coal prices due to the global energy crisis. In 2022, the price of coal peaked, in part due to the global energy crisis and the Russia-Ukraine war. In 2023, the price of coal decreased significantly but is still high compared to its price in the previous decade. In 2024-2025, the gap increased between the price according to the global API2 coal price index and the average coal price at IEC plants. The gap is mainly due to the increase in the excise tax, the implementation of pricing for local pollutant and greenhouse gas emissions determined by Government Resolution 1261 dated January 14, 2024, and the result of packing fixed costs on smaller amounts of coal due to the decrease in coal quantities used for producing electricity.



* A simple average of two IEC sites that produce electricity using coal. The price includes premium, transportation, unloading, excise tax and other associated costs.

** The price according to the API2 index includes transportation, but does not include excise tax, premium, unloading and other associated costs.

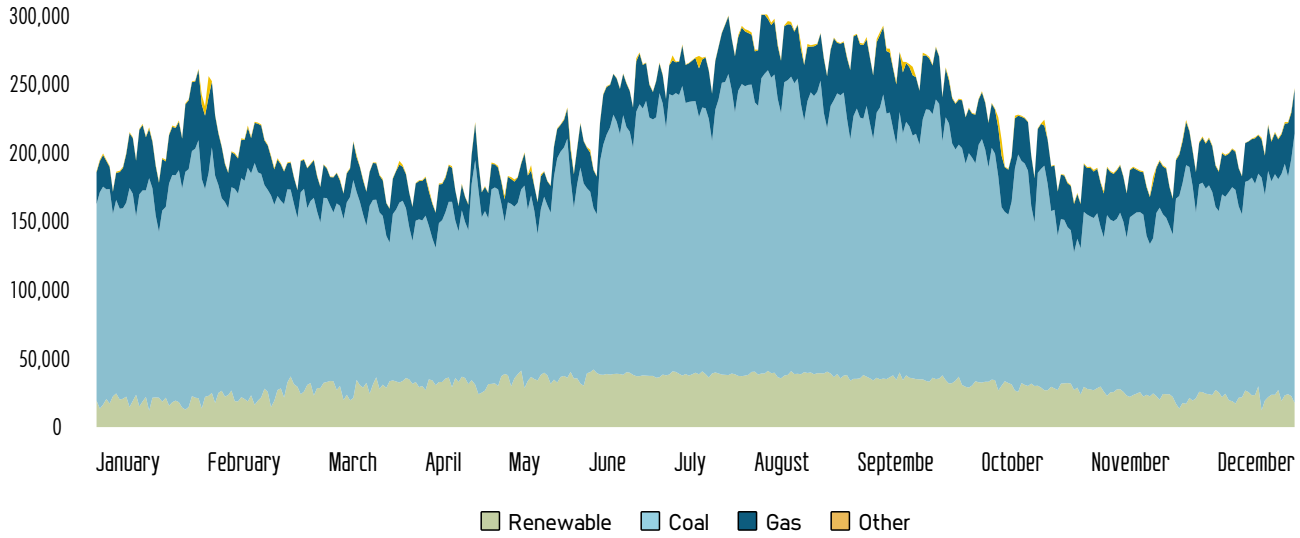
*** In 2022, when the price of coal rose dramatically during part of the year, the global index price rose above the average price at IEC plants due to timing differences in recognition.

**** The temporary provision of the excise order ended in December 2023 and was not renewed for 2024. Consequently, the excise tax on coal increased from approximately 1 NIS per ton in 2023 to approximately 115 NIS per ton in 2024.

2.14 Daily Production Distribution by Fuel Type in 2024 (MWh)*

Sources: Noga

In 2024, over 30% of production between 10:00 AM and 3:00 PM was produced using renewable energy. During certain hours of the year, more than half of the country's production was generated using renewable energy. Peak demand during the year was in July and reached 15.3 MWh.

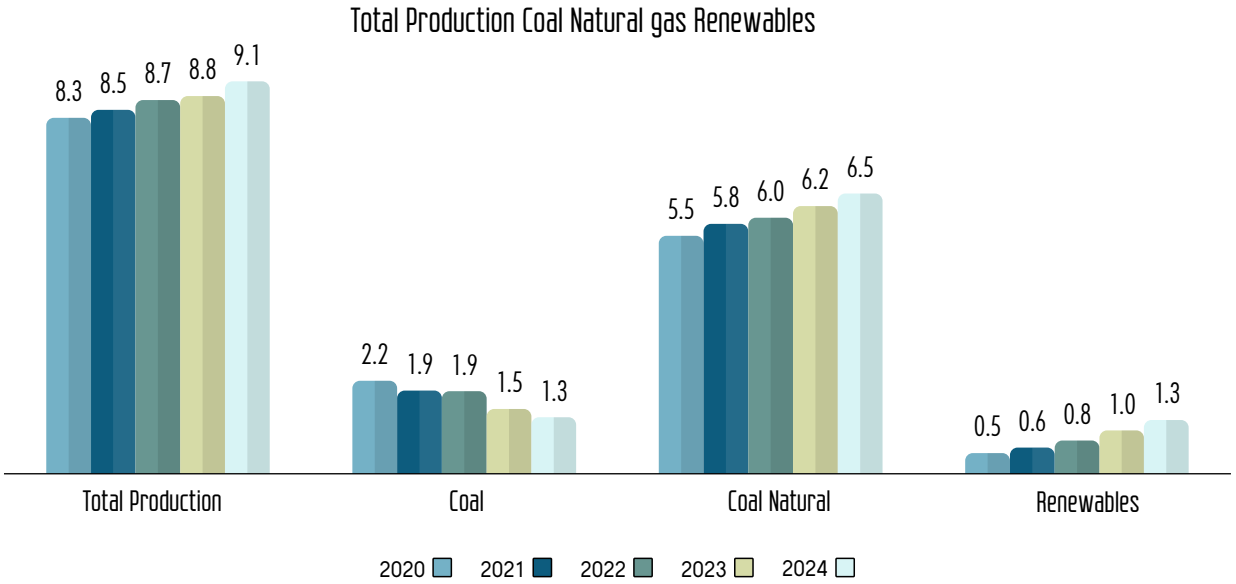


* Excluding production in the territories under the Palestinian Authority

2.15 Average Hourly Production (GWh)

Sources: Noga

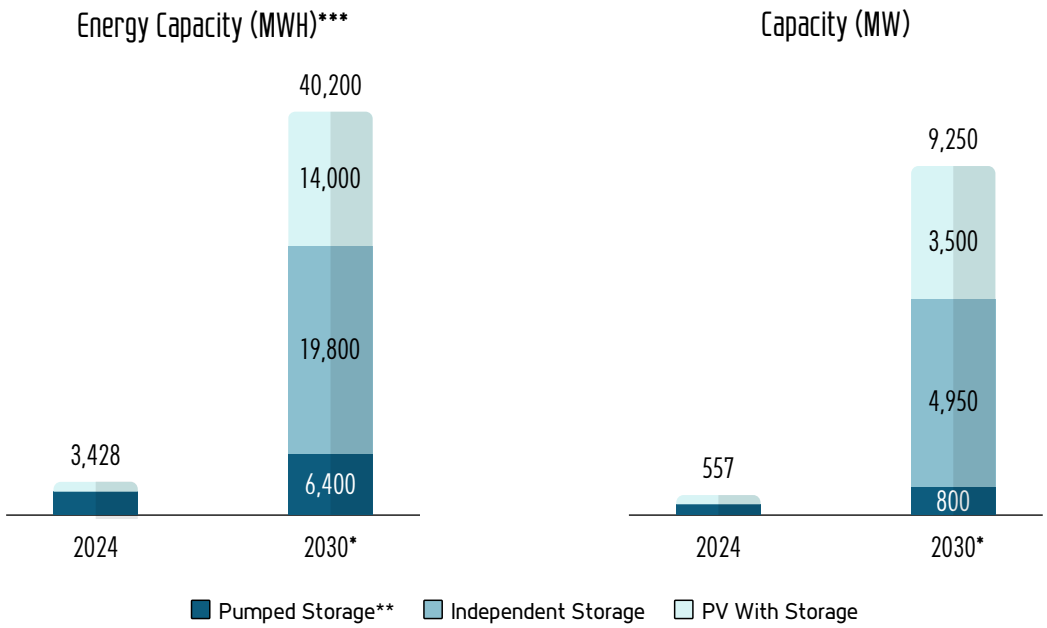
Over the past five years, generation during an average production hour increased from 8.3 GWh to 9.1 GWh, and a significant change has occurred in the fuel mix used for electricity generation. During this period, electricity generation from renewable energy during an average production hour increased by approximately 0.8 GWh. This growth met the increase in demand during those years. Throughout this period, the average hourly electricity production from gas increased by approximately 1 GWh at the expense of coal-fired electricity production, which decreased by approximately 0.9 GWh.



* Excluding production in the territories under the Palestinian Authority.

Sources: IEC and Noga

A significant influx of standalone storage, PV with storage, and pumped storage facilities is expected in the coming years.



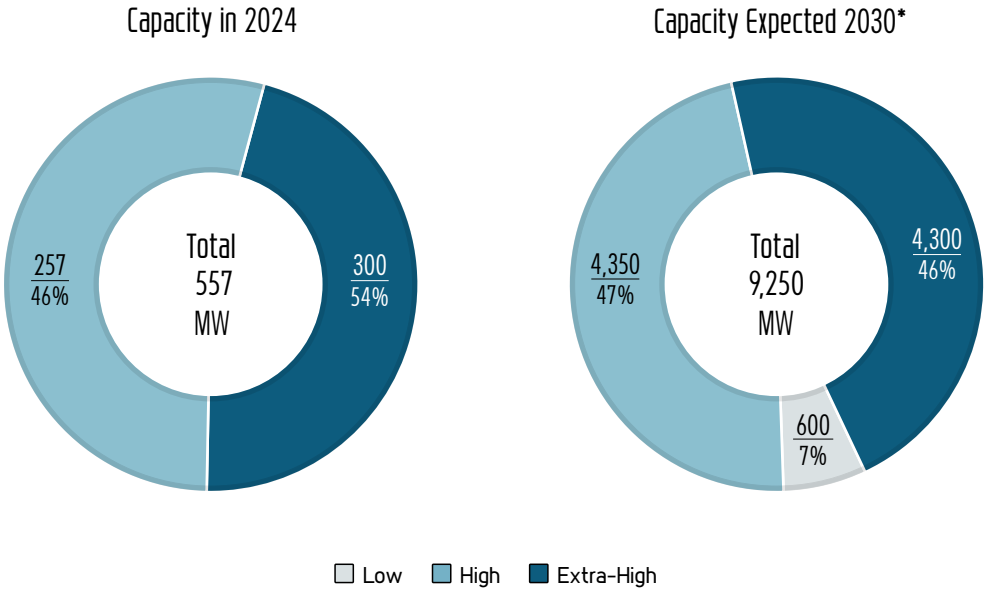
* Forecast. Based on the responses given by the DNO and the grid connection studies provided in the sector.

** The forecast includes a pumped storage facility in Kochav HaYarden with a capacity of 344 MW that became commercially operational in February 2025.

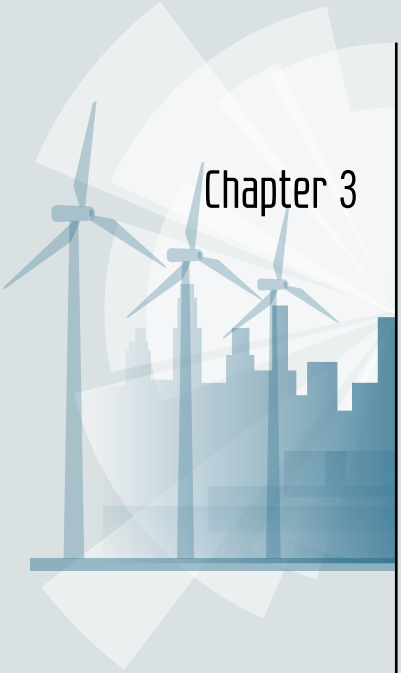
*** Based on 4 storage hours for battery storage and 8 hours for pumped storage; actual storage hours may be higher.

Sources: IEC and Noga

The Authority is working to advance significant volumes of storage at various voltages. In 2024, the sector had less than 600 MW of high-voltage and extra-high voltage storage capacity. The expectation is that by 2030, the sector will have over 9,000 MW of storage capacity at various voltages – low voltage, high voltage, and extra-high voltage.



* Forecast. Based on the responses given by the DNO and the grid connection studies provided in the sector.



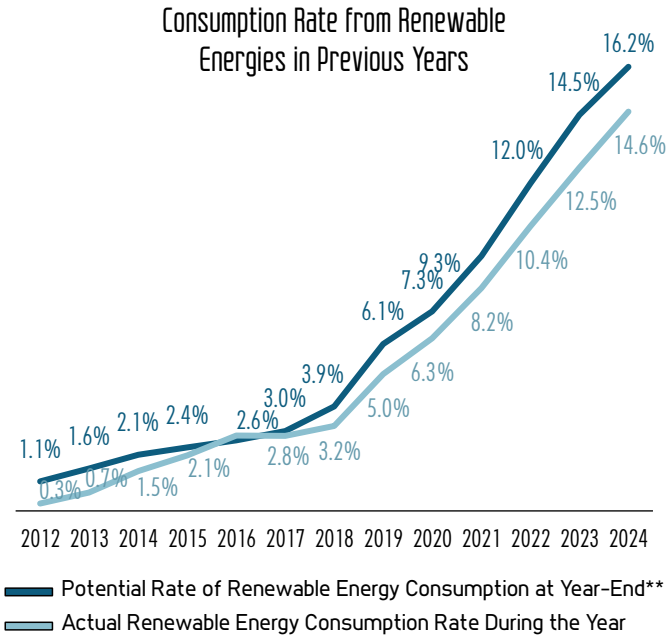
Chapter 3

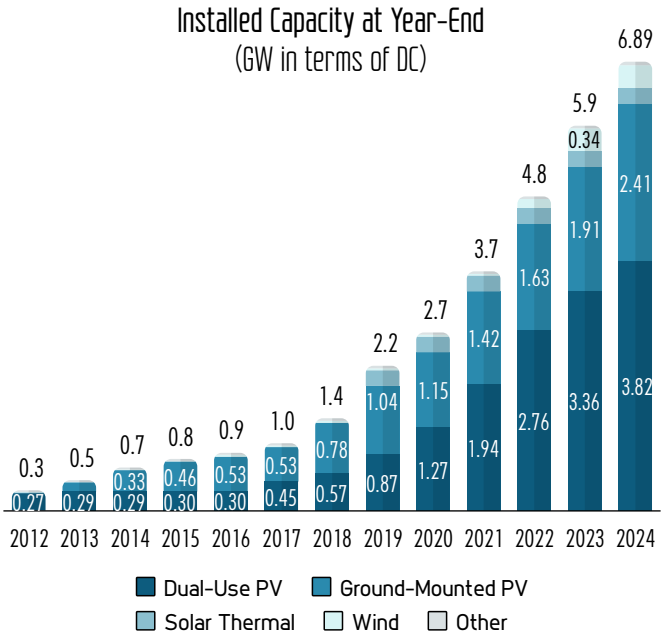
Renewable Energies

- Development in Renewable Energies
- Renewable Energy Production for 2024
- Forecast for Connecting Renewable Energy Production Facilities
- Average Renewable Energy Production in 2024 by Seasons and Hours of the Day
- Average Renewable Energy Production in Transitional Season by Hours of the Day – by Year
- Variation in Daily Production Peaks of Renewables in 2024 by Season
- Renewable Energy Producer Connections in the Distribution Grid by Subdistrict
- DNO Responses by Year – by Capacity
- Time Duration (in Days) for DNO Responses by the IEC
- DNO Responses in 2024 – by Subdistrict
- Number of DNO Responses in 2024 – by Subdistrict (Number of Facilities)
- Marginal Production Tariff for PV Facilities by Year Connected to the Grid
- Average Cost Per kWh – Electricity Purchases from IPPs
- PV Installation Rate Relative to Population

Sources: IEC and the Electricity Authority's Processing

In recent years, the increase in capacity from renewable energies has averaged over 20% per year. Approximately 1 GW of renewable energy capacity was connected during 2024. The actual consumption rate from renewable energies for the year was 14.6% and the potential consumption rate at the end of the year was 16.2%.

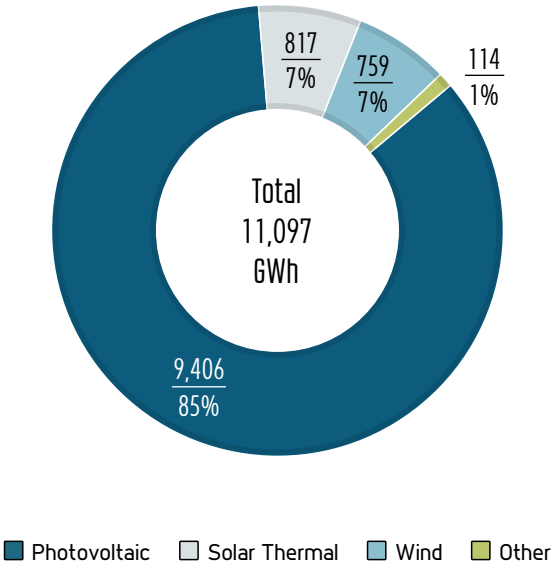




* The data refer to actual installations and does not include degradation.

** The rate of potential consumption from renewable energy at the end of the year is calculated as the expected annual amount of energy consumed from the installed capacity that is actually integrated into the electrical grid at the end of a given year, with respect to the average annual consumption of the previous year and next year.

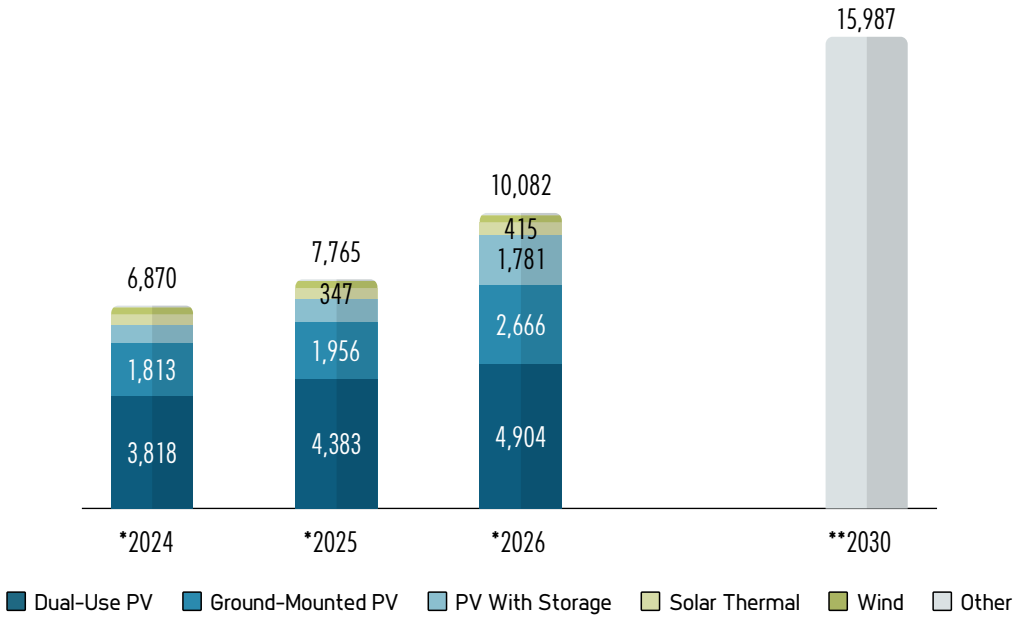
In 2024, approximately 92% of renewable energy production will be solar energy, 85% of which will be produced using PV facilities.



3.3 Forecast for Connecting Renewable Energy Production Facilities

Sources: The Electricity Authority

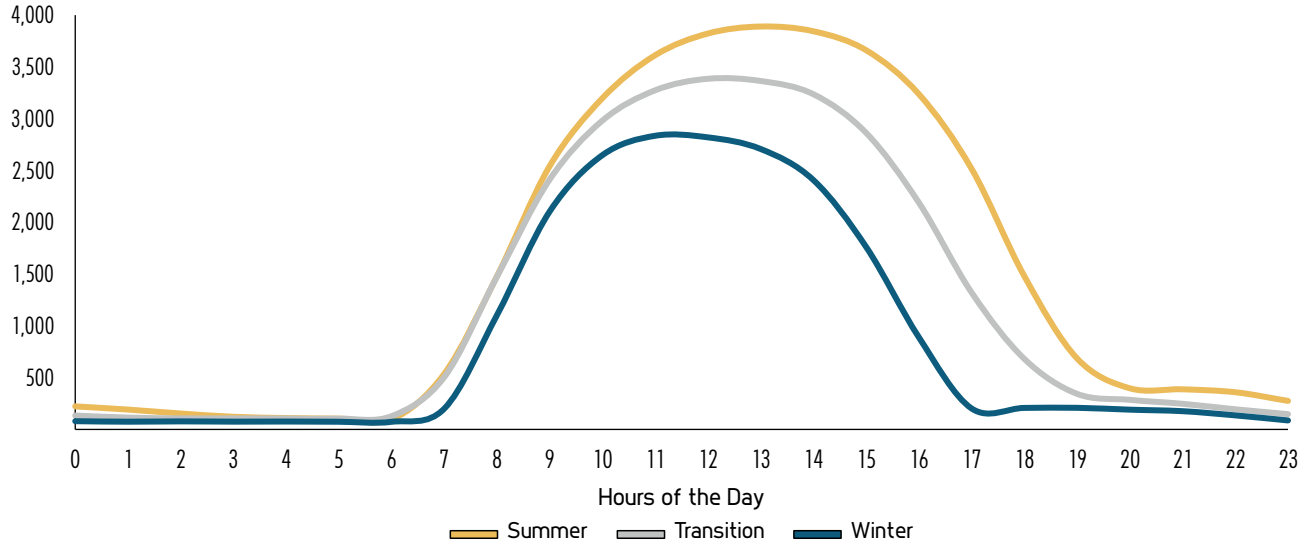
A significant increase in capacity produced by renewable energies is expected in the coming years.
In 2025, total renewable energy capacity is expected to reach approximately 7.8 GW.
In 2030, a capacity of approximately 16 GW is required in order to meet government targets.



* 2025–2026 data is based on responses from the DNO and grid connection studies.
** The capacity in 2030 is at the level required to meet the government's target of 30% renewables.

3.4 Average Renewables Production in 2024 by Seasons and Hours of the Day *,** (MWh)

In the summer of 2024, production from renewable energies reached a maximum during the afternoon hours and averaged approximately 3,890 MWh.

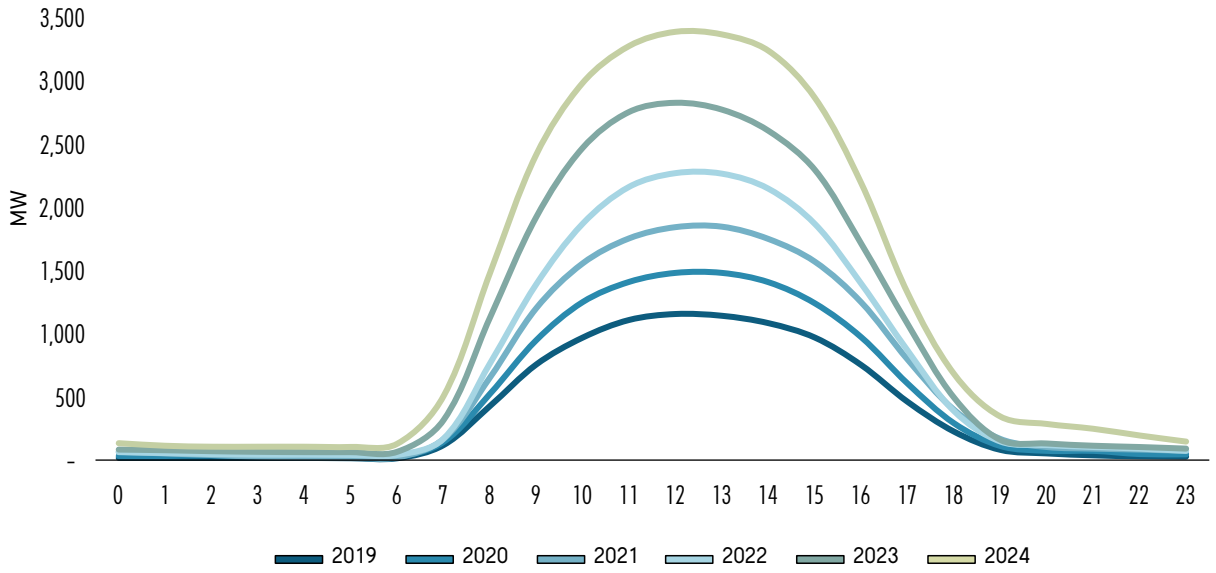


* The data does not include normalization for the addition of renewable energy facilities during the year.

** Seasons are classified according to demand hour clusters

3.5 Average Renewable Energy Production in Transitional Season by Hours of the Day – by Year

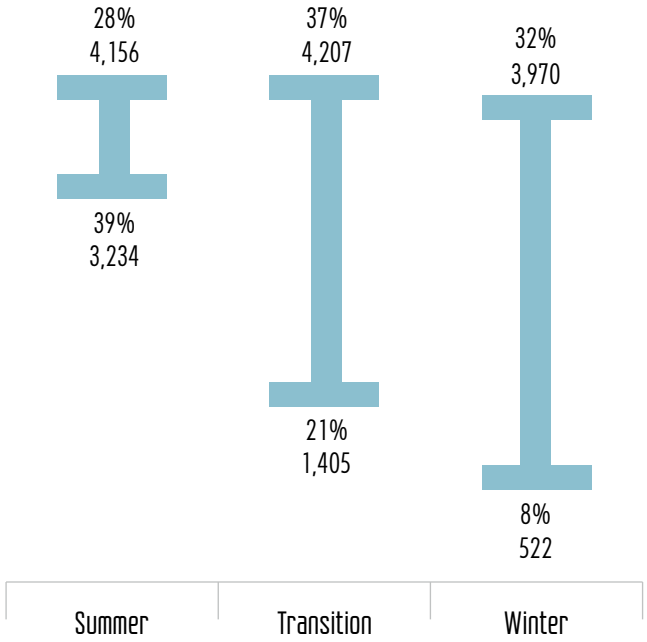
Peak production time for renewable energies during the transition season in recent years was between 12:00 and 1:00 PM.
At the peak of the 2024 transition season, three times more electricity was generated from renewable energies than at the peak of the 2019 transition season. Prior to 2024, production was virtually non-existent. As of 2024, average production during these hours increased significantly, mainly due to the use of storage during these hours.



* The transition season is classified based on the demand hour clusters that were determined in 2022.

3.6 Variation in Daily Production Peaks of Renewables in 2024 by Season (MWh)*

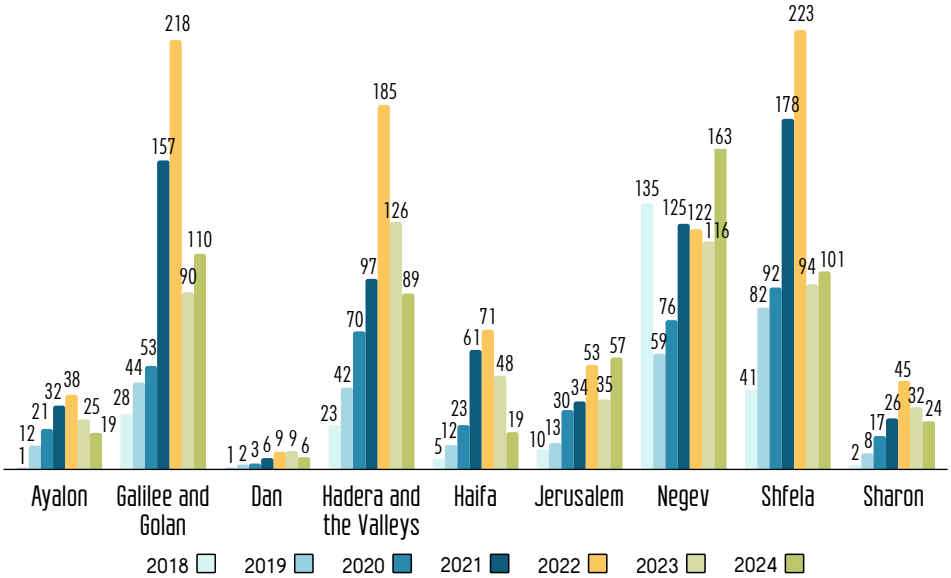
The scope of production at 1:00 PM, which is the peak hour for production from renewable energies, is characterized by fluctuations. For example, on some days during the summer, production from renewable energies would reach close to a third of production, while on other days it would be less than 10% of production.



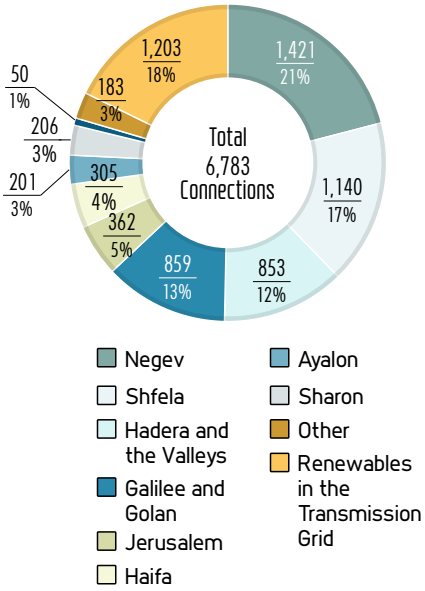
* Seasons are classified according to demand hour clusters.

In 2024, the number of new connections in the Negev increased, whereas the number of new connections in Hadera and the Valleys decreased.

Number of Connections by Subdistrict (MW in terms of AC*)



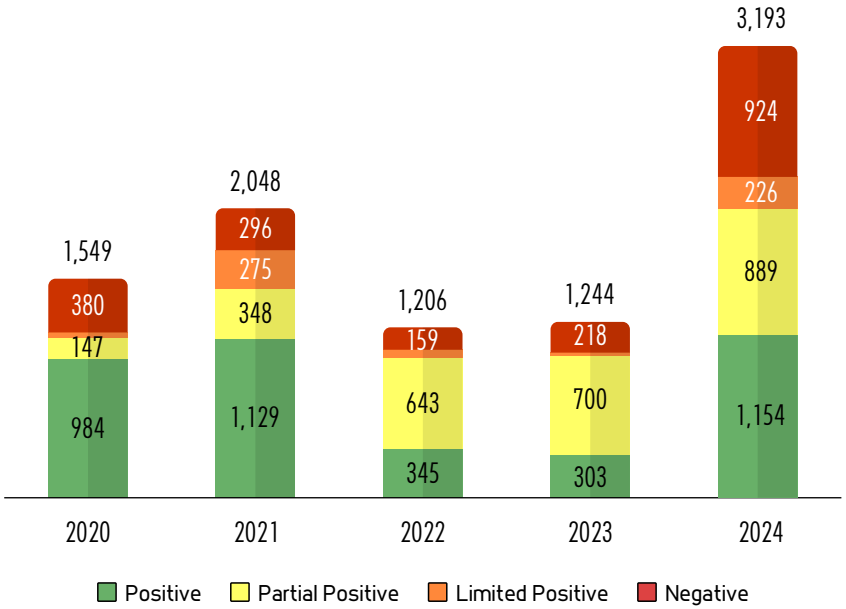
Total (MW in terms of DC*) As of End of 2024



* To convert the converter's capacity (AC) to the panel's capacity (DC), multiply by a coefficient of 1.3 for ground-mounted facilities, 1.2 for dual-use facilities, and 1.8 for storage-integrated facilities.

Sources: IEC

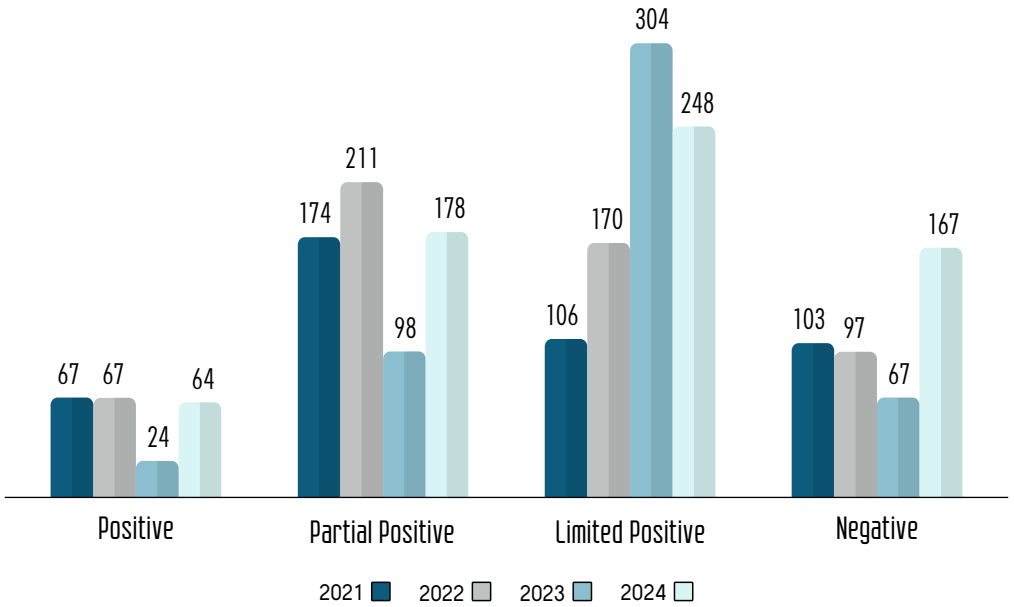
During 2024, there was a significant increase in the volume of requests and positive DNO responses due to the Authority's decision to allow more connections to the grid per existing grid infrastructure, along with more efficient use of the grid overall.



* In 2024, a change was made in methodology regarding canceled orders and now they are included in the database.

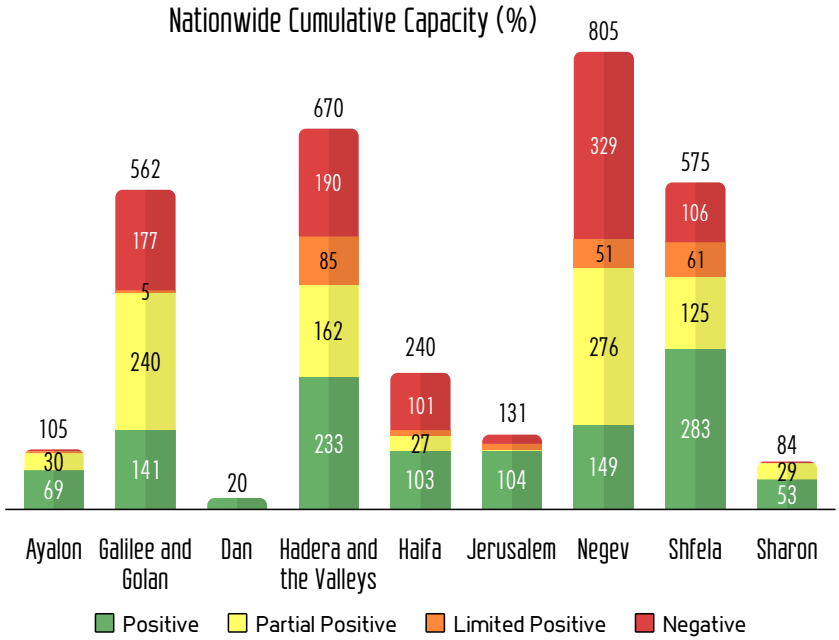
Sources: IEC and the Electricity Authority's Processing

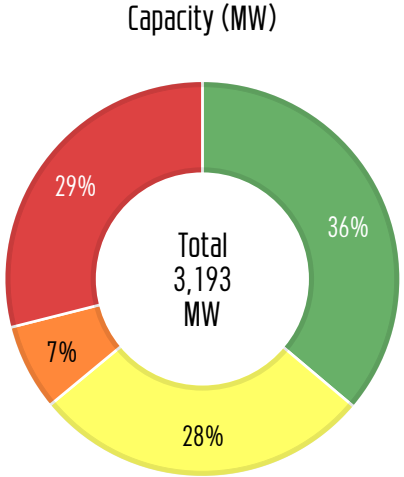
The average time for providing a DNO response during 2024 returned to its pre-2023 level, despite the significant increase in the number of DNO responses provided in 2024.



* In 2024, a change was made in methodology regarding canceled orders and now they are included in the database.

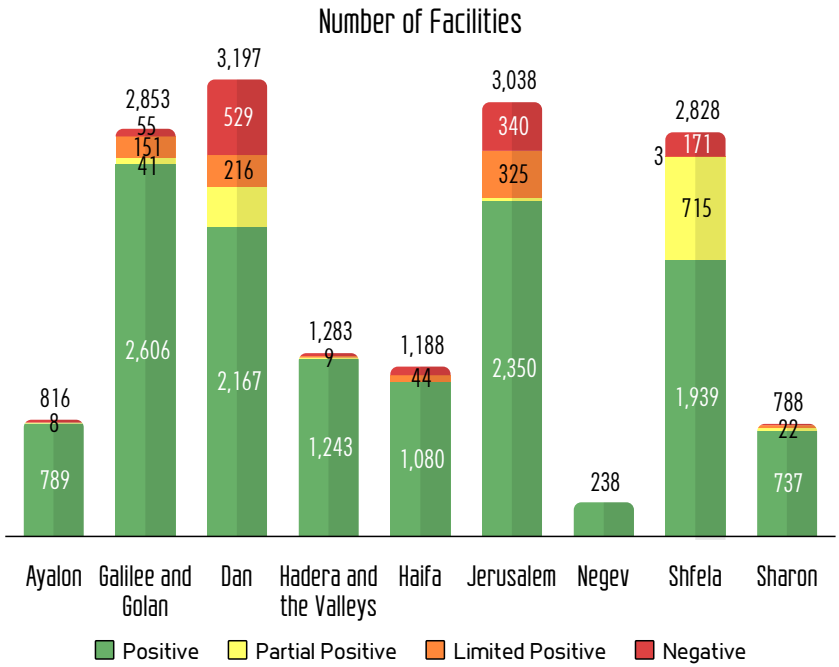
In 2024, DNO responses were given to facilities with a total capacity of approximately 3,200 MW, of which approximately 36% were full positive and approximately 29% were negative.
In the Dan, Ayalon, Sharon and Jerusalem subdistricts, most of the DNO responses were full positive. In contrast, in the Haifa, Negev, Shfela, Galilee and Golan, and Hadera and the Valleys subdistricts, most of the DNO responses were partial positive.

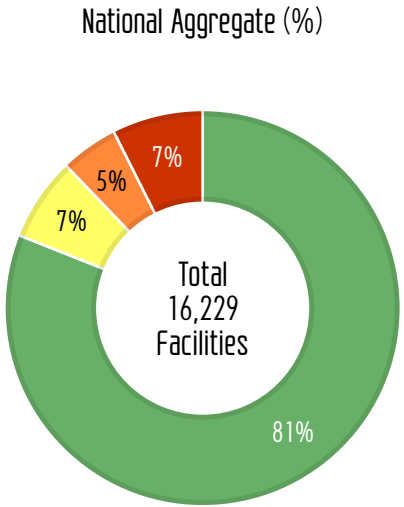




* To convert the converter's capacity (ac) to the panel's capacity (dc), multiply by a coefficient of 1.3 for ground-mounted facilities, 1.2 for dual-use facilities, and 1.8 for storage-integrated facilities.
In 2024, a change was made in methodology regarding canceled orders and now they are included in the database.

In 2024, DNO responses were given for over 16,200 facilities. Approximately 81% of the responses were full positive and about 7% were negative.

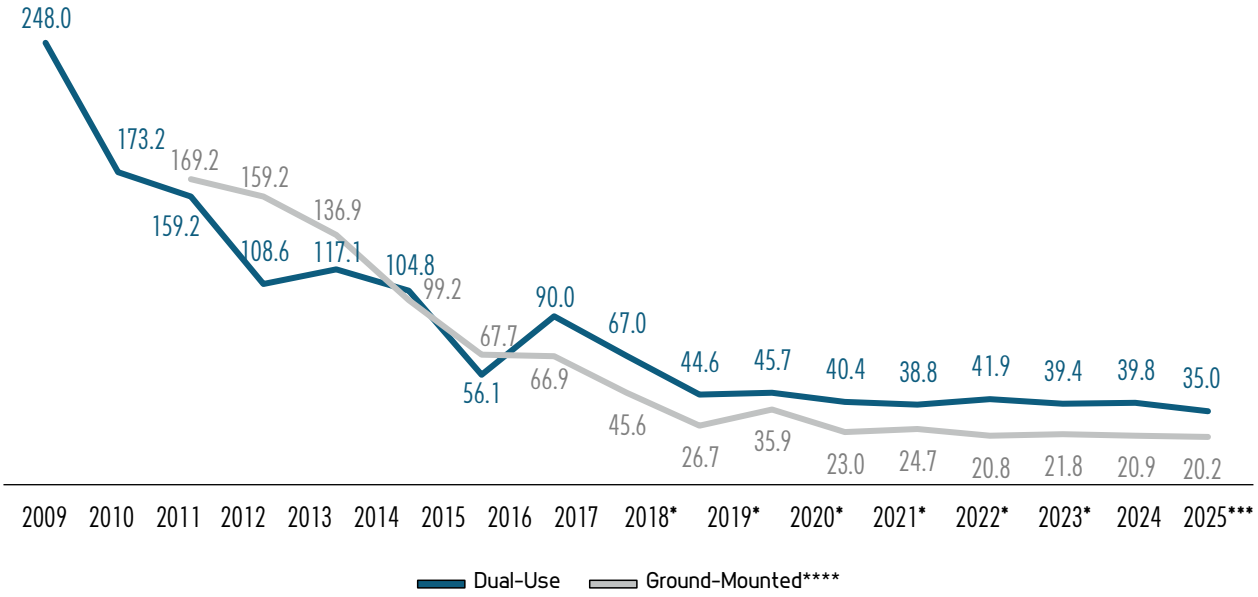




* In 2024, a change was made in methodology regarding canceled orders and now they are included in the database.

Sources: The Electricity Authority

In 2025, the average dual-use tariff decreased because the ratio between capacity from competitive processes and capacity from regulations for the year is significantly higher compared to previous years.



* Tariffs for 2018–2023 improved.

** This table shows the average tariff for the year when the facilities were connected; excludes facilities under net meter regulation. The tariffs are in nominal prices and are valid for 2025.

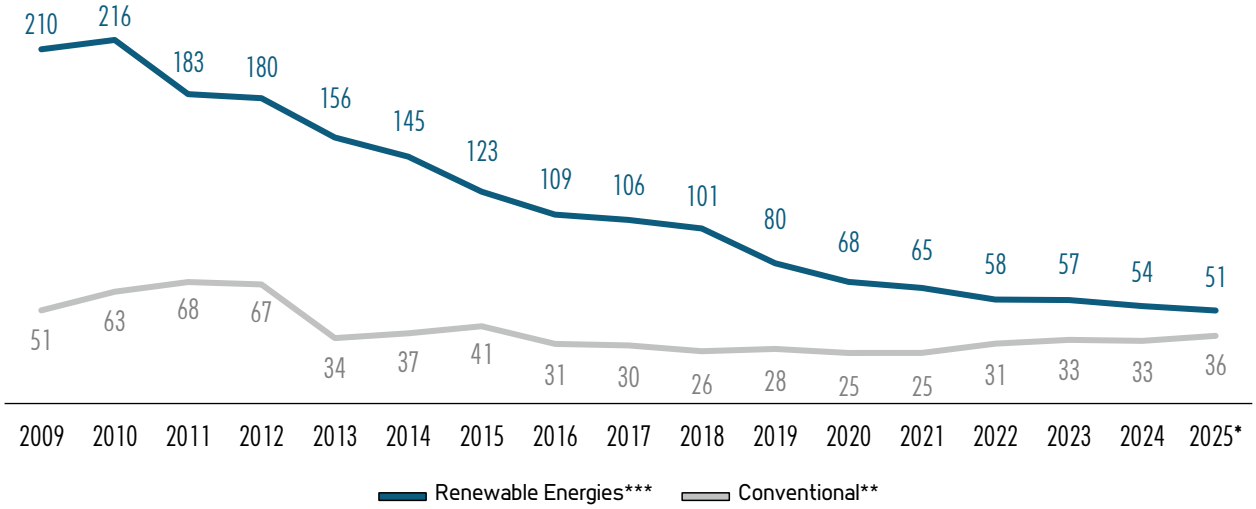
*** The 2025 tariff is a nominal rate based on the facilities actually connected by June 2025.

**** As of 2023, includes PV-plus-storage facilities.

3.13 Average Cost Per kWh — Electricity Purchases from IPPs

Sources: IEC

The downward trend in the average cost of renewable energy production continued in 2024 and is expected to continue in the coming years. In 2024, the average cost is expected to be approximately 0.51 NIS per kWh, which is significantly higher than the production tariffs in PV facilities in recent years, as detailed in Table 3.12. The cost increase in recent years for purchasing conventional electricity from IPPs is primarily due to a significant rise in payments to electricity producers in the wholesale energy market, and specifically in the complementary tariffs. In February 2025, the Authority's decision came into effect to limit the scope of complementary tariffs paid to producers in the wholesale electricity market.



* Forecast based on the annual tariff update for 2025.

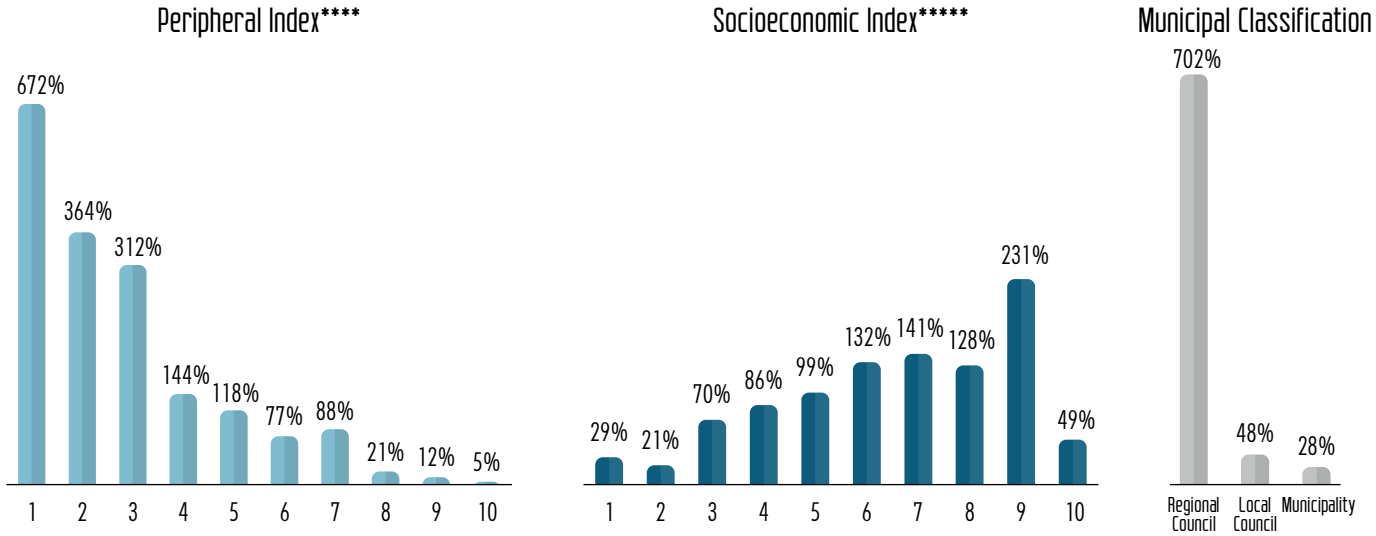
** The conventional tariff in this table represents total costs of energy, availability and other payments to IPPs, divided by the total amount of kWh they produce. This tariff does not represent the alternative price used to classify the excess costs for producing renewable energies and for production in cogeneration facilities.

*** The renewable energy tariff in this table represents the total energy costs in renewable energy production facilities divided by the number of kWh they produce (excluding facilities that produce under net meter regulations).

3.14 PV Capacity Relative to Population Size

Sources: IEC, CBS and the Electricity Authority's Processing

Currently, solar production and storage facilities are mainly located in the periphery regions, particularly in areas with high socioeconomic status, where land is more available and connection to the electricity grid is more accessible. Conversely, the centers of consumption are usually concentrated in urban areas that are far from these production centers. As part of its long-term policy, the Authority is working to bring production centers closer to consumption centers and promotes the construction of facilities in these areas (e.g., in Authority Resolution No. 66406 – Urban Premium for Production and Storage Facilities.



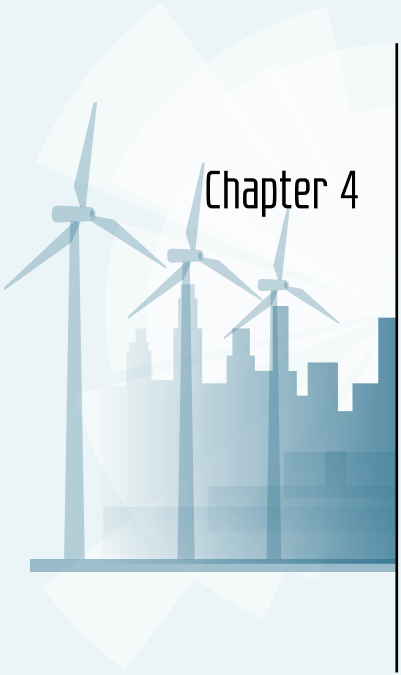
* Normalized with no classification as "other".

** As of the 2023 Localities File.

*** PV capacity refers to the actual installation location of the facility.

**** As of the 2020 Peripherality Index. 10 in the index is defined as maximum proximity to a business center. 1 in the index is defined as minimal proximity to a business center.

***** As of the 2021 socioeconomic index.



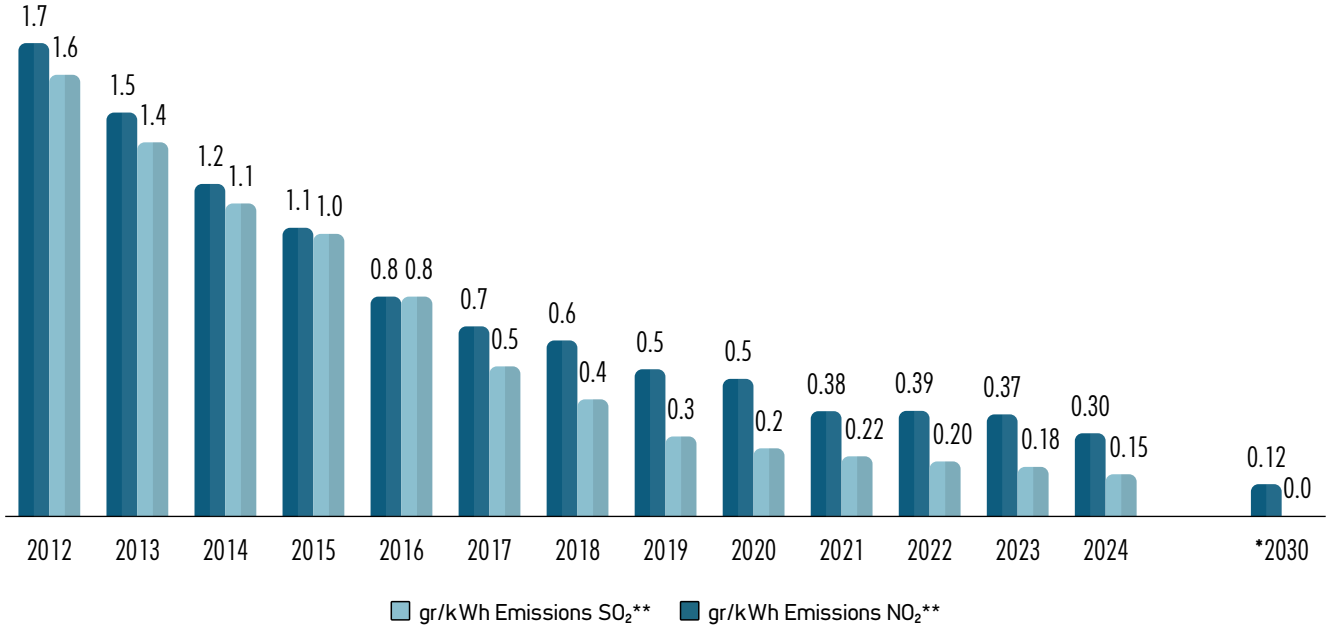
Chapter 4

Emissions

- Local Pollutant Emissions from Electricity Production
- Local Pollutant Emissions Per Capita from Electricity Production
- Emissions CO_2 from Electricity Production
- Emissions CO_2 Per Capita from Electricity Production
- Production in Units 1-4 at Orot Rabin - Coal-Fired Units w/out Scrubbers Designated for Preservation
- Comparison of Coal-Fired vs Renewable Energy Production

4.1 Local Pollutant Emissions from Electricity Production (gr/kWh Emissions)

In 2024, the amount of pollutant emissions per kWh decreased by approximately 20% following a relatively moderate decrease over the previous two years. The downward trend in the amount of local pollutant emissions from electricity production is expected to continue in the coming years.

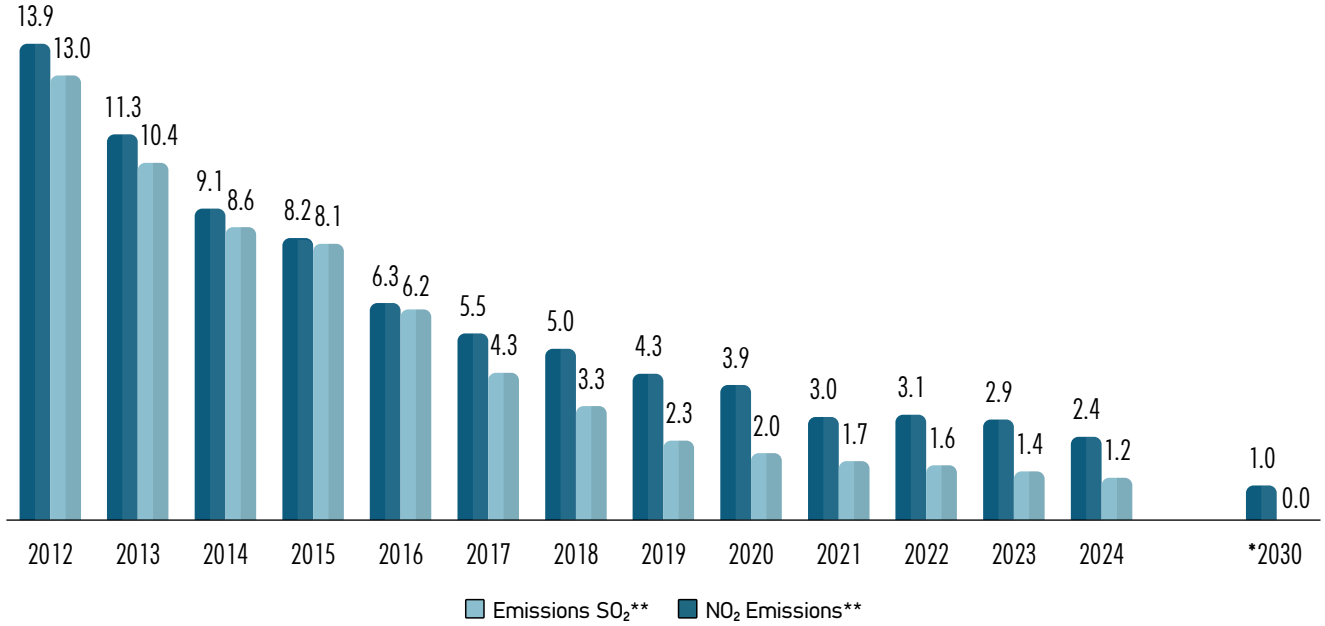


* The forecast is based on the scope of specific emissions according to the projected fuel mix.

** Local pollutant emission costs are calculated and published by the Ministry of Environmental Protection in the Green Book.

4.2 Local Pollutants Per Capita from Electricity Production (kg Per Capita/Year)

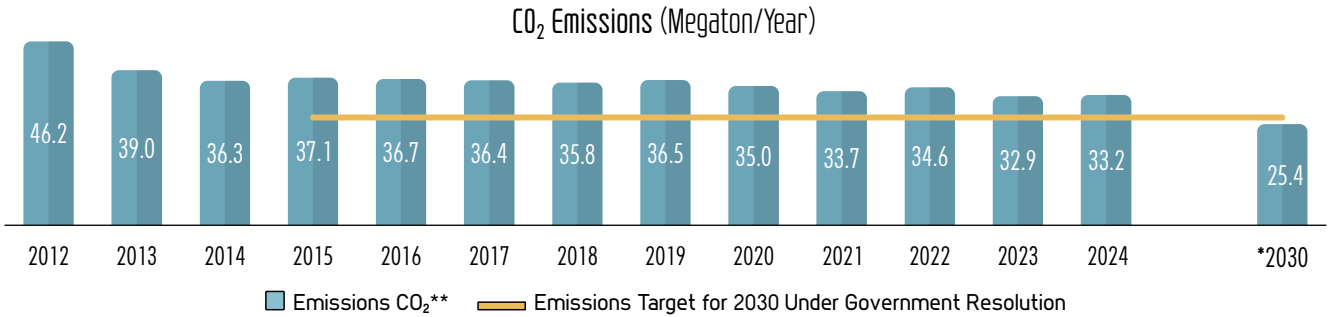
Per capita emissions of local pollutants in the electricity sector have decreased by more than 80% over the last decade, mainly due to a change in the fuel mix (natural gas and renewable energies replacing coal) and the installation of scrubbers at large coal-fired power stations. This downward trend in local pollutant emissions from electricity production is expected to continue in the coming years.

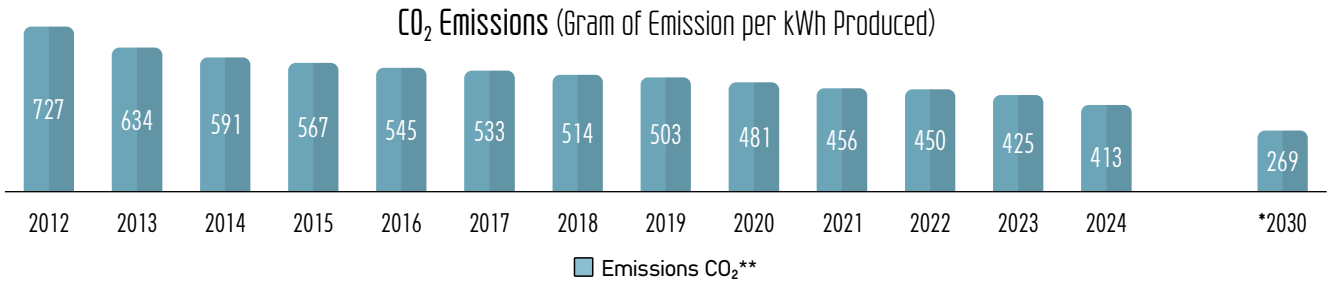


* The forecast is based on the scope of specific emissions according to the projected fuel mix.

** Local pollutant emission costs are calculated and published by the Ministry of Environmental Protection in the Green Book.

The downward trend in emissions CO_2 per kWh continues, mainly due to a change in the fuel mix (natural gas and renewable energies replacing coal). Government Resolution 171 dated July 25, 2021 set an absolute target of a 27% reduction by 2030 relative to the emissions level measured in 2015. The forecast assumes that the electricity sector is expected to partially meet the target as early as 2025 as a result of CCGT 70 becoming commercially operational, coupled with the expected completion of the coal-to-gas conversion and the completion of CCGT 80, as determined in government resolutions and the Minister's policy.



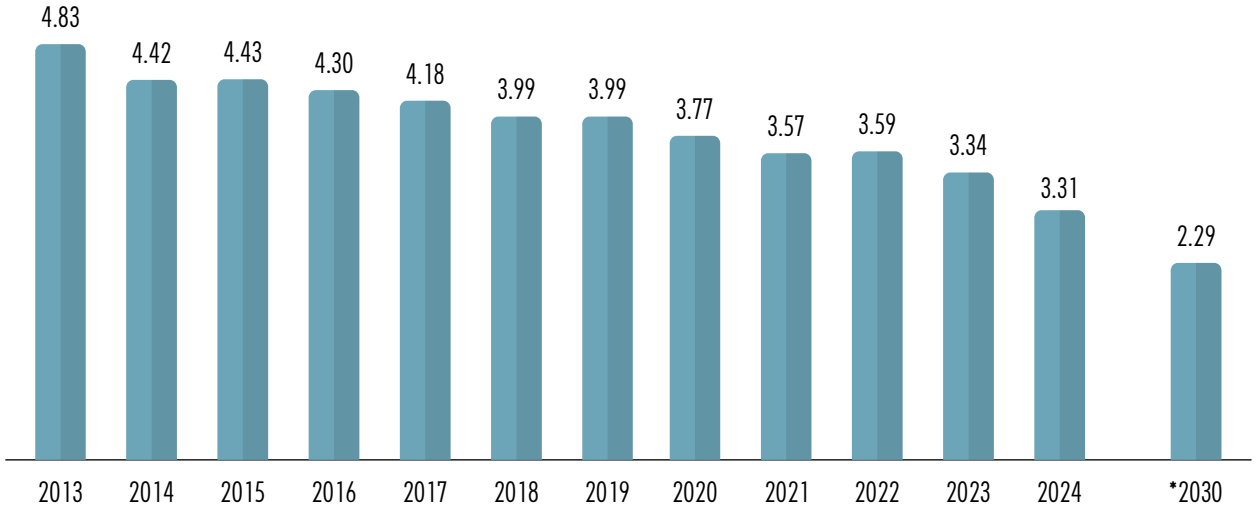


* The forecast is based on the scope of specific emissions according to the projected fuel mix.

** Emissions costs CO_2 are calculated and published by the Ministry of Environmental Protection in the Green Book.

4.4 CO_2 Emissions Per Capita from Electricity Production (ton Per Capita/Year) Sources: EP (PRTR) and CBS

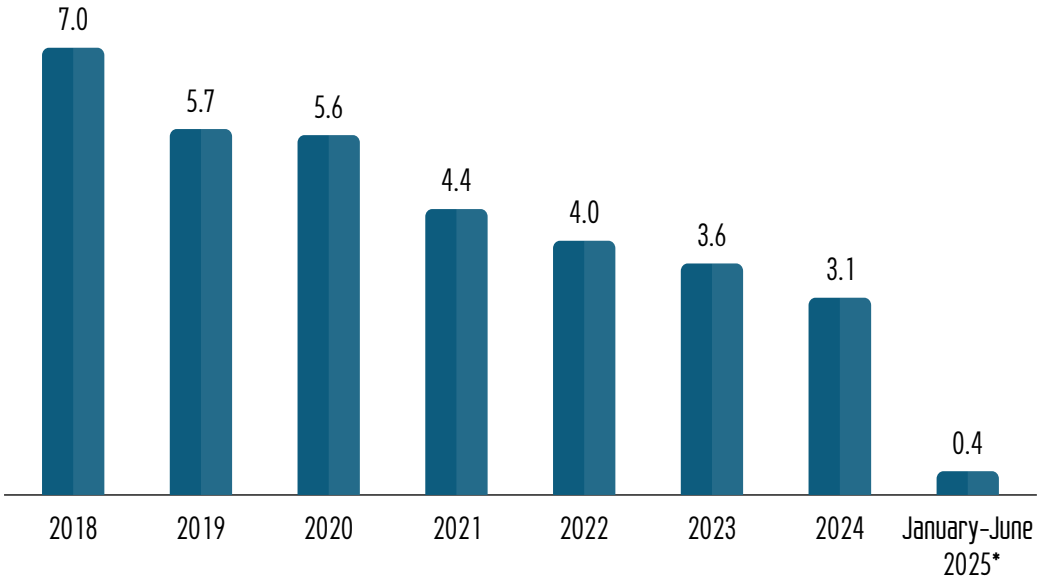
There is a continued downward trend in per capita emissions in the electricity sector. In the coming years, the downward trend in CO_2 per capita emissions from electricity production is expected to continue as a result of the commercial operation of CCGT 70, coupled with the expected completion of the coal-to-gas conversion and the completion of CCGT 80, as determined in government resolutions and the Minister's policy.



* The forecast is based on the scope of specific emissions according to the projected fuel mix.

** Emissions costs CO_2 are calculated and published by the Ministry of Environmental Protection in the Green Book.

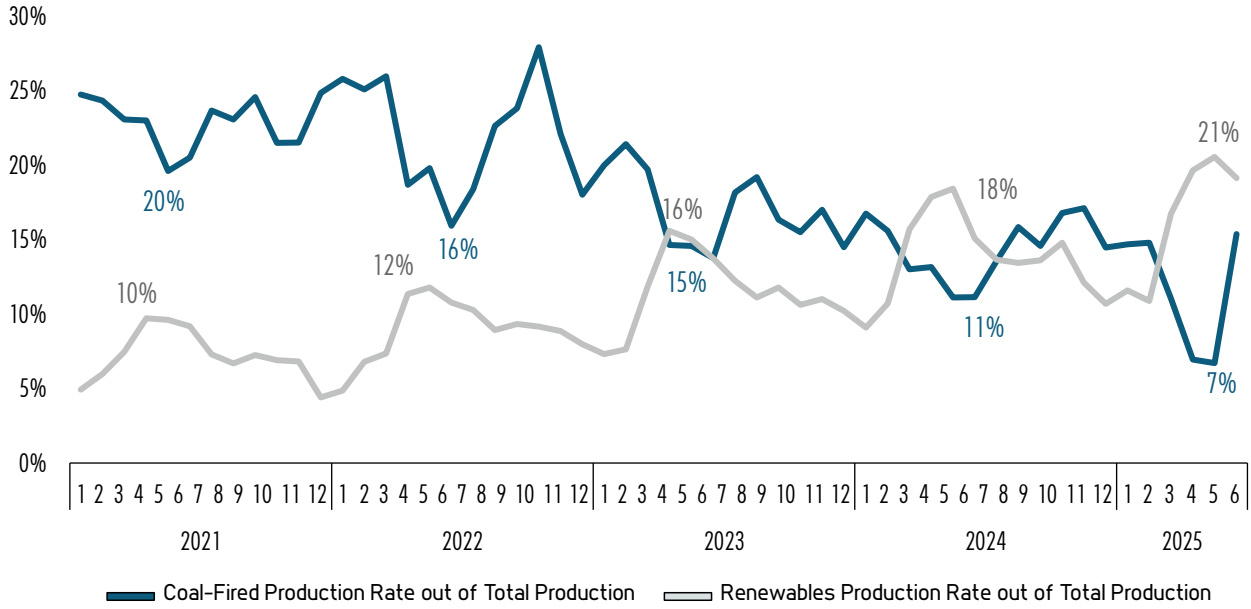
The trend continues to reduce coal-fired production. In the first half of 2025, since the commercial operation of CCGT 70 in Orot Rabin, only 0.4 TWh was generated from coal in Units 1-4 in Orot Rabin, which are designated for preservation, and half of this amount was generated during Operation Rising Lion. This is less than a quarter of what was produced throughout all of 2024.
Once CCGT 80 goes into commercial operation, the amount of electricity that will be routinely produced in these units is expected to decrease even further.

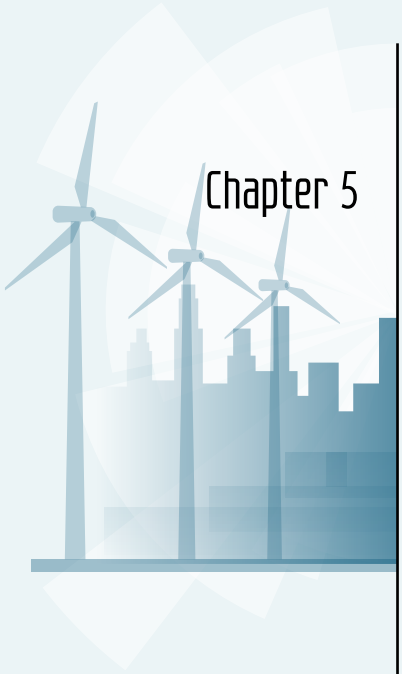


* Data not final until the end of June 2025.

4.6 Comparison of Coal-Fired vs Renewable Energy Production (%)

While electricity production from renewable energies is increasing, production using coal is decreasing. In the first half of 2025, renewable energy production accounted for about 16% of total production in the sector, while coal production accounted for only about 12%. In May 2025, over 20% of electricity will be generated using renewable energy, compared to only 7% from coal.



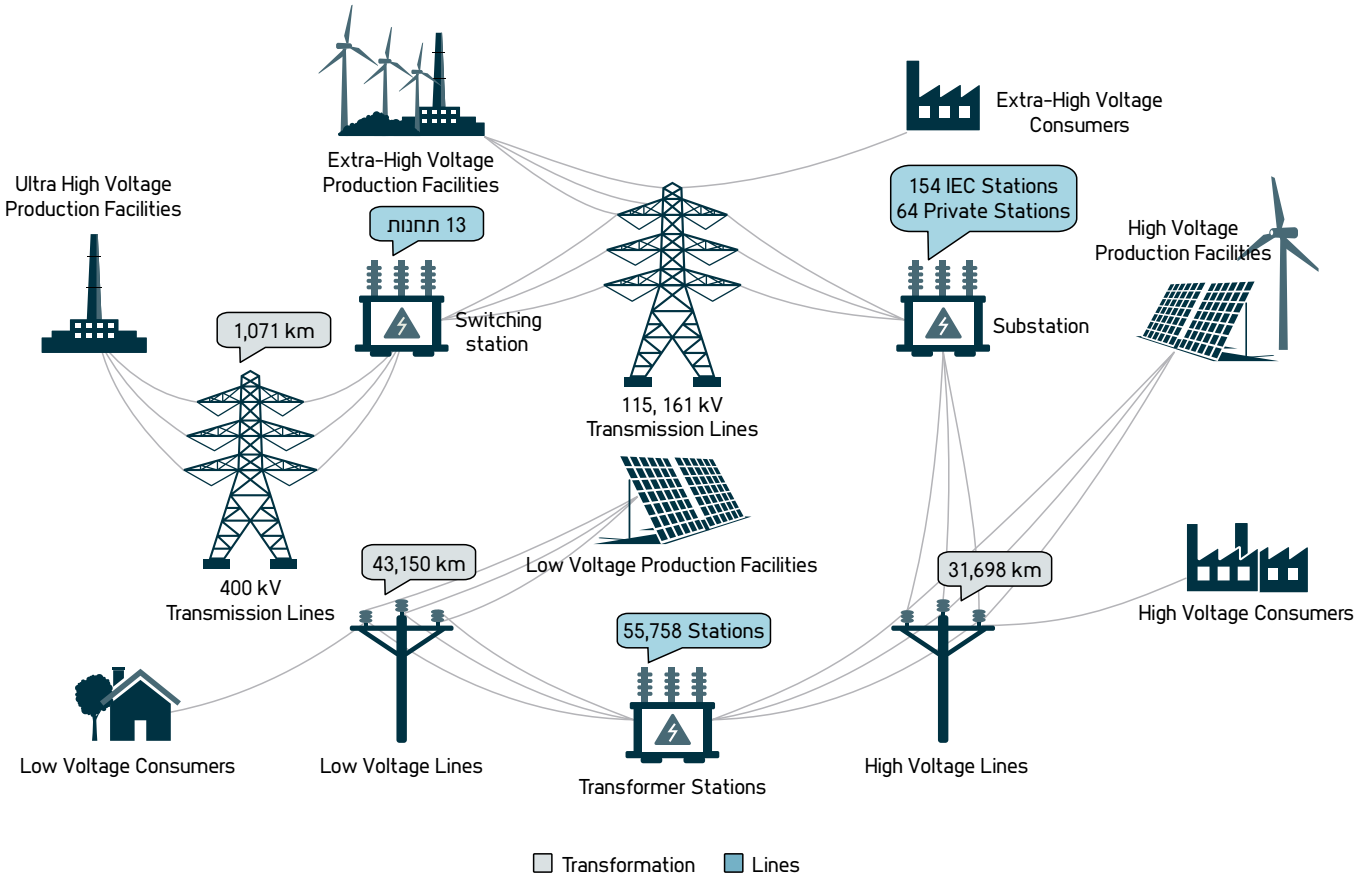


Chapter 5

Grid Segments

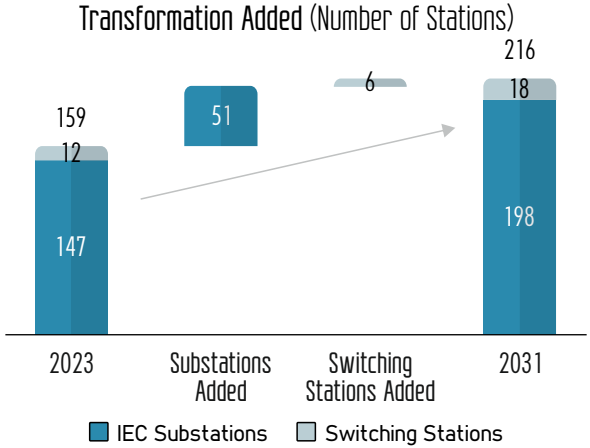
- Electricity Grid Structure at the End of 2024
- Transmission Development Plan
- Progress of Transmission Development Plan Implementation
- Distribution Development Plan
- Progress of Distribution Development Plan Implementation
- IEC Investments in the Grid
- Transmission Grid Lines
- Transformation Systems in the Transmission Grid
- Distribution Grid Lines
- Transformers in the Distribution Grid
- Grid Investments Over the Last Decade
- Average Minutes of Consumer Power Outage due to High Voltage Interruptions – by Subdistrict

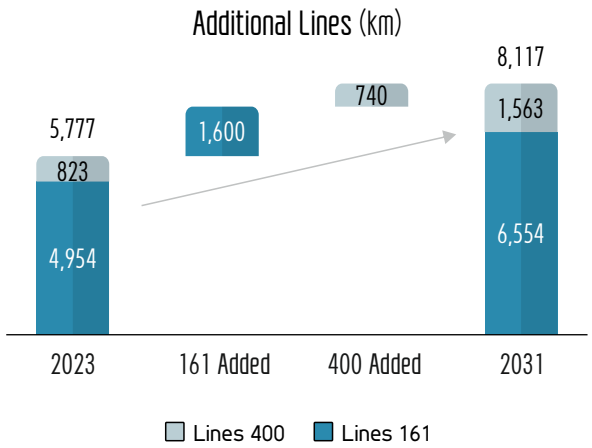
Sources: IEC Financial Statements



Sources: IEC

In June 2023, the Authority published a decision regarding its recommendation on the development plan for the transmission and distribution system for 2023-2031.
The investment during these years is expected to be approximately 22 billion NIS (including the completion of the previous development plan).

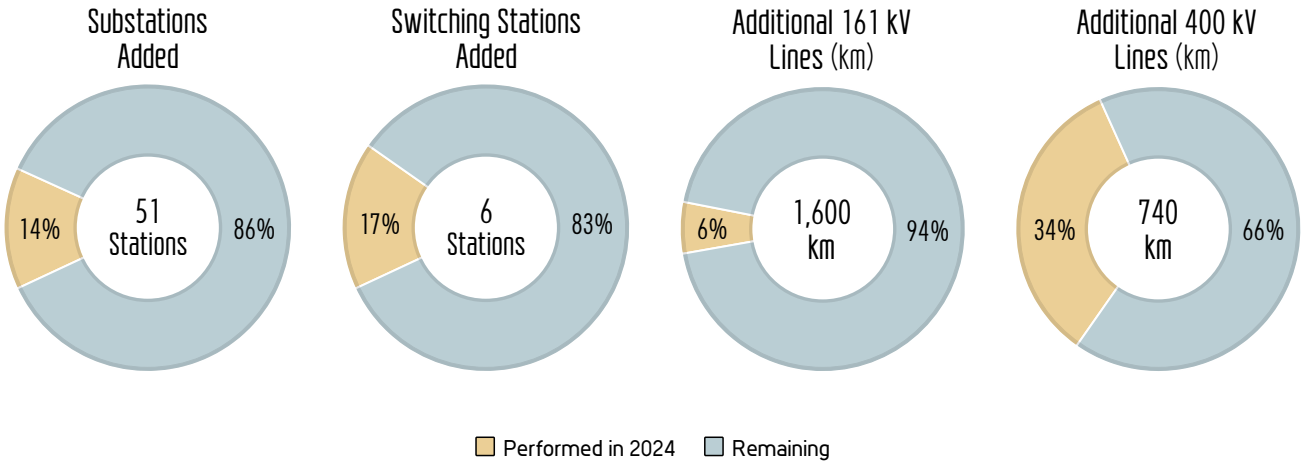




* Includes the previous development plan.

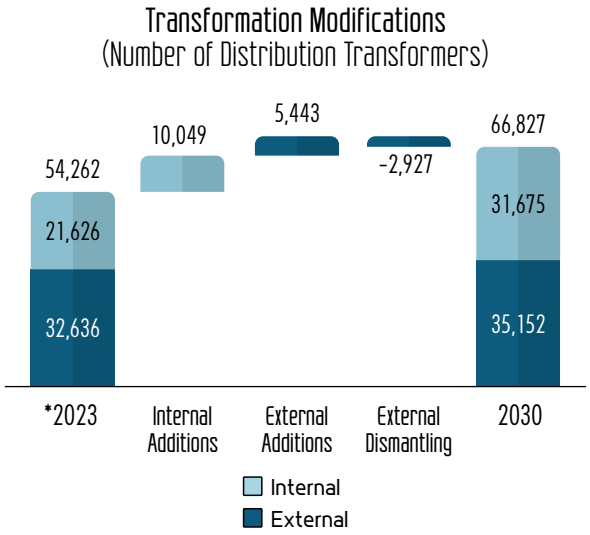
Sources: IEC Financial Statements

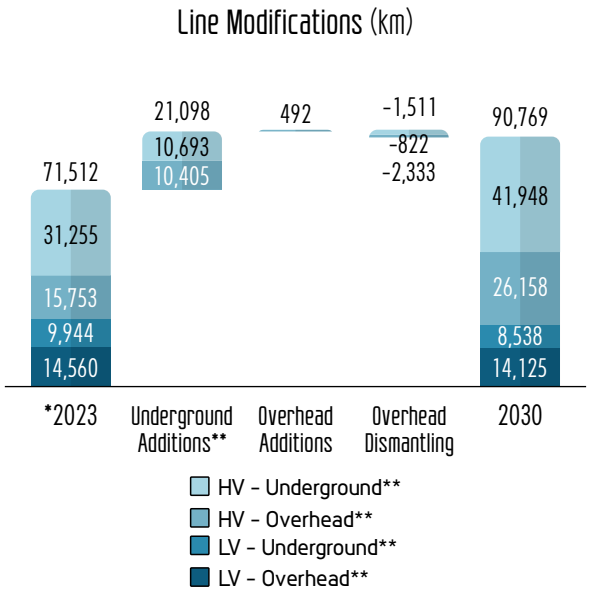
In 2024, the IEC built more than a third of the additional 400 kV lines planned in the development plans.



* Includes the previous development plan.

In July 2025, the ministers approved the development plan for the distribution system for 2025-2030 following the Authority's recommendation, with the aim of meeting the needs of the sector and natural growth.

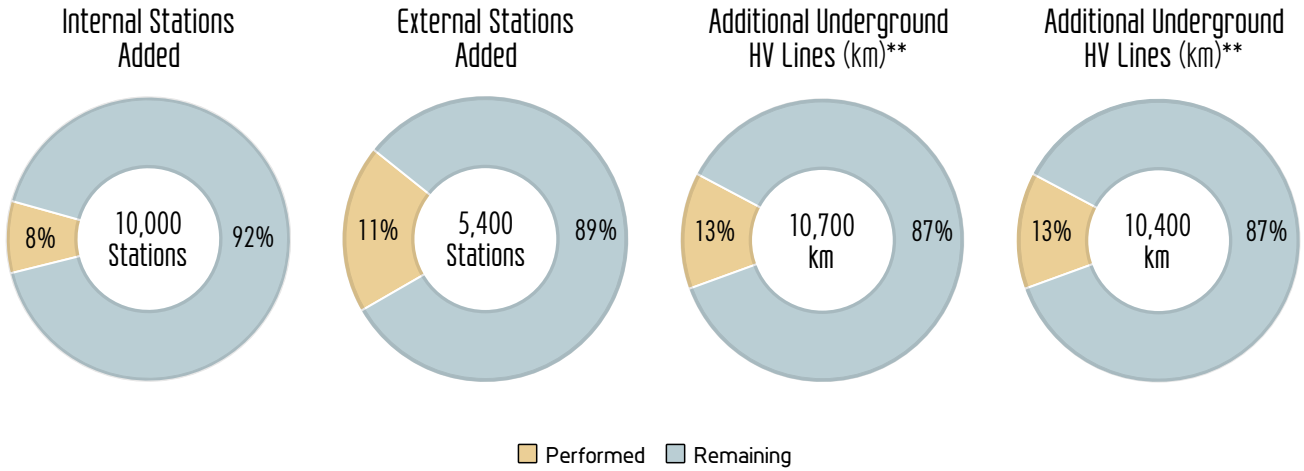




* The 2023 data in this report does not necessarily correspond to the reports in the IEC's 2023 financial statements since they were published before the financial statements were published.

** LV (low voltage), HV (high voltage).

In 2024, the IEC installed over 2,700 km of underground lines. Approximately half are high voltage lines and half are low voltage lines. The IEC also established over 800 stations in the distribution grid, most of which are internal.



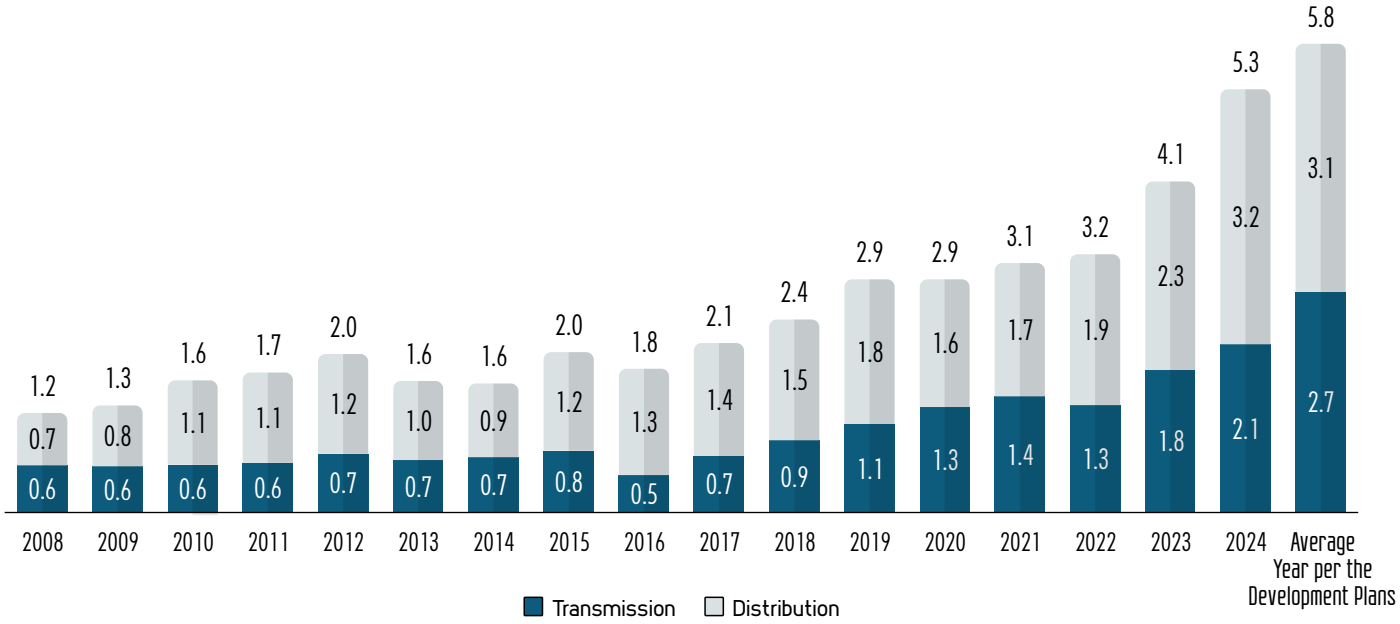
* In accordance with the IEC's reporting obligation to the Authority from June 2025.

** The percentages refer to the actual cumulative implementation rate in relation to the original plan submitted.

5.6 IEC Investments in the Grid (NIS Billions)

Sources: IEC Financial Statements

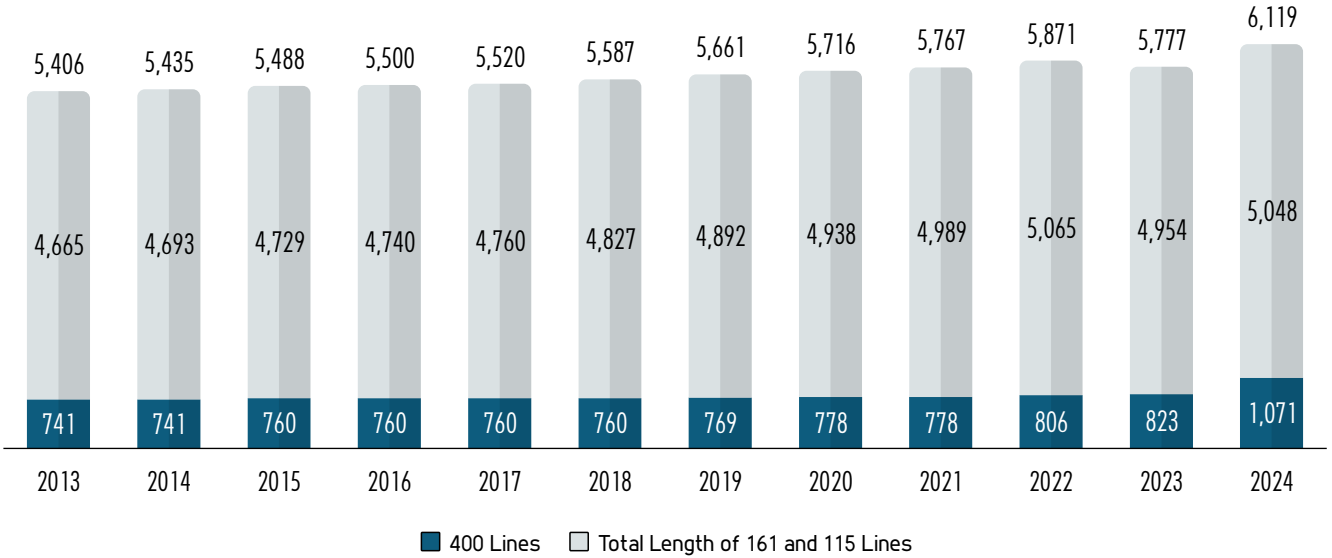
In 2024, there was a significant increase in IEC investments in the grid. Further growth is expected in the coming years due to the implementation of the transmission development plan and the distribution development plan.



5.7 Transmission Grid Lines (ckm)

Sources: IEC Financial Statements

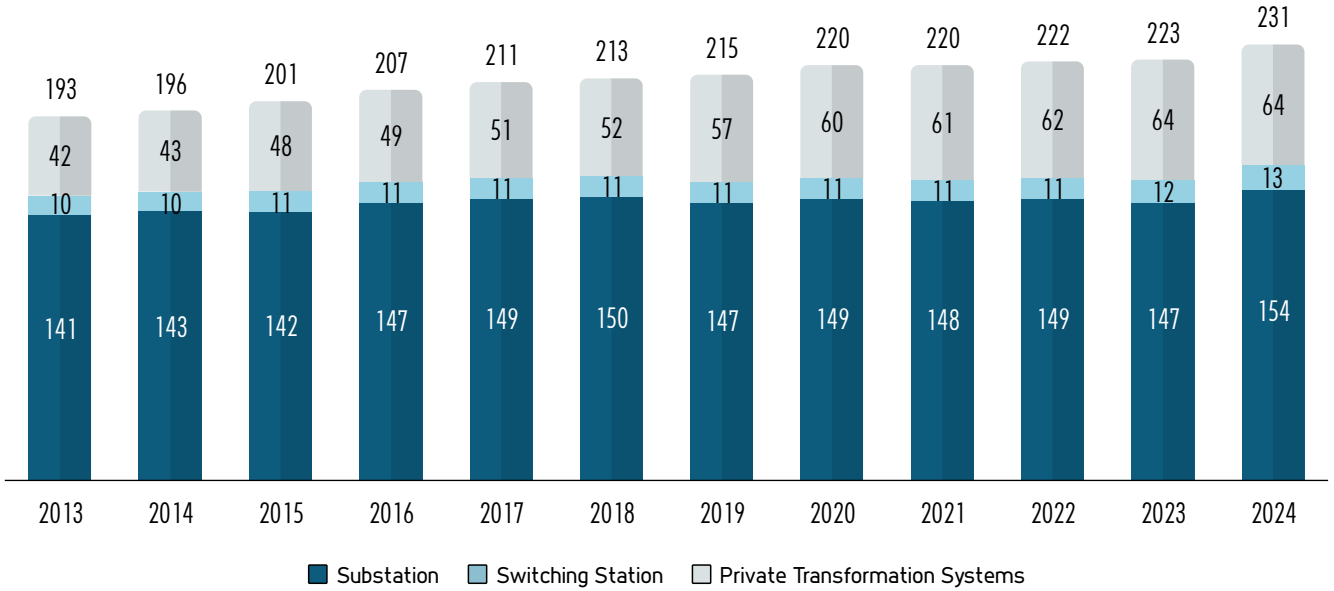
In 2024, the length of 400 kV lines, underground 161 kV lines, and overhead 161 kV lines was increased.



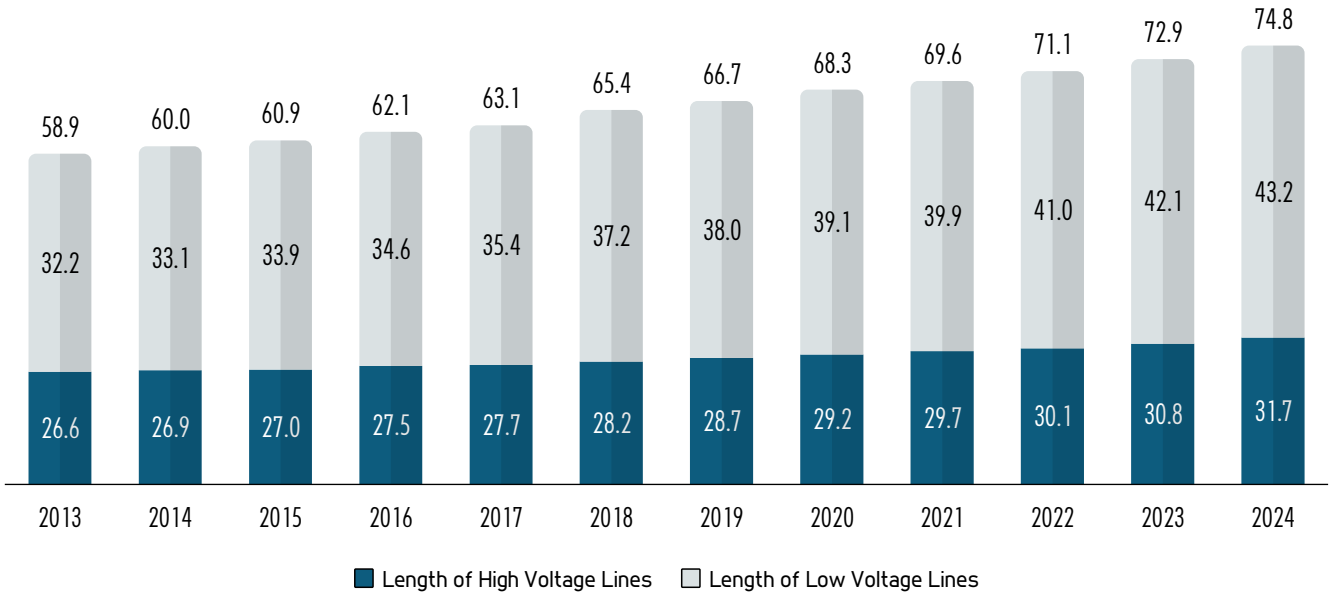
5.8 Transformation Systems in the Transmission Grid (Number of Systems)

Sources: IEC Financial Statements

The number of transformation systems has increased in recent years at a moderate rate. In 2024, the scope of transformation systems in the distribution grid increased by approximately 4%. This rate of increase is higher than the average annual increase in recent years.

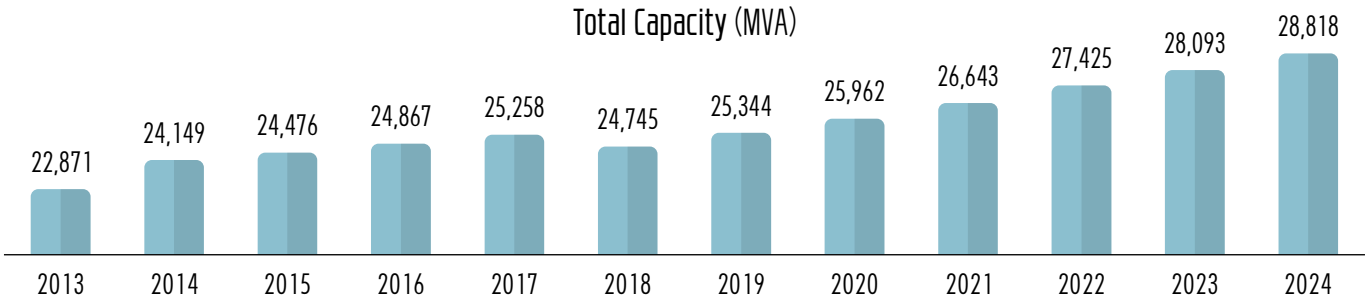


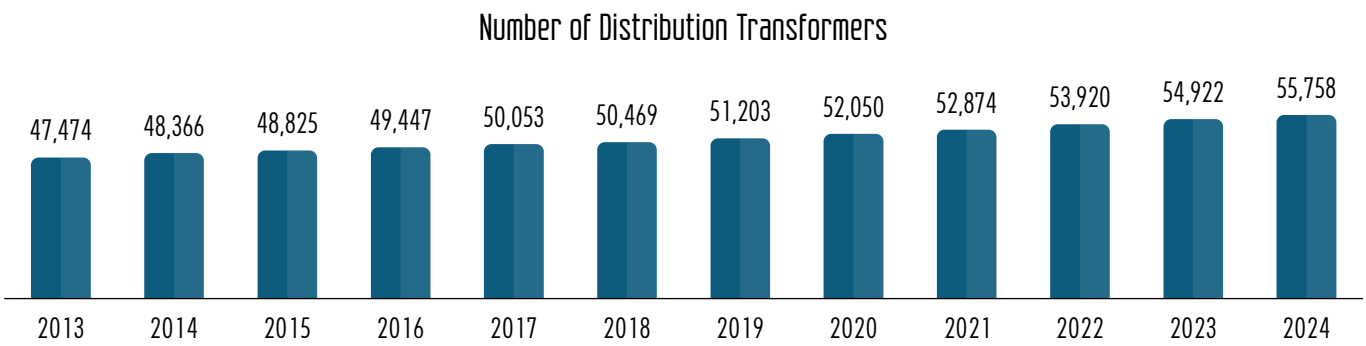
The length of distribution grid lines increased by about 3% in 2024. This increase is higher than the average annual growth in previous years.



Sources: IEC

Transformer capacity in the distribution grid increased by approximately 2% in the past year, similar to the average increase in recent years.



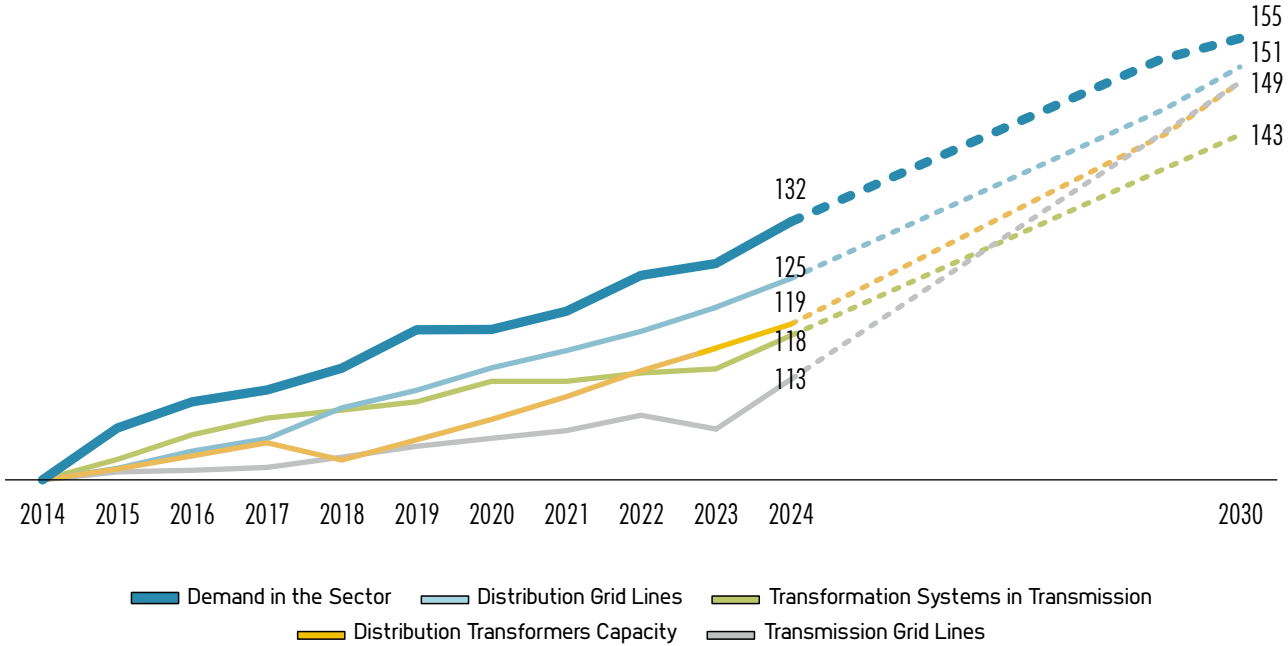


5.11 Grid Investments Over the Last Decade

Sources: IEC and the Electricity Authority's Processing

Over the last decade, investments in the transmission grid have increased by 13%–18% and 19%–25% in the distribution grid, while the sector's demand has increased by about 32% over the same period.

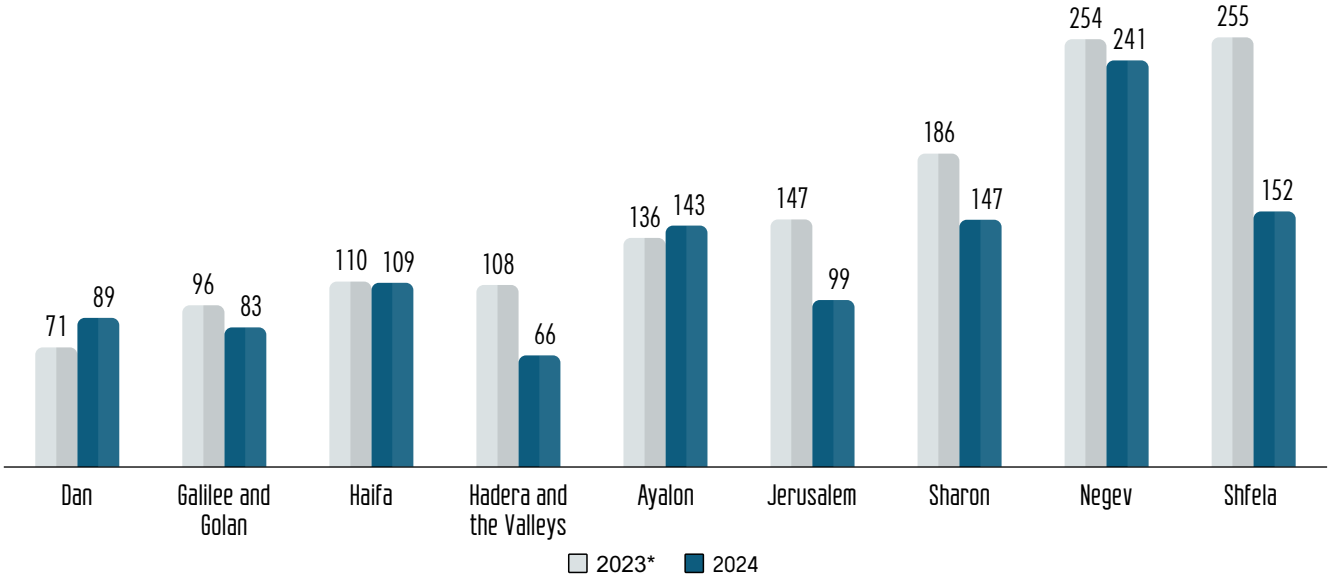
The Authority is working to increase investments in the grid to support the sector's evolving needs, including improving the reliability of electricity supply. A development plan for the transmission grid was published in June 2023, and a development plan for the distribution grid was approved by the Minister of Energy and the Minister of Finance in July 2025.



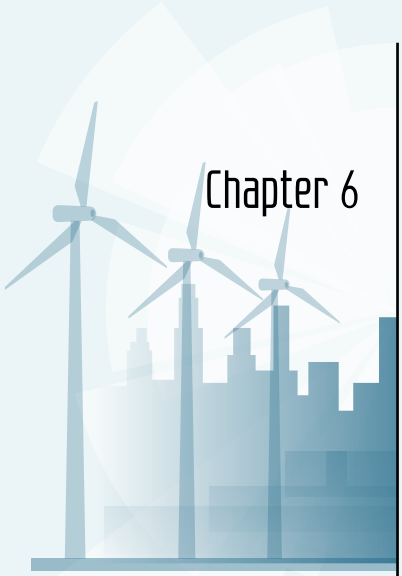
* Investments are normalized so that the base year is 2014

5.12 Average Duration of Consumer Interruptions due to High Voltage Interruptions – by Subdistrict*

In 2024, most subdistricts saw a significant decrease in total duration of interruptions compared to 2023. In the Haifa and Negev subdistricts, power outage minutes were similar to those in 2023, while the Dan and Ayalon subdistricts saw an increase in power outage minutes. In July 2025, the Authority published for public comment an update to the supply reliability targets mechanism, which stipulates that starting from 2025, the calculation method for meeting targets will be based on interrupted customers instead of interrupted capacity, in accordance with internationally accepted methodology.



* Total duration of interruptions in 2023 does not include the abnormal power outage event on 2/6/2023 and power outages that occurred due to the swords of Iron War.



Chapter 6

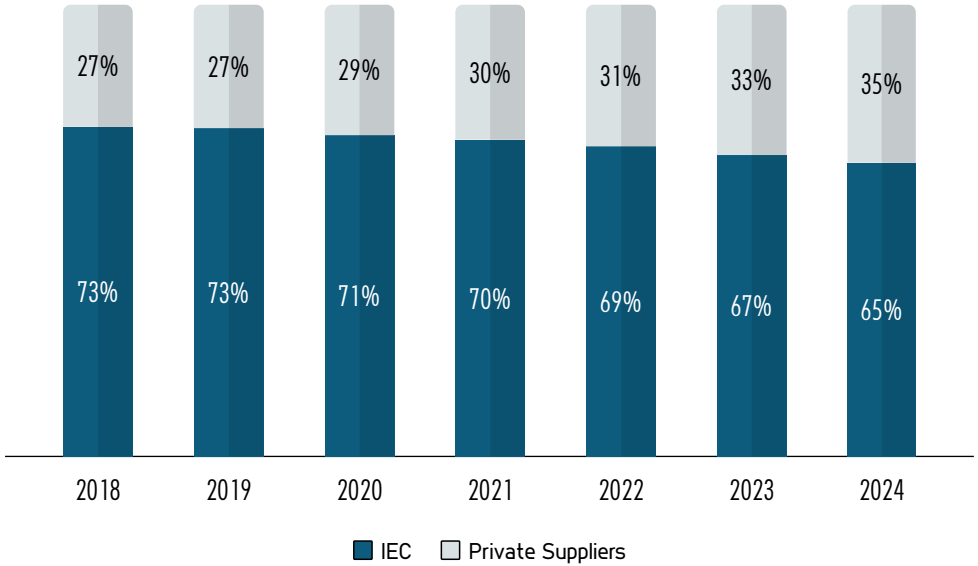
Supply Segment

- Supply Segment Market Share
- Domestic Consumers Associated With Private Suppliers – by Meter Type
- Consumption by Sector
- Consumption by Private Suppliers – by Supplier Type
- Number of Consumers from Private Suppliers by Voltage
- Distribution of Private Supplier Consumers in Mid-2025 by Voltage and Number of Consumers
- Domestic Consumers Associated With Private Suppliers (as of 30/6/2025) – by Location
- Requests to Switch to Private Providers

6.1 Supply Segment Market Share* (%)

Sources: Noga and IEC

In 2024, the market share of private suppliers reached approximately 35% of electricity consumption.

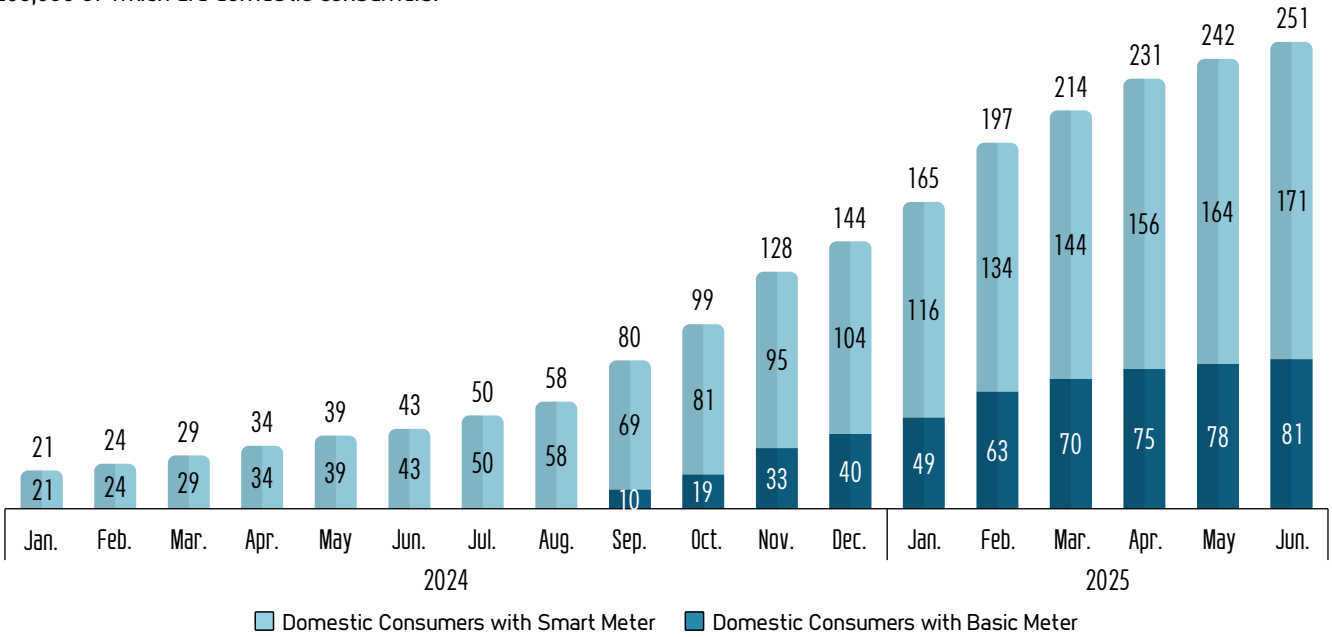


* Data do not include self-production by high-voltage and low-voltage producers.
** 2017 data do not include self-production by self-producers at extra-high voltage.

6.2 Domestic Consumers of Private Suppliers – by Supplier Type

Sources: Noga and the Electricity Authority's Processing

As of September 2024 – when domestic consumers with basic meters became eligible to switch to private suppliers – an average of 20,000 consumers switched to private suppliers per month. The growth rate has decreased in recent months due to a lack of cheaper capacity that can be used competitively by producers. The Authority is currently promoting a plan to increase the supply of competitive capacity to suppliers. By June 2025, over 270,000 consumers had switched to a domestic electricity supplier, 250,000 of which are domestic consumers.

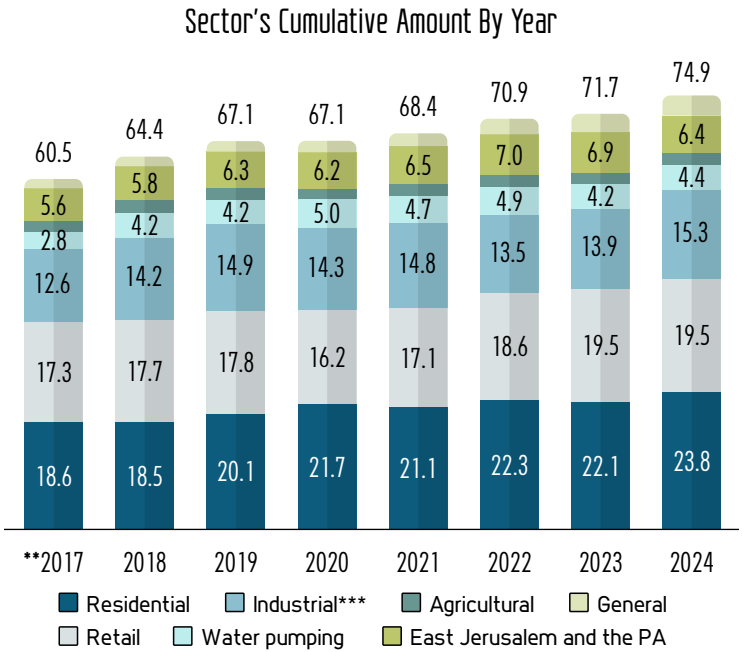


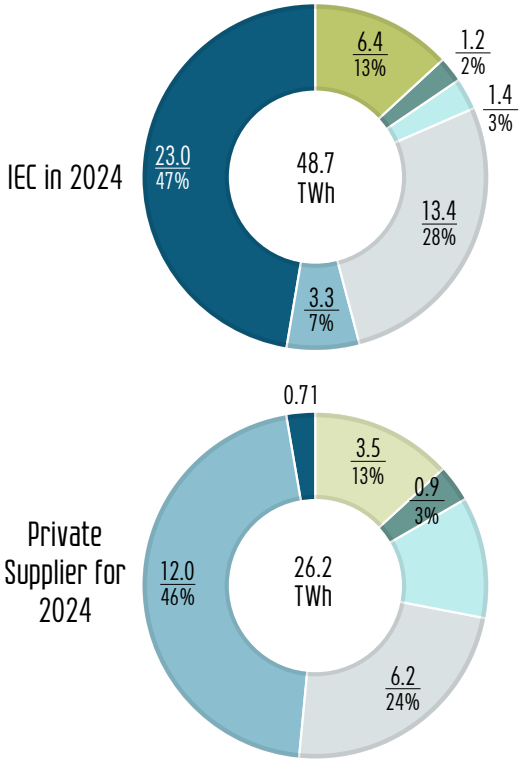
* The distribution among suppliers is based on the classification by Noga.

6.3 Consumption by Sector* (TWh)

Sources: Noga and IEC

Most electricity for the industrial sector is provided by private suppliers. The transition of domestic consumers to private suppliers gained momentum starting at the end of 2024





* Data do not include self-production by high-voltage and low-voltage producers.

** 2017 data do not include self-production by self-producers at extra-high voltage.

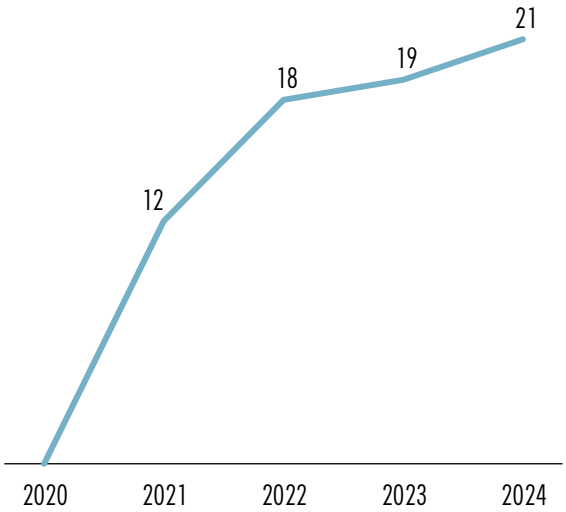
*** Includes consumption of a pumped storage facility as well as consumption from production by self-producers.

6.4 Consumption by Suppliers — by Supplier Type

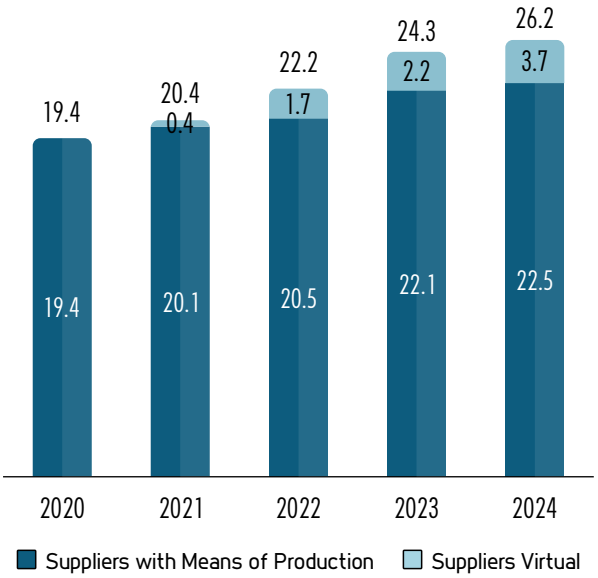
Sources: Noga and the Electricity Authority's Processing

In accordance with the reform, suppliers without means of production began to supply electricity as of 2021. In 2024, about 21 virtual suppliers provided about 14% of the consumption by private supplier consumers.
Moreover, the trend of growth in the number of consumers associated with private suppliers continued in 2024.

Number of Active Virtual Suppliers



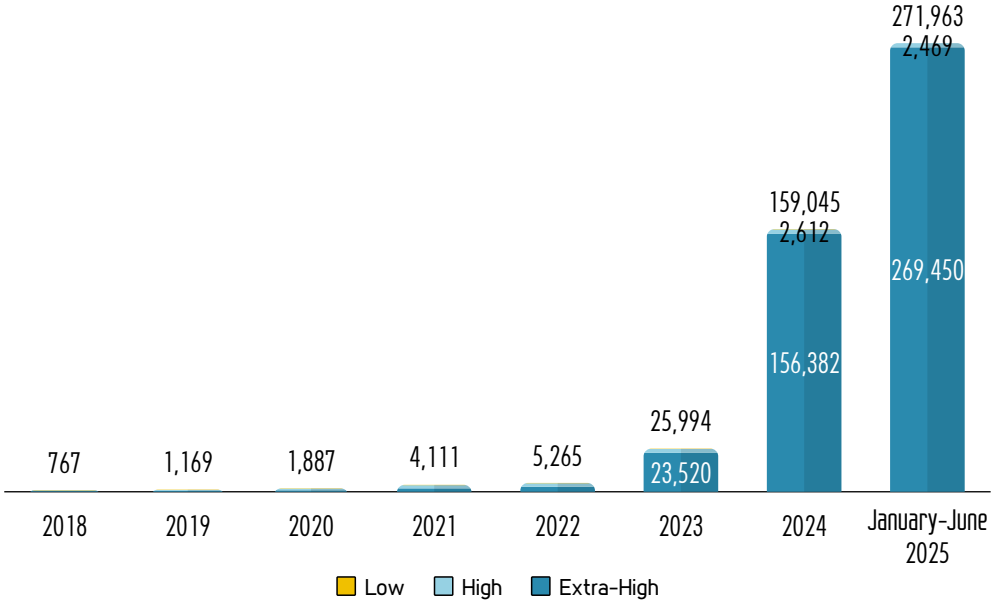
Consumption (TWh)



6.5 Number of Consumers from Private Suppliers by Voltage

Sources: Noga and the Electricity Authority's Processing

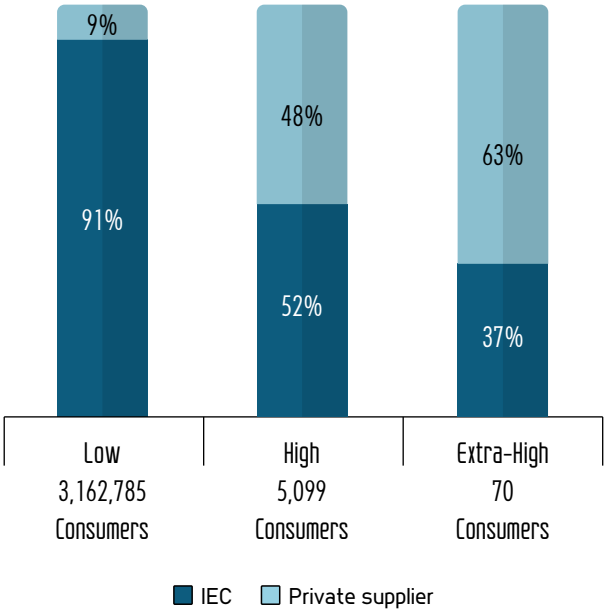
Pursuant to the electricity sector reform, competition in the supply segment has commenced over the last few years. In 2024 and in the first half of 2025, the number of consumers supplied by private suppliers increased 10-fold, from about 26,000 consumers at the end of 2023 to over 270,000 consumers in June 2025. In 2024, over 130,000 consumers switched to private electricity suppliers, and over 110,000 additional consumers switched in the first half of 2025.



* As of 2021, the data refer to the number of meters supplied by private suppliers rather than the number of customers.

6.6 Distribution of Private Supplier Consumers in Mid-2025 by Voltage and Number of Consumers

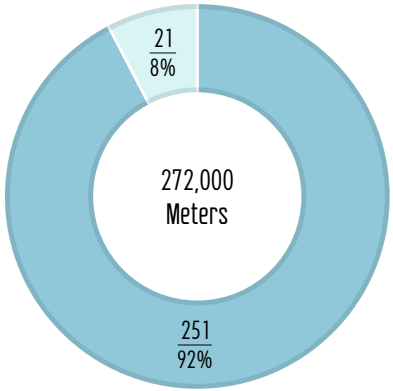
As of the first half of 2025, low-voltage consumers from private suppliers account for about 9% of total low-voltage consumers, whereas in 2023 they were about 0.8% of low-voltage consumers in that year.



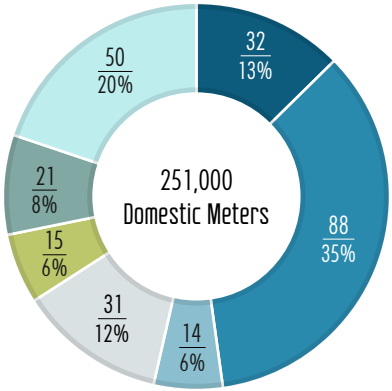
6.7 Domestic Consumers of Private Suppliers — by Location (as of 30/6/2025)

As of June 30, 2025, there are close to 272,000 meters that are supplied by private suppliers. Of these, approximately 251,000 belong to domestic consumers. In the Center and Tel Aviv districts, the rate of domestic consumers who switched to a private supplier was higher than their share of the population, whereas in the Jerusalem and Northern districts, it was lower.

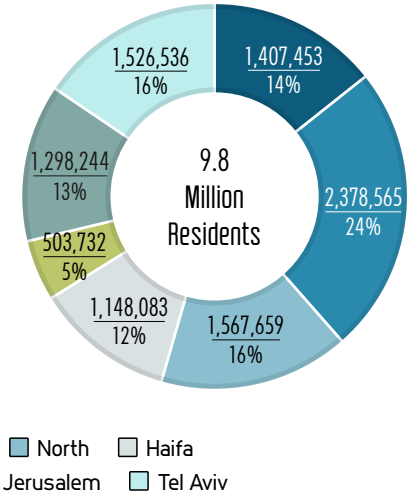
Consumers Who Switched to Private Suppliers (Thousands of Meters)



Domestic Consumers Who Switched to Private Suppliers — by Location (Thousands of Meters)



Israeli Population by District*

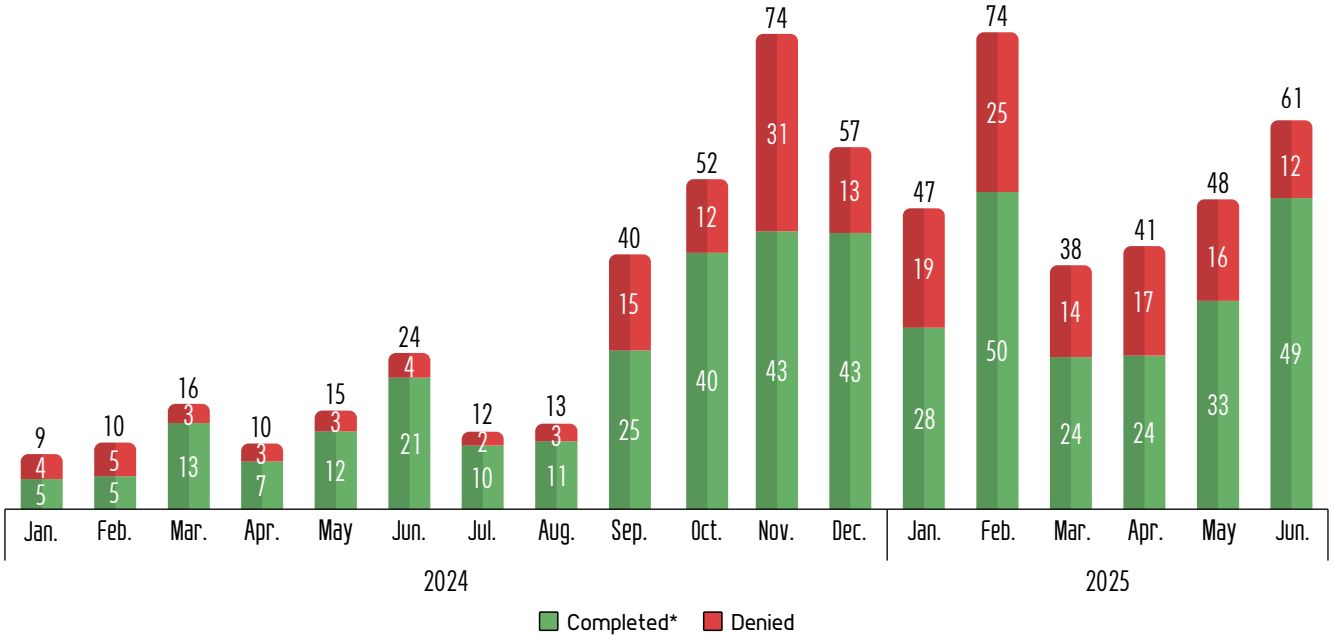


* Population data from the 2023 Localities File

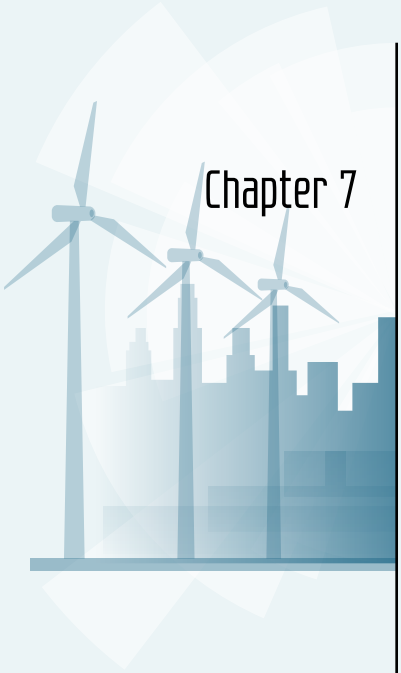
6.8 Requests to Switch to Private Providers (Thousands)

Sources: Noga and the Electricity Authority's Processing

Alongside a continuing growth trend in consumers switching to private electricity suppliers, there are consumers who request to change which private supplier they are associated with. As of September 2024 – when domestic consumers with basic meters became eligible to switch to private suppliers – an average of over 50,000 requests are made each month to switch to a private electricity supplier. About two-thirds of the requests were completed successfully. The main reason requests are denied is due to issues with filling out the application.



* Also includes switching between private providers.



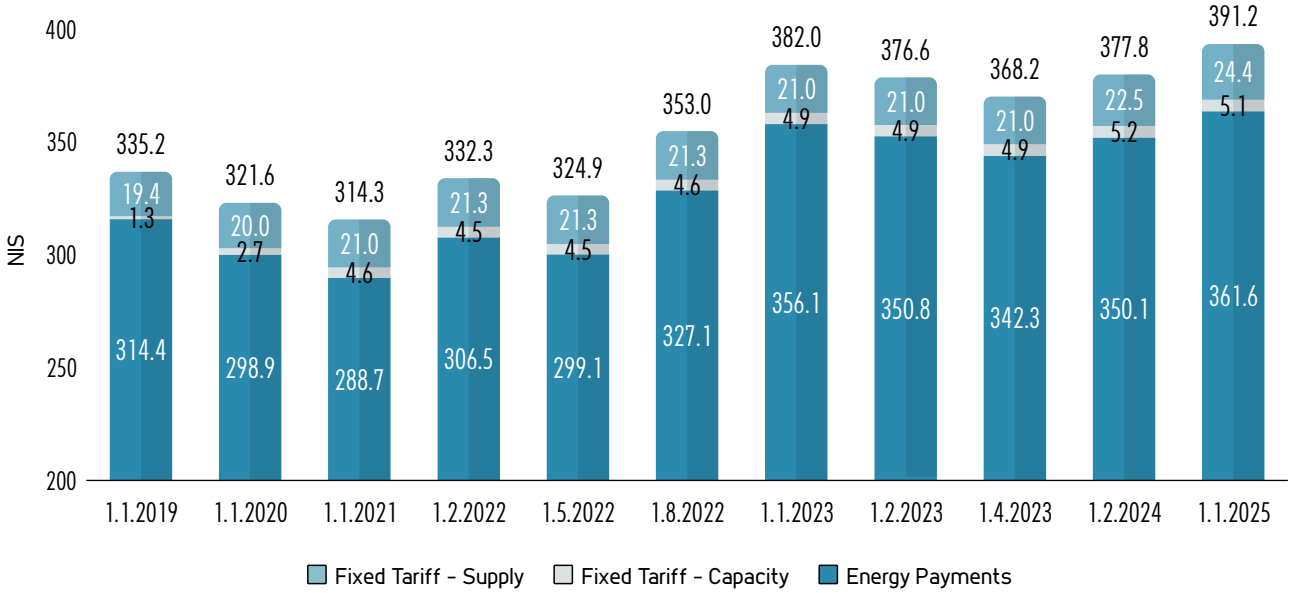
Chapter 7

Tariffs

- The Domestic Tariff
- Development in the Per kWh Tariff Relative to the CPI
- Average Production Component
- Distribution of Production Costs – January 2025
- Cost of Renewable Energy Production
- Weighted production component according to the 2025 Economic Outlook
- International Comparison of Electricity Prices
- Fluctuation in Household Electricity Prices
- Capacities and Load Shedding Agreement Costs
- Social Tariffs in 2024
- Statistical Distribution of Domestic Consumers for 2024

Sources: The Electricity Authority

The domestic tariff consists of an energy tariff, a fixed capacity tariff, and a fixed supply tariff. In January 2025, the tariff for a representative domestic consumer increased by approximately 3.5%.
The increase was due to the increase in consumer price indices, the rise in interest rates in the economy, exchange rate volatility, the impact of the war, continued development in the electricity sector, increased electricity supply reliability and redundancy, the addition of renewable energies, and the reduction of air pollution. The tariff increase is conditional on the recognition of proceeds from the sale of the Eshkol Power Plant under the reform.

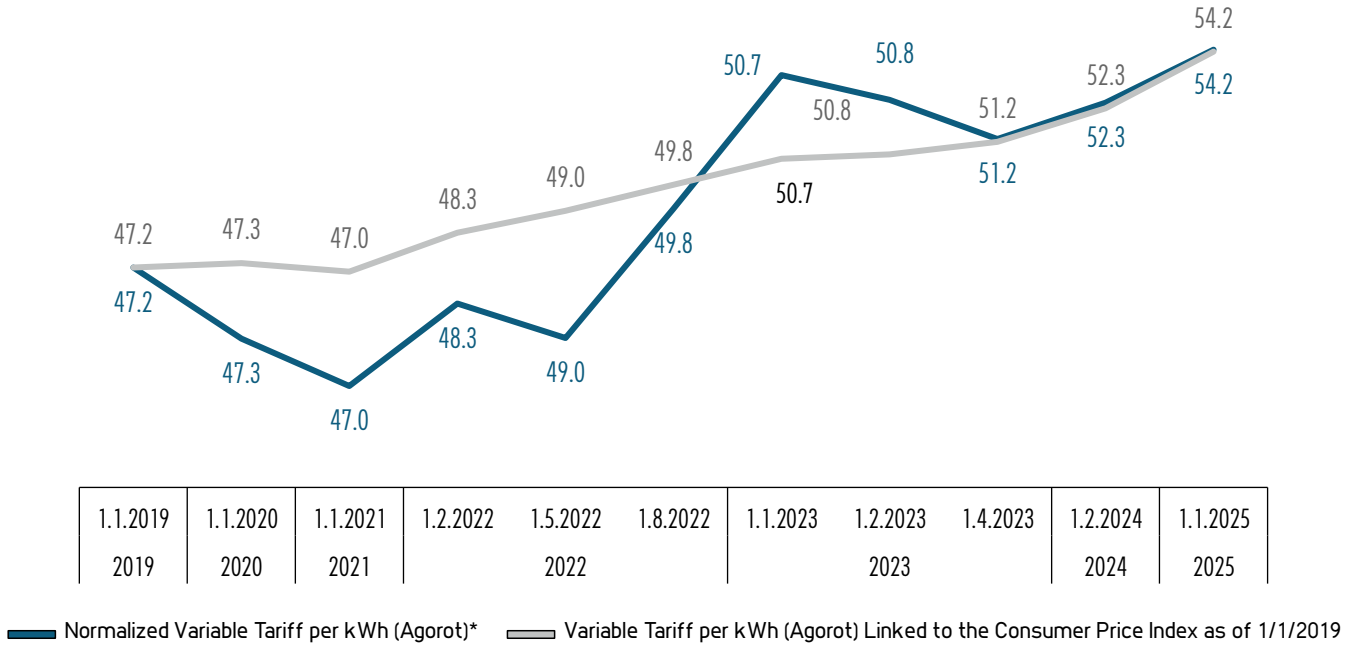


* Monthly payment in NIS for the average representative domestic consumer with a 3X25 connection size consuming 8,000 kWh per year.

7.2 Development in the Per kWh Tariff Relative to the CPI

Sources: Electricity Authority and CBS

Between 2019 and 2025, the tariff per kWh increased in a manner similar to the Consumer Price Index. The volatility in the tariff per kWh between those years is primarily explained by the proceeds from the sale of IEC power stations as part of the reform, and the rise in coal prices due to the Russia-Ukraine war.

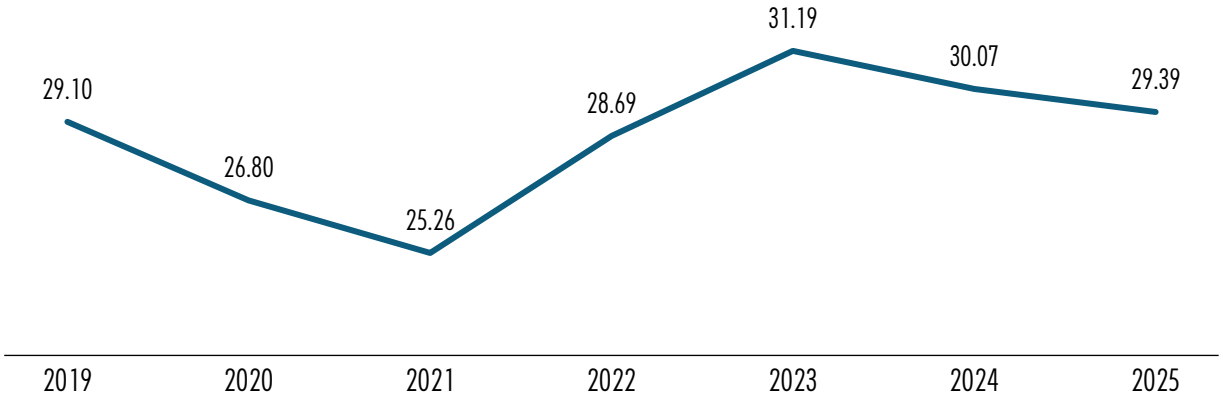


* The tariff per kWh does not include the costs of fixed components that are calculated based on the size of the consumer's connection.

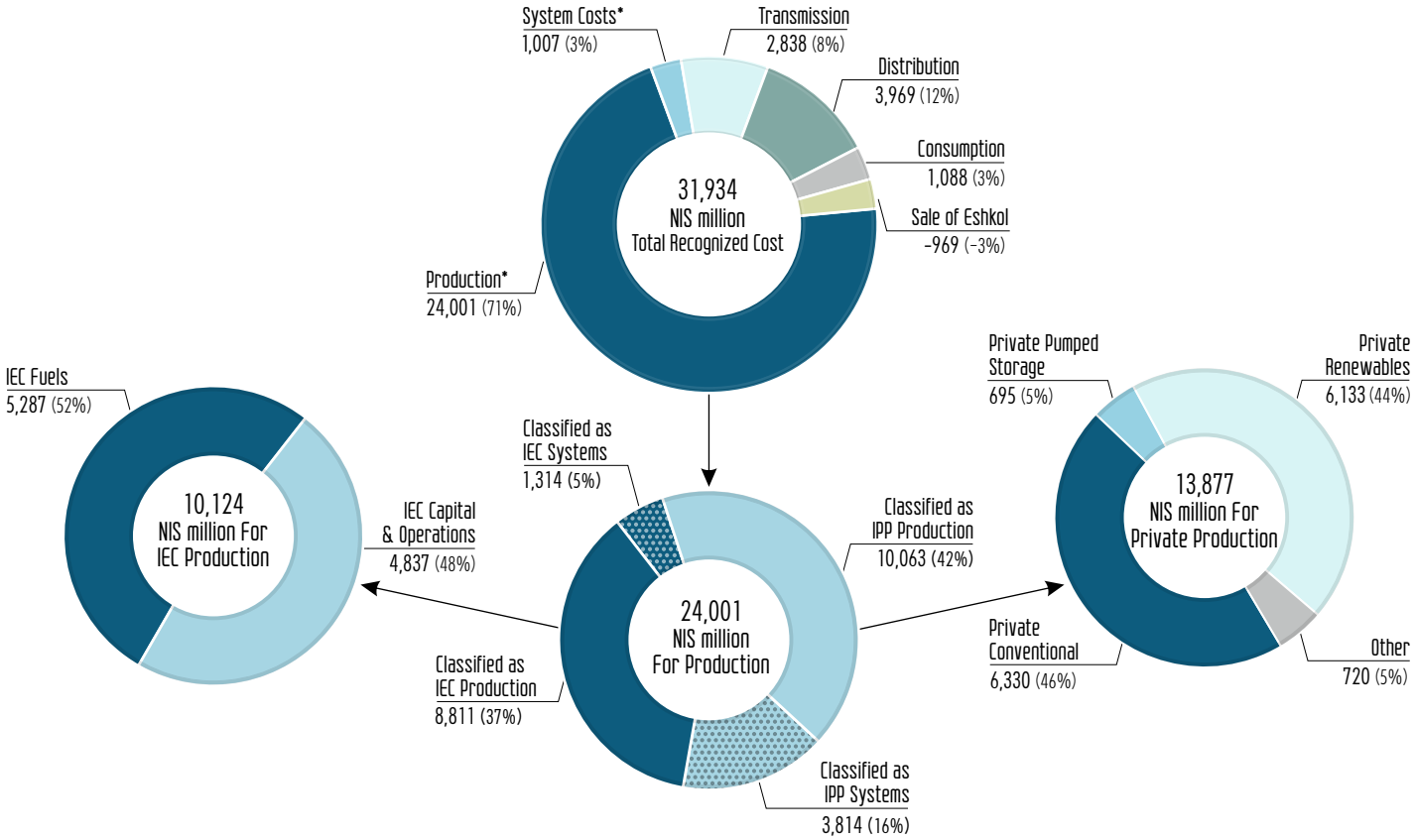
7.3 Average Production Component

Sources: The Electricity Authority

The average cost of the production component in 2025 is similar to what it was in 2019.
The volatility in the average production component between those years is primarily due to the impact of the sale of IEC power stations as part of the reform, and the rise in coal prices due to the Russia-Ukraine war.



Sources: The Electricity Authority

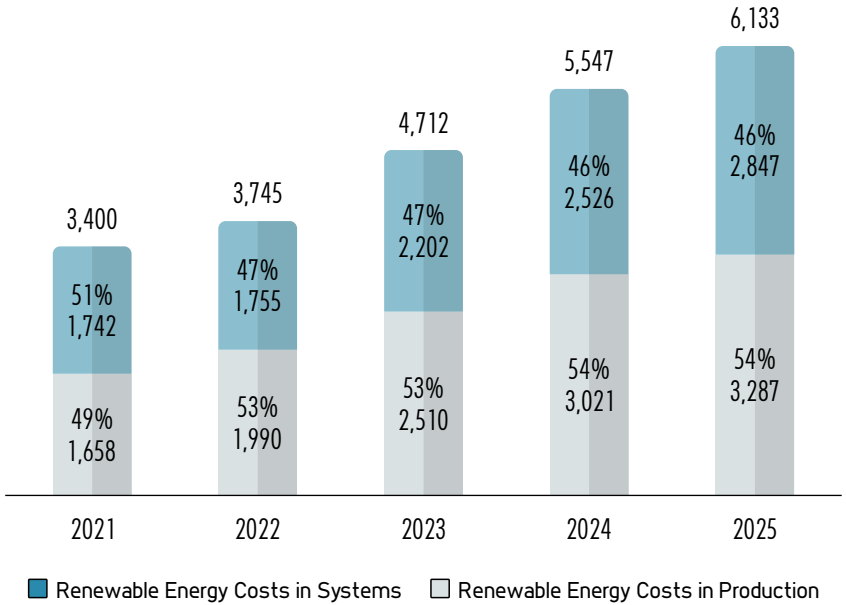


* Before the classification of production costs into system costs

7.5 Cost of Renewable Energy Production

Sources: The Electricity Authority

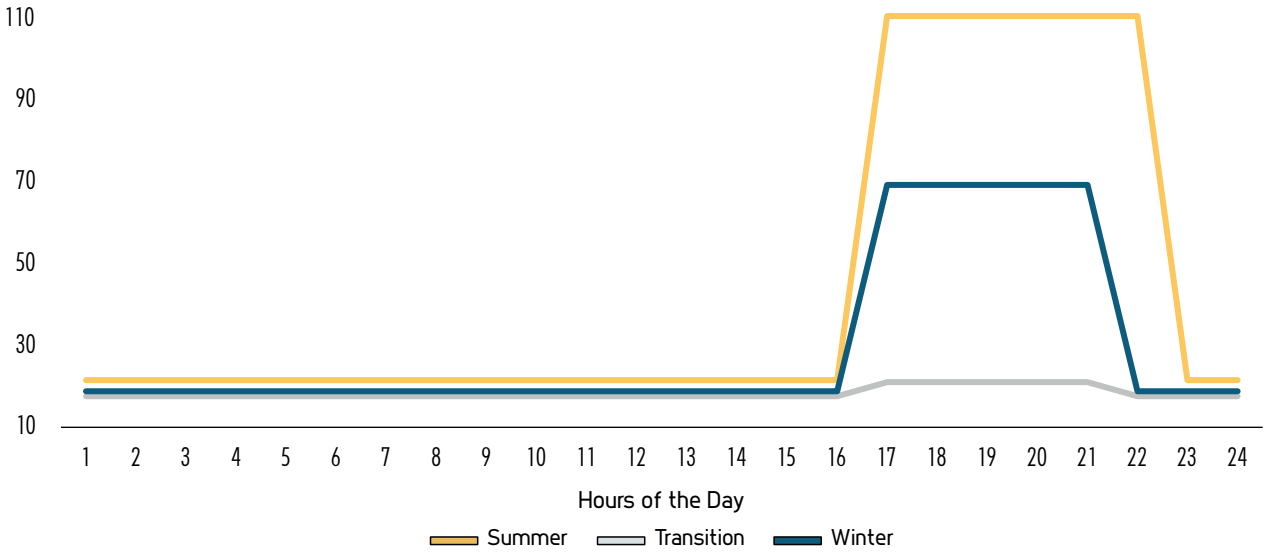
The costs of renewable energy have increased as renewable energy production increased. These costs are divided between renewable energy costs related to production and renewable energy costs related to the system.



7.6 Weighted production component according to the 2025 Economic Outlook

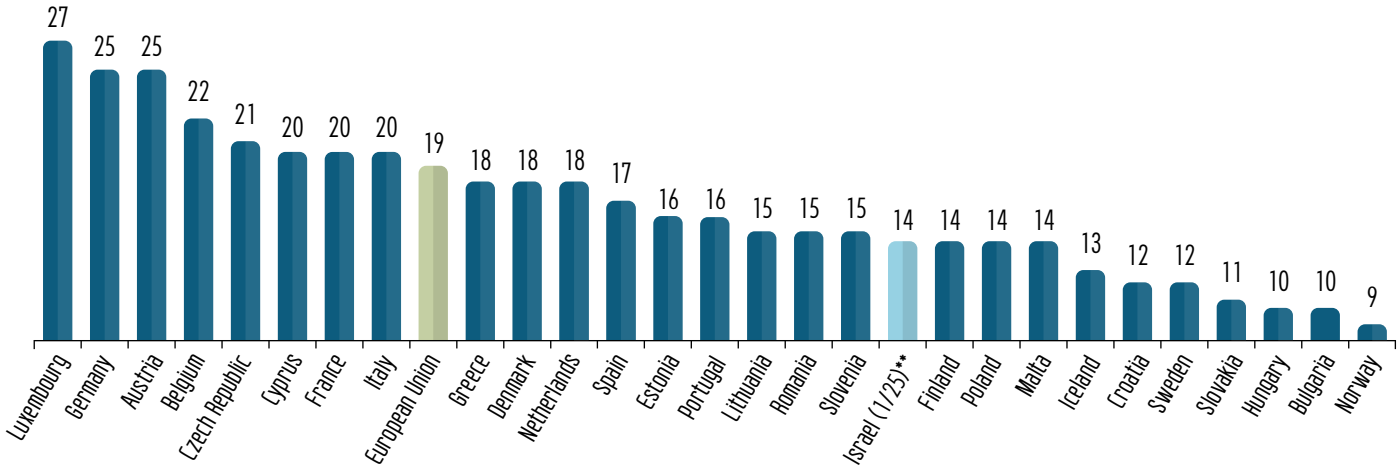
Sources: The Electricity Authority

The costs of electricity production vary depending on various factors such as weather, production technology, and the amount of energy produced as determined based on demand at any specific time. When increased consumption occurs, units with higher operating costs are activated, therefore the cost of electricity production during that time is more expensive.



Sources: EUROSTAT and the Electricity Authority

The electricity tariff for households in Israel is significantly lower than in most European countries.



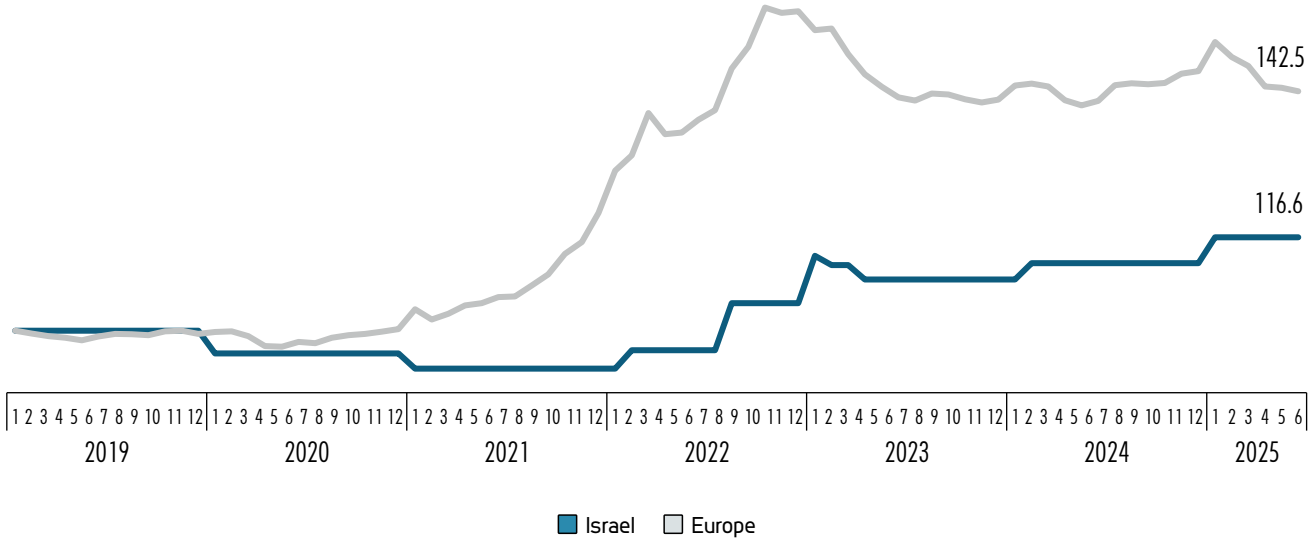
* The tariffs in European countries are based on Eurostat as of the end of 2024 for household consumers, excluding taxes and levies.

** The tariff in Israel is based on the updated rate as of January 2025 for single-rate consumers (excluding VAT) and is calculated using the exchange rate on 1/1/25.

7.8 Fluctuation in Household Electricity Prices

Sources: EUROSTAT and CBS

Electricity prices in Europe have increased significantly in recent years, mainly due to the impact of the COVID-19 and the Russia-Ukraine war.

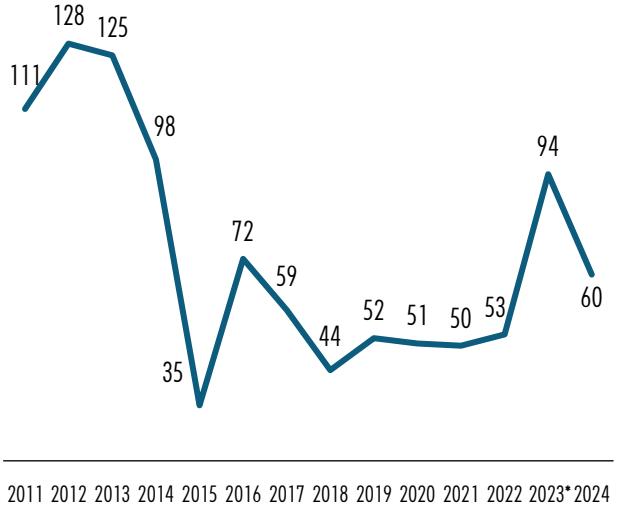


7.9 Capacities and Load Shedding Agreement Costs

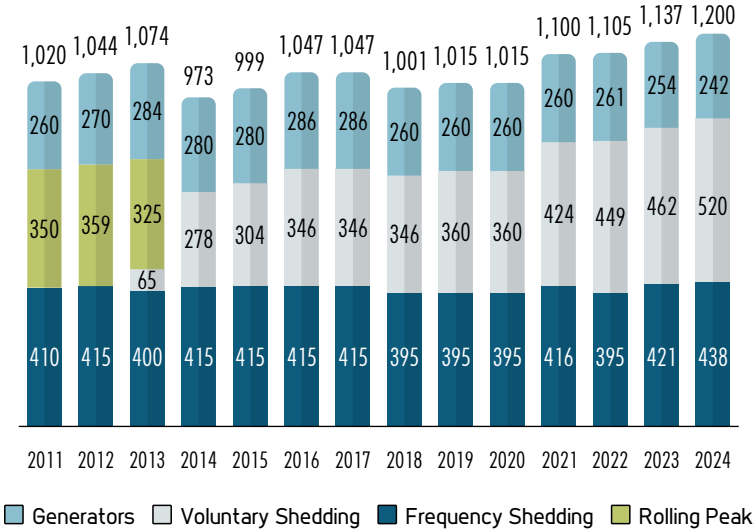
Sources: IEC, Noga and the Electricity Authority

In 2024, 1,200 MW were registered for load shedding agreements. The total cost of the load shedding agreements during the year was 60 million NIS.

Costs of Agreements (NIS Millions)



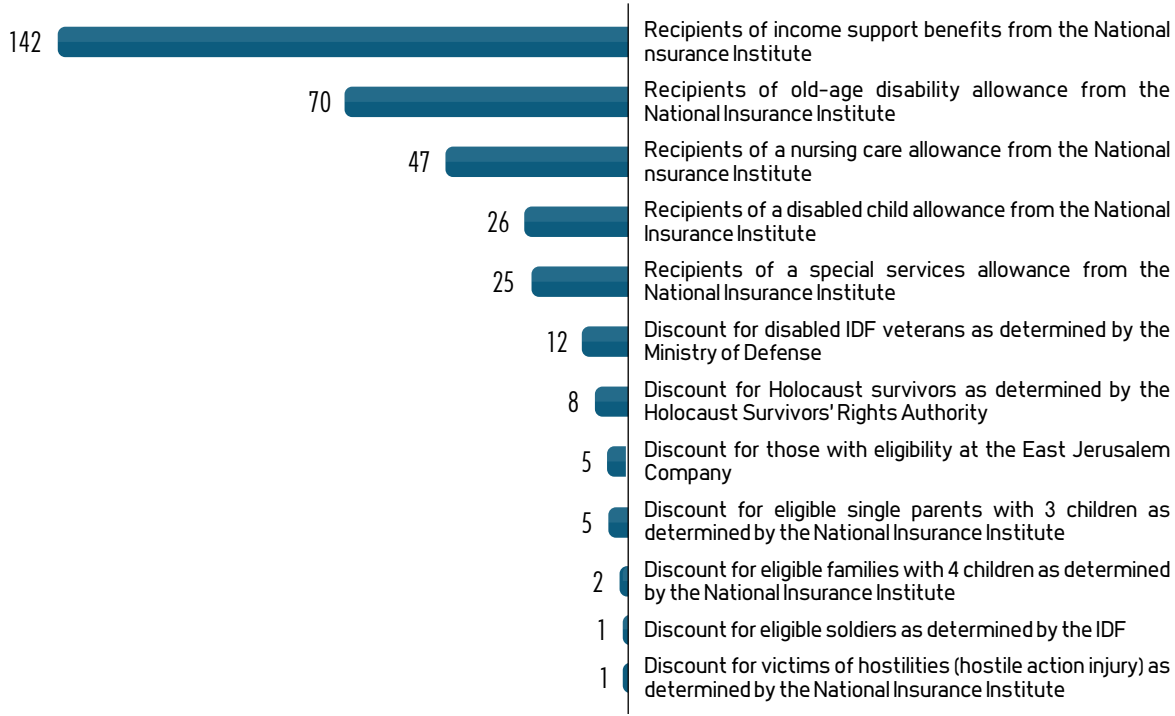
Capacities of Load Shedding Agreements (MW)



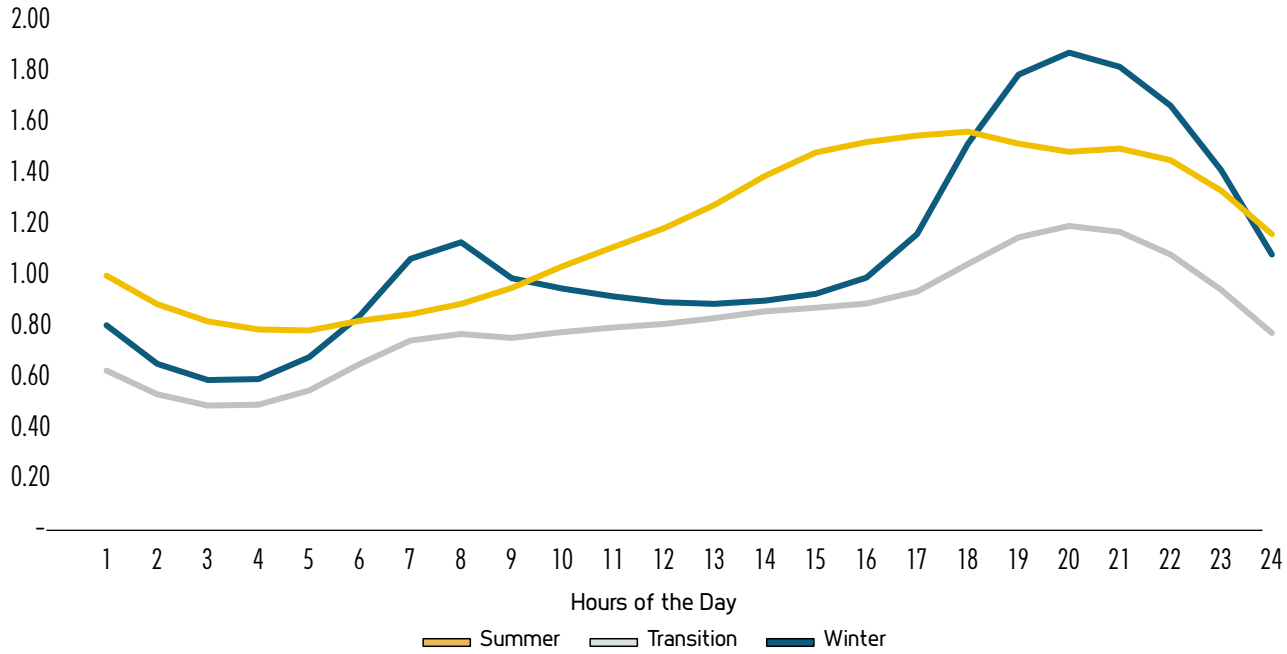
* The cost during the year includes retroactive payments.

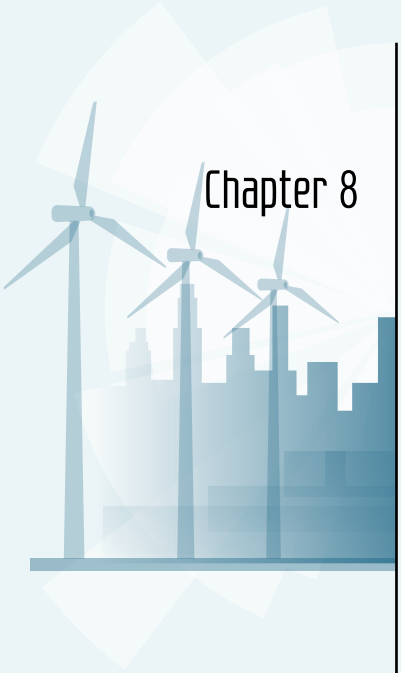
Sources: The Electricity Authority

In 2024, the cost of discounts under the social tariff was approximately 344 million NIS.



In 2024, the IEC installed over 2,700 km of underground lines. Approximately half are high voltage lines and half are low voltage lines. The IEC also established over 800 stations in the distribution grid, most of which are internal.





Chapter 8

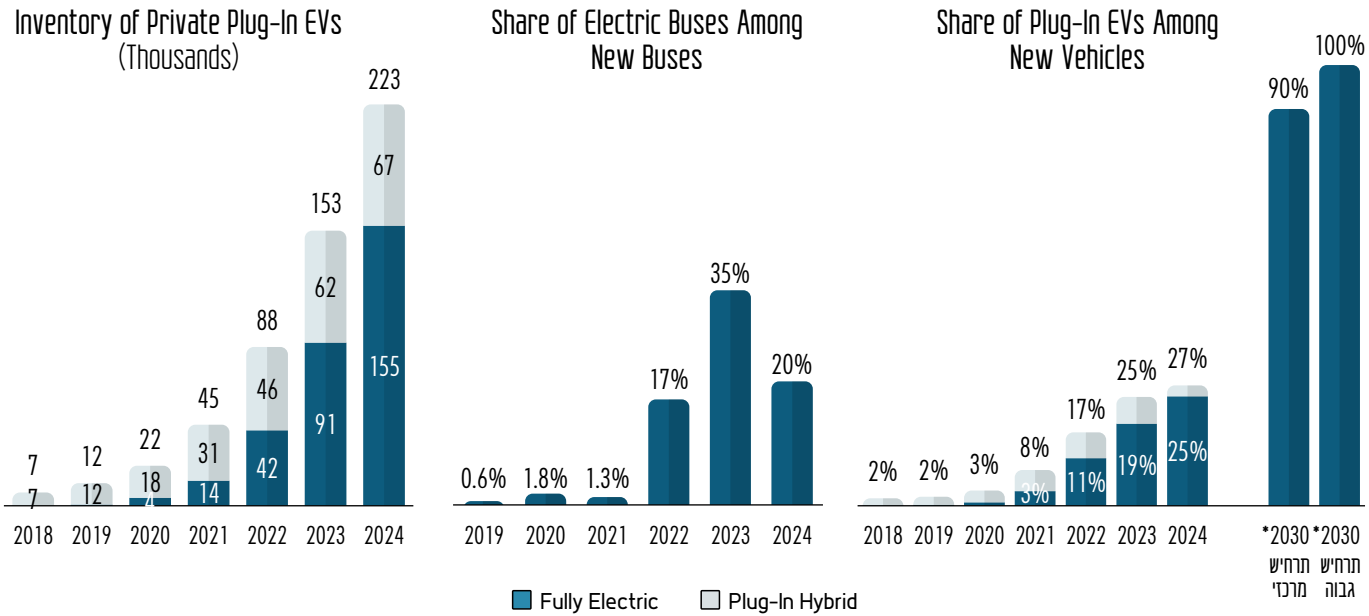
Consumption and Distribution

- Penetration of Electric Transportation
- Electricity Consumption by Electric Transportation
- Server Farms
- Types of Meters in the Sector
- Smart Meters
- Consumer Inquiries and Complaints to the Electricity Authority
- Distribution of Types of Complaints to the Electricity Authority by Subject – 2024
- Calls to IEC Call Centers in 2024
- Consumer Complaints to the IEC
- Domestic Consumer Disconnections
- Payments Due to Violations of Standards and Damages in 2024

8.1 Penetration of Electric Transportation (%)

Sources: CBS, Ministry of Energy and the Electricity Authority's Processing

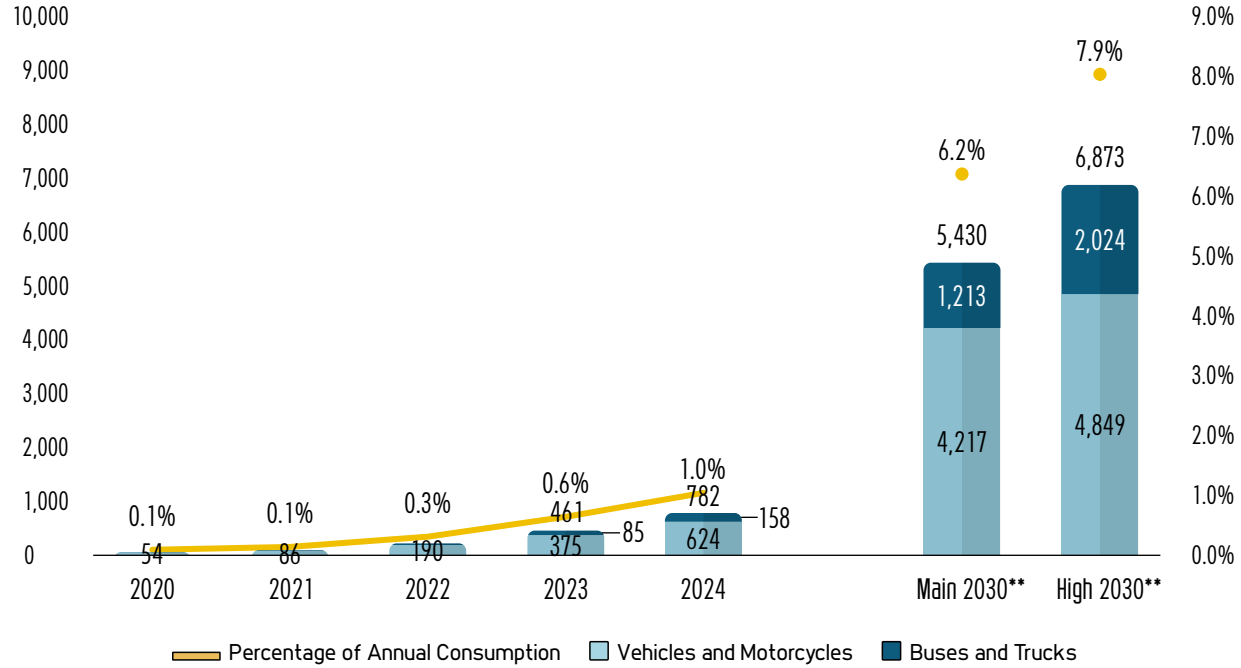
In 2024, approximately 27% of new vehicles were electric or plug-in hybrid vehicles. The inventory of EVs on the market during the year exceeded 220,000 vehicles – an increase of about 50% compared to 2023. A significant influx of EVs is expected in the coming years, which will have an impact on domestic consumption. In July 2025, the Authority issued a hearing for regulation on public charging stations.



* According to the Ministry of Energy's forecast.

8.2 Electricity Consumption by Electric Transportation*(GWh) Sources: IEC, Noga and the Electricity Authority

In 2024, approximately 1.0% of the sector's consumption was attributed to electric transportation. This percentage is expected to grow significantly in the coming years.



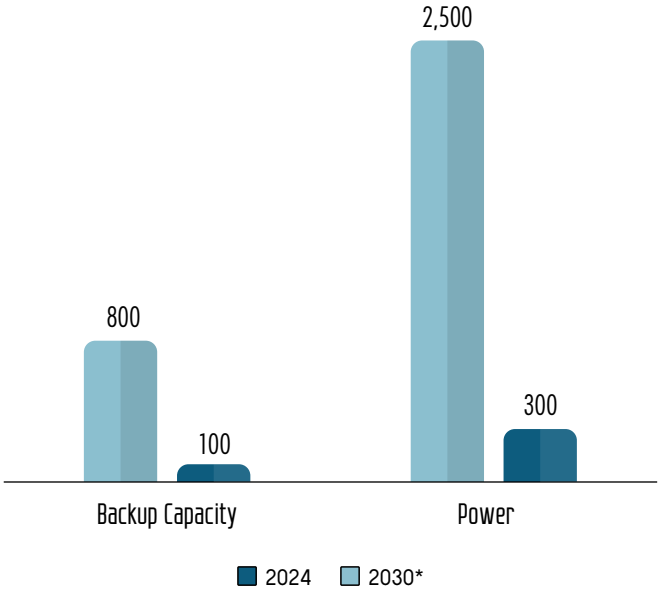
* Land transportation without trains.

** Based on the Ministry of Energy's forecast and the Electricity Authority's processing, in accordance with market developments since the forecast's publication.

8.3 Server Farms (MVA)

Sources: IEC, Noga and the Electricity Authority

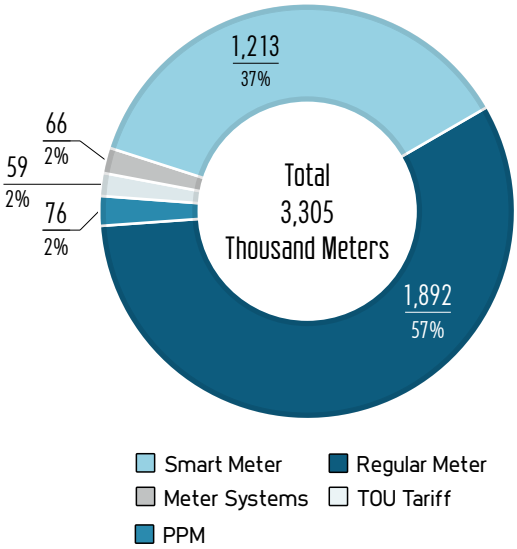
In 2024, electricity consumption by server farms was estimated to be approximately 0.5% of overall consumption. According to a preliminary assessment of the Israeli market, energy consumption by server farms may reach around 5–7% of total consumption in 2030 (similar to international estimates for 2030). Currently in Israel, there are no server farms connected at extra-high voltage. However, several data centers are at various stages of connection. At the high-voltage level, approximately 60% of existing ordered capacity is concentrated in central Israel (the Netanya–Modi'in–Rishon LeZion triangle).



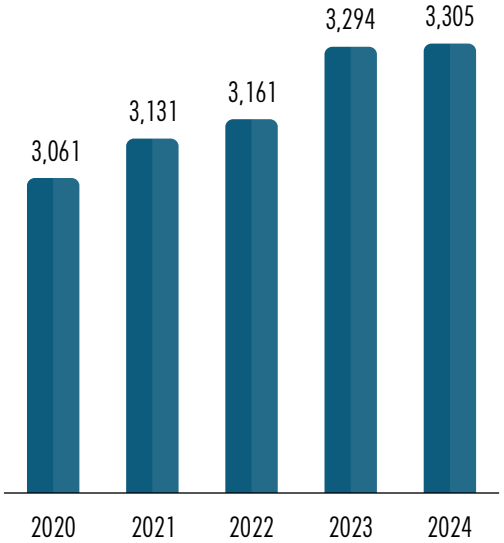
* Forecast based on existing connections and connection requests.

In 2024, over a third of meters in the sector were smart meters. As of September 2025, approximately 1.75 million smart meters have been installed in the sector, and over half of the meters in the sector are smart meters.

Types of Meters in the Sector for 2024 (Thousands of Meters)



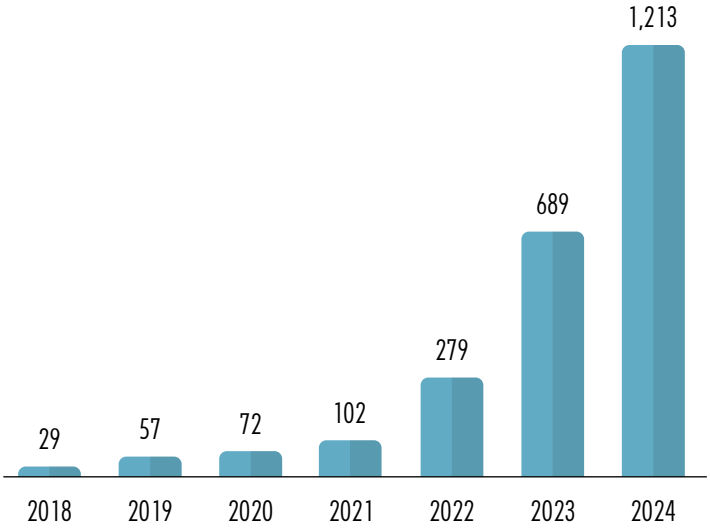
Total Meters in the Sector (Thousands)



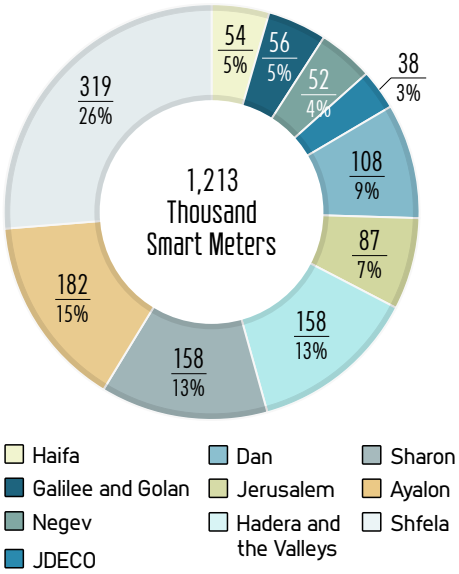
* Includes smart prepaid meter (PPM).
** Includes JDECO meters.

In June 2023, the Authority decided to promote an accelerated rollout plan for smart meters, under which all meters for IEC consumers will be replaced with smart meters* by the end of 2028, in order to expand their use and fully realize the sector-wide benefits of their installation. The benefits of smart meters include improved reliability and quality of electricity, increasing competition in the supply segment, cost savings, collection, monitoring and data processing, and general efficiency in the electricity sector. As of September 2025, approximately 1.75 million smart meters have been installed.

IEC and JDECO



Smart Meters by Subdistrict in 2024



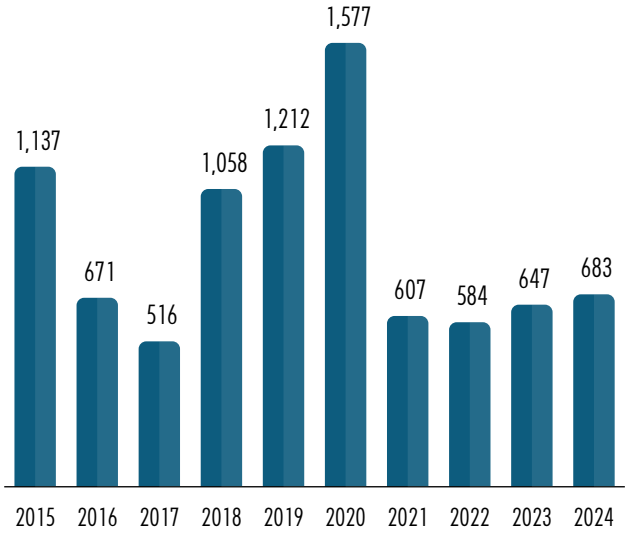
* Under the decision, all meters for JDECO consumers will be replaced with smart meters by the end of 2030.

8.6 Consumer Inquiries and Complaints to the Electricity Authority

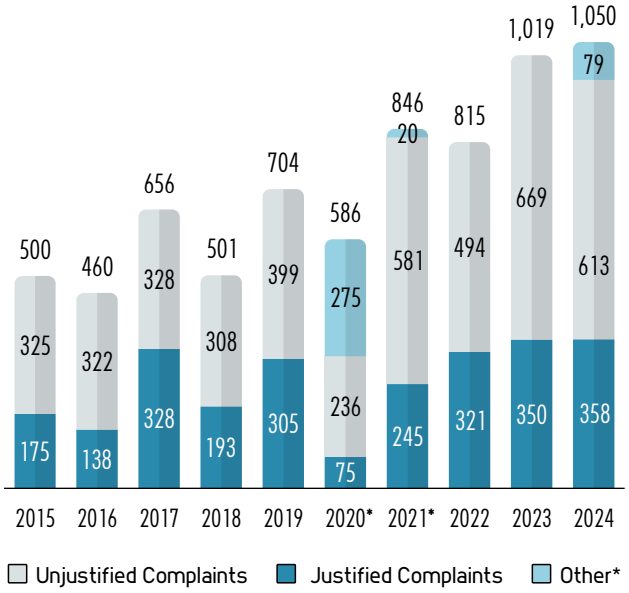
Sources: The Electricity Authority

The number of complaints about essential service providers** in 2024 increased relative to the number of complaints received in 2023.

Number of Inquiries to the Electricity Authority



Number of Inquiries to the Electricity Authority

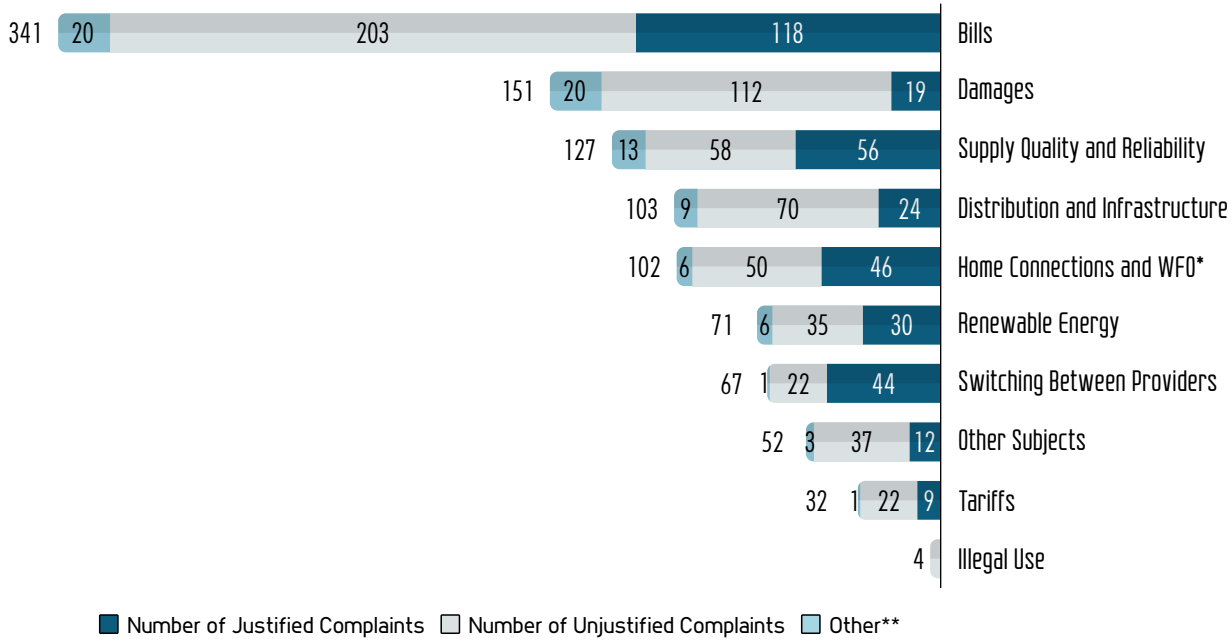


* Complaints classified as inquiries, complaints withdrawn by the applicant, complaints closed due to missing details, and complaints still being handled.

** Essential service providers – primarily the IEC and historical DNOs.

8.7 Distribution of Types of Complaints to the Electricity Authority by Subject – 2024 (Number of Complaints)

About a third of the complaints to the Electricity Authority in 2024 were about bills. During the year, complaints pertaining to consumers switching providers began to be received for the first time, accounting for 6% of total complaints received during the year.



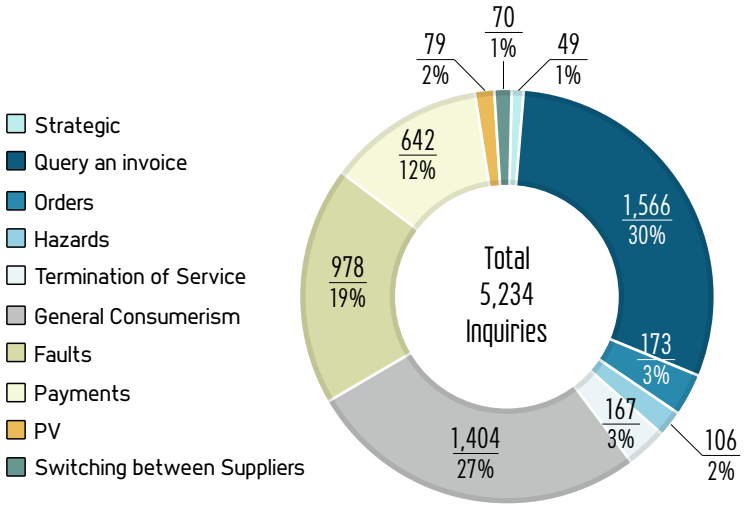
* WFO (work for others).

** Complaints still being handled, complaints withdrawn by the applicant, and complaints closed due to missing details.

8.8 Calls to IEC Call Centers in 2023 (Thousands)

Sources: IEC

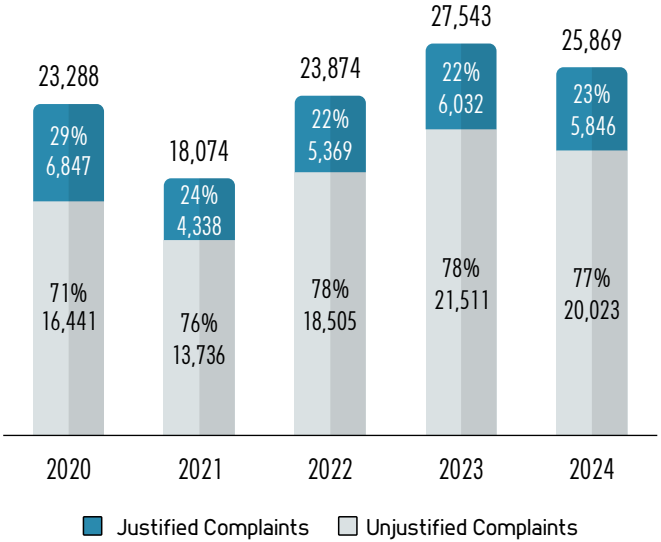
In 2024, the IEC responded to approximately 5.2 million inquiries on various subjects. Most of the inquiries were about bill inquiries and faults.

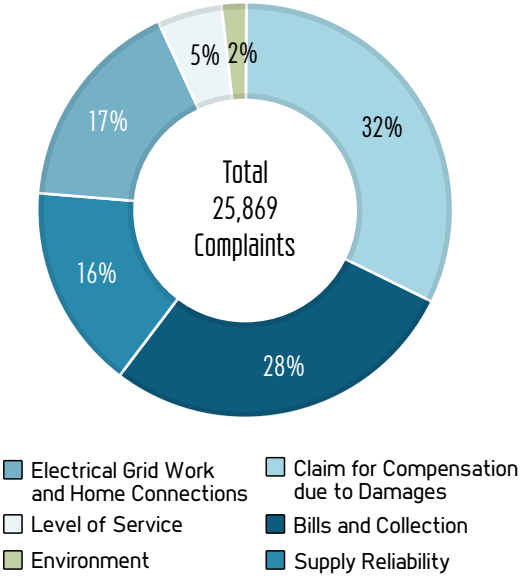


8.9 Consumer Complaints to the IEC (%)

Sources: IEC

In 2024, the IEC received about 25,869 complaints, most of which were about bills and damages. The percentage of justified complaints in recent years has remained at an average of about 23%.

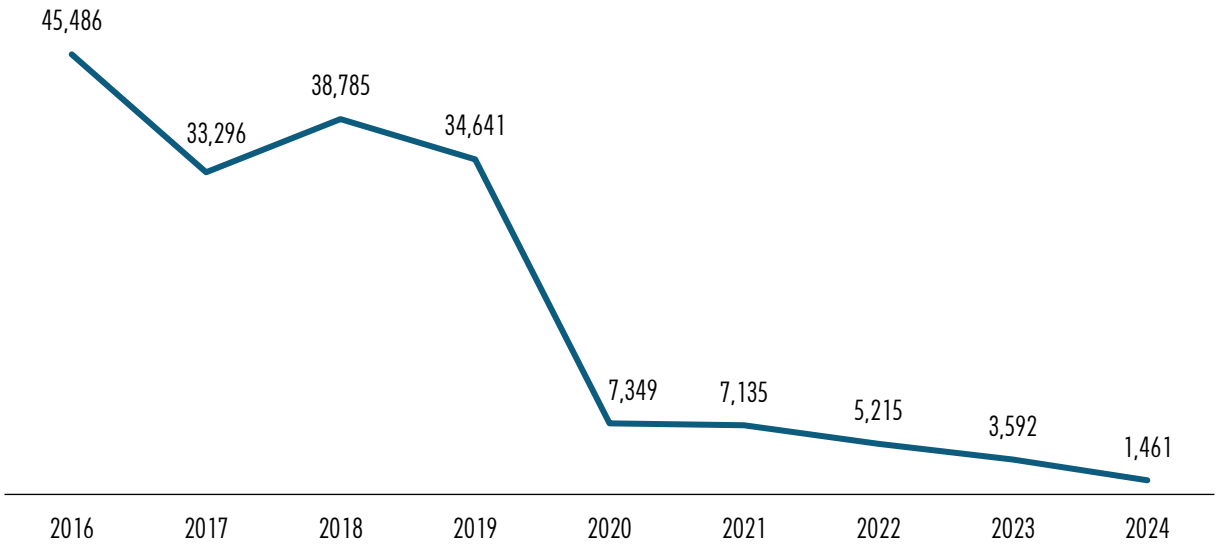




8.10 Domestic Consumer Disconnections (Number of Disconnections)

Sources: IEC

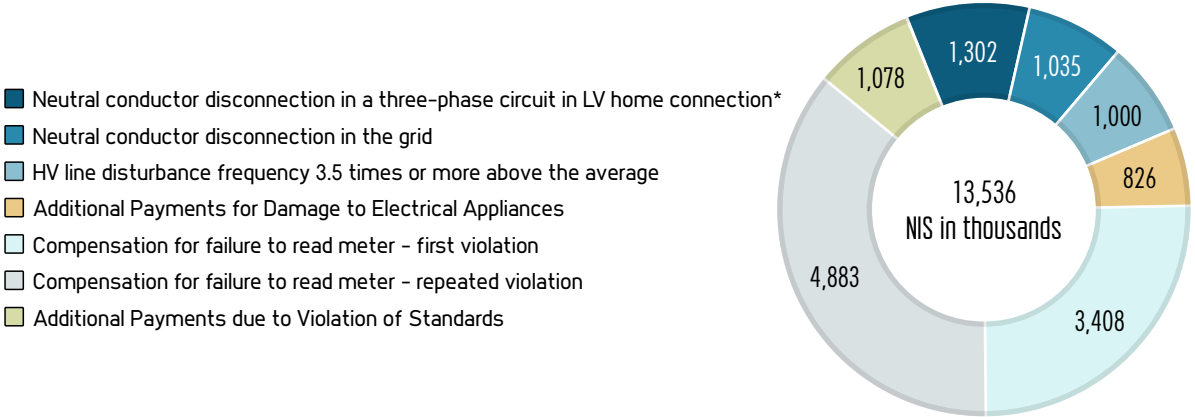
The number of electricity disconnections for domestic consumers continues to decrease significantly, primarily due to the change in collection policies and the Supreme Court's decision on the matter. Furthermore, due to a special situation in the home front, consumer disconnections in 2024 decreased by around 60% compared to 2023, and approximately 3% of total disconnections in 2010.



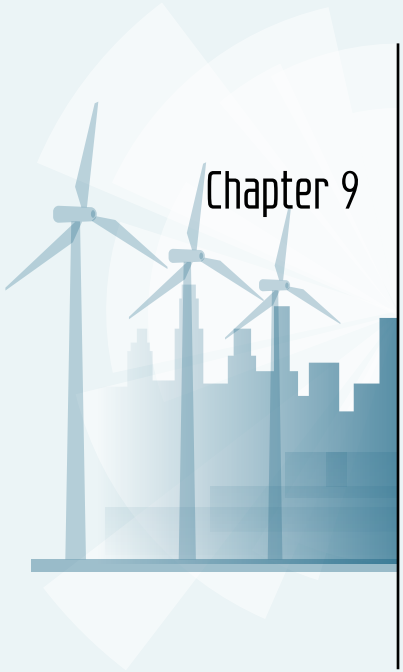
8.11 Payments Due to Violations of Standards and Damages in 2024

Sources: IEC

In 2024, the IEC did not read meters as required, and therefore paid consumers close to 8.3 million NIS for violating service standards in this regard. The world of physical meter reading is fading away, and all consumers are expected to benefit from remote meter reading by 2030.



* LV (low voltage).



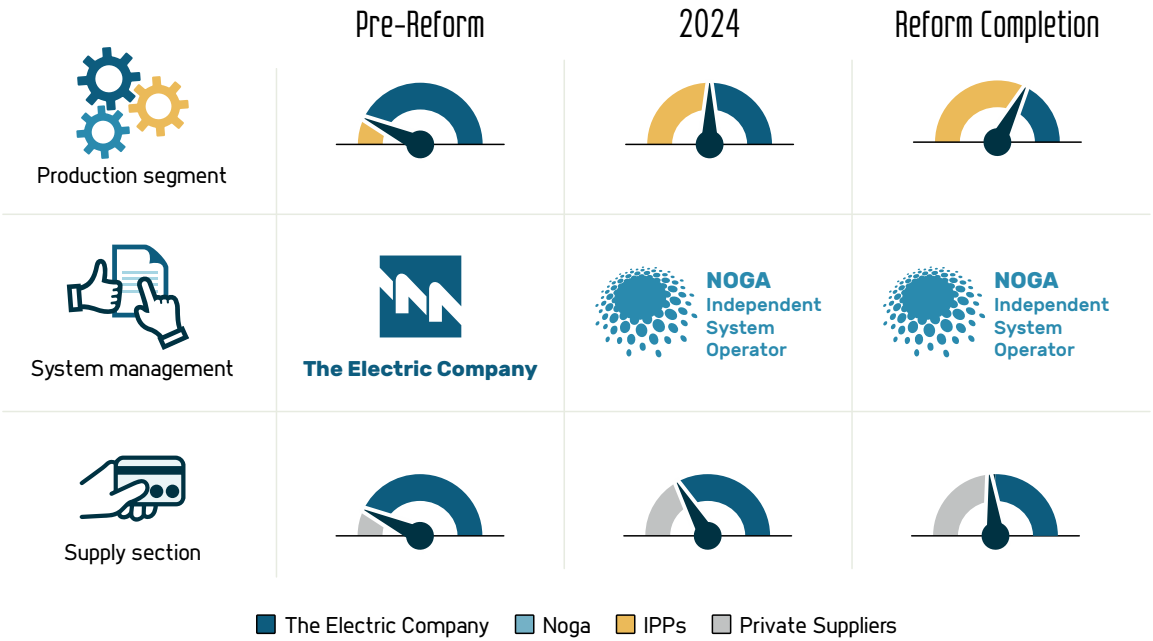
Chapter 9

Electricity Sector Reform

- Development of the Structure of the Sector
- Installed Capacity of the IEC Divided into Technology Types
- Sale of IEC Plants
- Number of IEC Employees
- IEC Investments in the Grid and Production and Segments
- IEC Accounting Leverage
- Ratio of IED Financial Debt to EBITDA

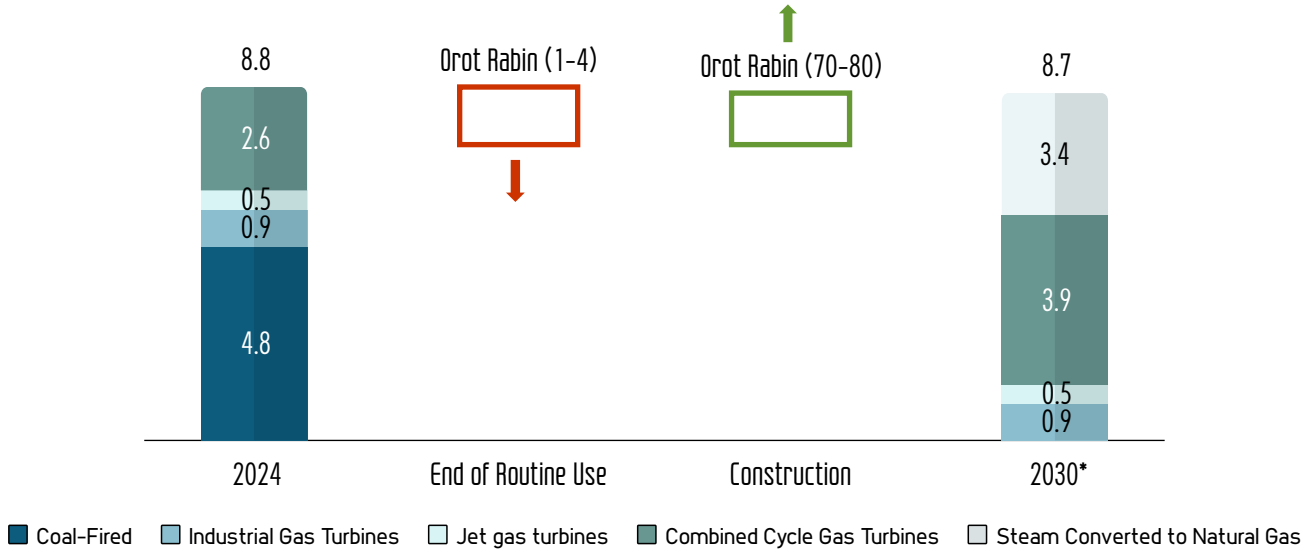
Sources: The Electricity Authority

As part of the implementation of the electricity sector reform, the structure of the sector has undergone significant changes and the IEC's monopolistic share in the production and supply segments has been reduced. In the production segment, the IEC's market share decreased significantly, mainly due to the sale of IEC power plants to IPPs. In 2024, the private market produced about 60% of the electricity in the sector. In 2021, Noga (the system operator) began operating as an independent company across all areas of its responsibility. In 2021, the supply market was opened to competition and licenses were granted to dozens of new suppliers. From the beginning of 2023, there has been an average monthly increase of over 25% in the number of households associated with private suppliers, and approximately 35% of consumption in 2024 was attributed to consumers of private suppliers. The IEC continues to be a monopoly in the grid segments.



9.2 Installed Capacity of the IEC Divided into Technology Types (GW) Sources: IEC and The Electricity Authority

In 2024, the Israel Electric Company operated coal-fired power plants with a total capacity of 4.8 GW. Pursuant to the Minister of Energy's decision and Government Resolution No. 4080, the company is required to cease routine coal-fired electricity production. As part of implementing the electricity sector reform, the Eshkol Power Plant was sold in June 2024, reducing the company's installed production capacity by about 16%. In January 2025, CCGT 70 in Orot Rabin and Unit 1 in Rutenberg (which was converted from coal to natural gas) became commercially operational as part of the transition to cleaner electricity production.

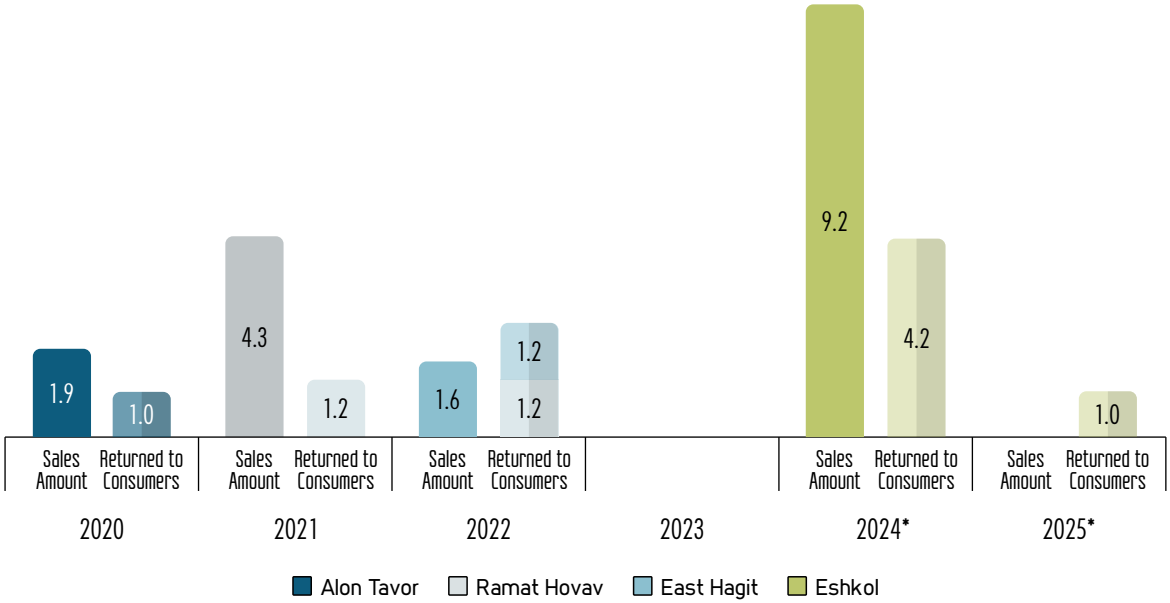


* Forecast.

9.3 Sale of IEC Plants (NIS Billions)

Sources: IEC and The Electricity Authority

The IEC sold power plants at 4 sites between 2019-2024 in accordance with the electricity market reform.
Following their sale, the tariff for electricity consumers between 2020-2024 was reduced by a cumulative total of approximately 9.8 billion NIS.* Due to the complexity of the planning procedures required at the Reading site, Government Resolution No. 587 was passed in 2023, authorizing an inter-ministerial team led by the Director General of the Ministry of Energy to discuss the future of the Reading Power Plant and its production alternatives. In June 2024, the Eshkol Power Plant was sold for approximately 9 billion NIS.

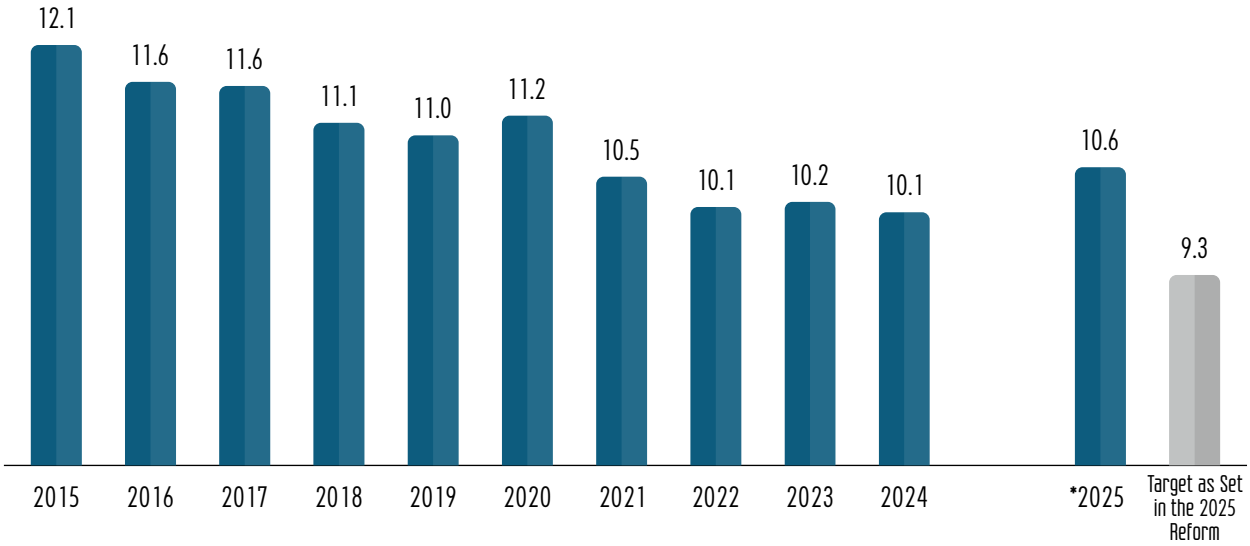


* Including consideration of the land value in accordance with Authority Resolution No. 71904.

9.4 Number of IEC Employees (Thousands of Job Positions)

Sources: IEC Financial Statements

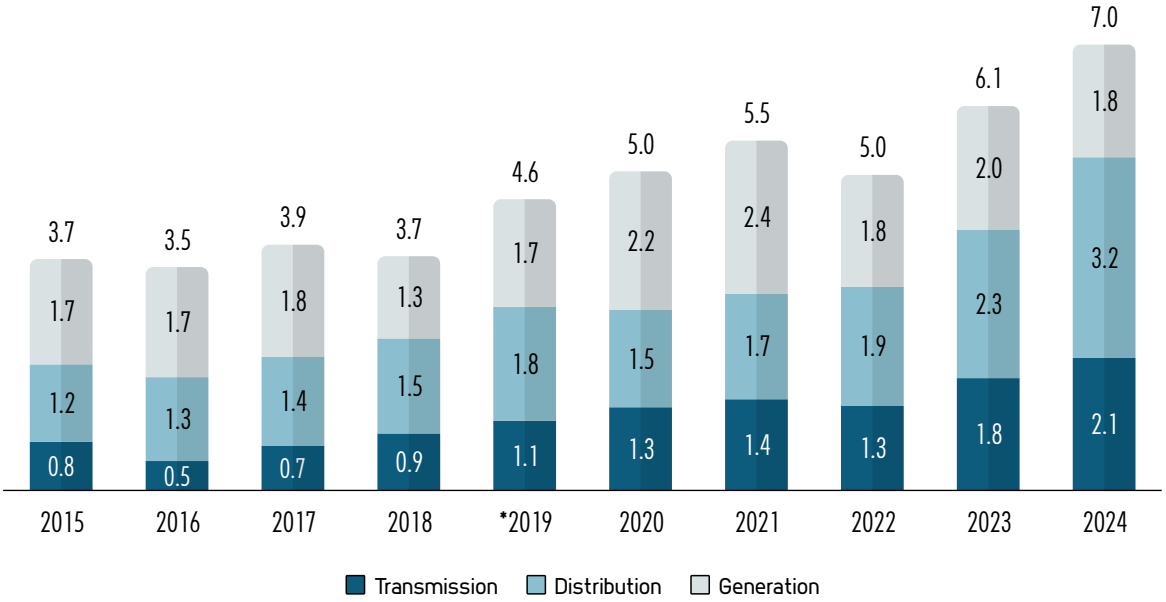
The number of positions at the IEC has remained unchanged in recent years.
In March 2024, the Director of the Government Companies Authority granted approval for a deviation of 765 positions from the temporary position targets established in the reform, subject to conditions set by him.



* In accordance with the structural change stipulated in the reform, the number of permanent employees in June 2026 shall not exceed 6,400. It was further stipulated that the number of temporary employees as of January 2023 shall stay between 2,600 and 2,900 for the remainder of the reform period. Under the conditions set by the Director of the Government Companies Authority, a total of 10,630 positions are approved for the end of 2025. On December 18, 2024, the company's Board of Directors Plenum approved a staffing standard of 10,554 positions for 2025.

9.5 IEC Investments in the Grid and Production and Segments (NIS Billions) Sources: IEC Financial Statements

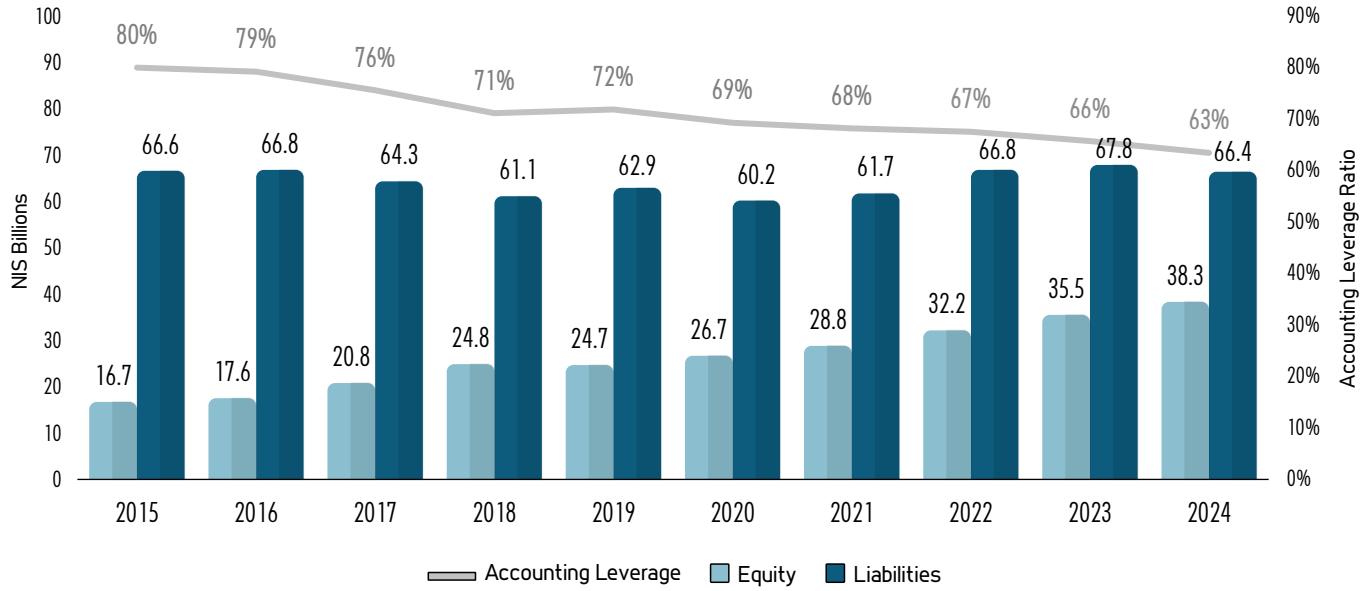
Under the reform, IEC investments in the production segment are expected to be decrease significantly, whereas the company's investments in the grid segments are expected to increase in the coming years in accordance with the development plans.



* 2019 investments do not include the reclassification of leased assets under lease arrangements.

Sources: IEC Financial Statements

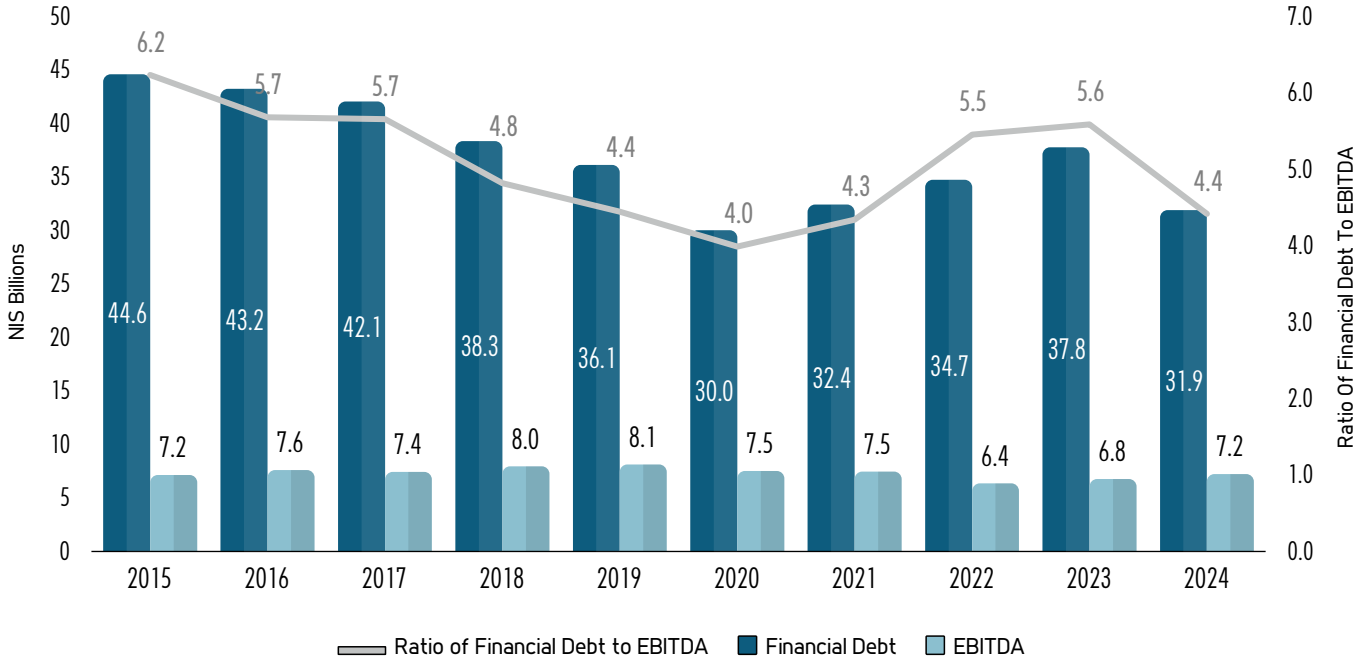
The downward trend in the IEC's accounting leverage continued during 2024.
The IEC's accounting leverage ratio for 2024 was the lowest it has been in the last 15 years.

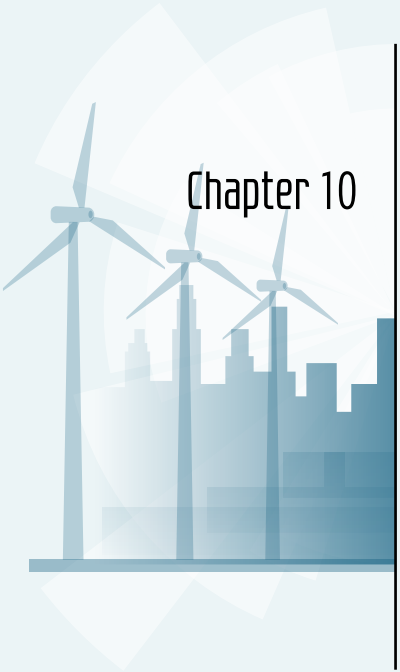


9.7 Ratio of IEC Financial Debt to EBITDA

Sources: IEC Financial Statements

The IEC's financial debt and financial debt-to-EBITDA ratio in 2024 were the lowest they have been in the last decade – primarily due to the sale of Eshkol Power Plant. In 2022-2023, the ratio was primarily affected by a one-off spreading of consumer debt to the company over three years due to the impact of rising coal prices, the implementation of a new tariff base for the production segment, and an increase in the scope of the company's investments.





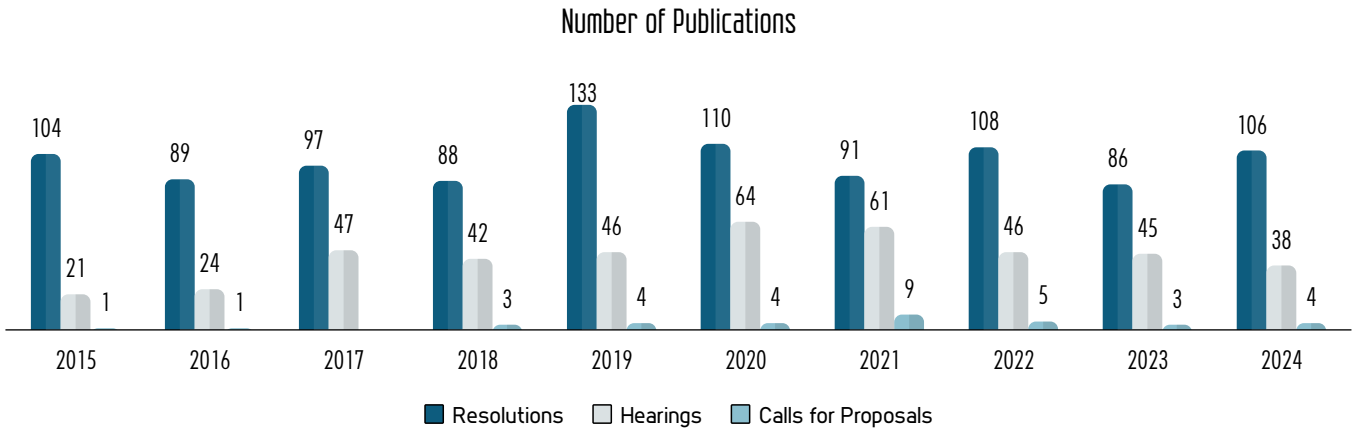
Chapter 10

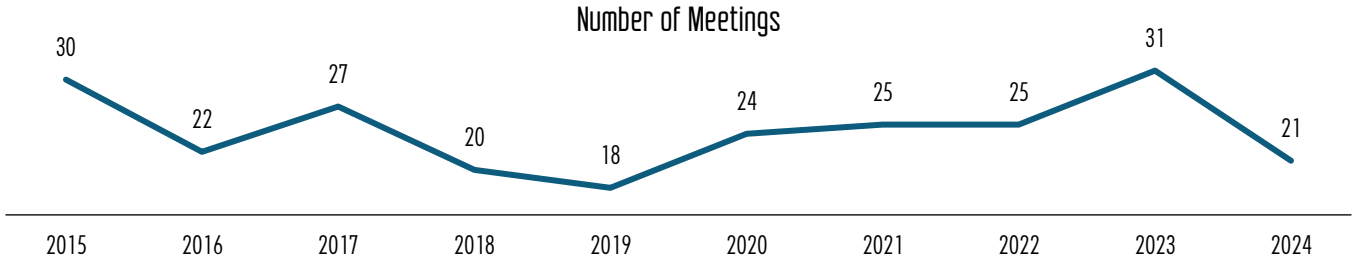
The Electricity Authority

- 10.1 Electricity Authority Activities in 2024
- About the Electricity Authority
- 10.2 The Authority's Structure
- 10.3 Reduction of Processing Time for Responses
- The Electricity Authority Functions
- The Electricity Authority Plenum
- Members of the Electricity Authority Plenum
- Key Plenum Decisions in 2024
- Focussed Tasks for the Electricity Authority in 2025

Sources: The Electricity Authority

In 2024, the Authority held 21 plenary meetings, during which 106 decisions were adopted and 38 hearings were published. Four calls for proposals were also published during the year.





Electricity Authority

The Electricity Authority is the body responsible for regulating the electricity sector in Israel.

The Authority was established by virtue of the Electricity Sector Law of 1996 as the "Public Services Authority – Electricity". The Public Services Authority was subsequently abolished as part of the enactment of the Economic Policy Implementation Law for the 2015 fiscal year (2015 and 2016), and the Electricity Authority was created. As part of this process, the Electricity Administration was also transferred under the responsibility of the new authority, and in practice, all authority in the electricity sector was concentrated under one body.

The Authority's Purpose

In accordance with the provisions of the Law, the Authority was created to regulate activity in the electricity sector for the benefit of the public, while ensuring reliability, availability, quality, efficiency and energy efficiency, while also creating conditions for competition and minimization of costs.

The Authority's Objectives

In order to fulfill its purpose, the Electricity Authority has defined the following objectives for its operations:

Creating an efficient, reliable and sustainable electricity sector.

- Promoting a clean electricity sector.
- Designing a competitive market structure.
- Enhancing the benefits from the electricity sector to the consumers.
- Advancing the effectiveness and professionalism of the Authority's operations

Main Authorities Under the Law

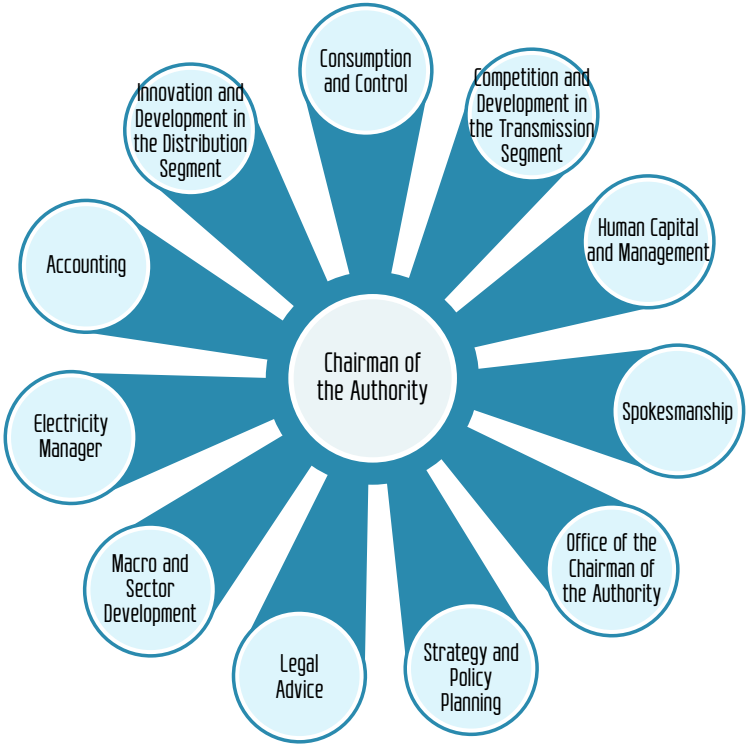
The Minister of Energy

- Determining policy and policy principles in the electricity sector.
- Approving development plans subject to the consent of the Minister of Finance.
- Determining regulations regarding licensing.
- Approving licenses.

The Electricity Authority

- Implementing the Minister's policy and government policy in the electricity sector.
- Providing professional advice to the Minister by virtue of law for the purpose formulating policy.
- Regulating the electricity sector.
- Determining tariffs and standards.
- Issuing licenses.
- The actions of the Electricity Administration by virtue of the Electricity Law of 1954 and the Electricity Sector Law of 1996.

Sources: The Electricity Authority

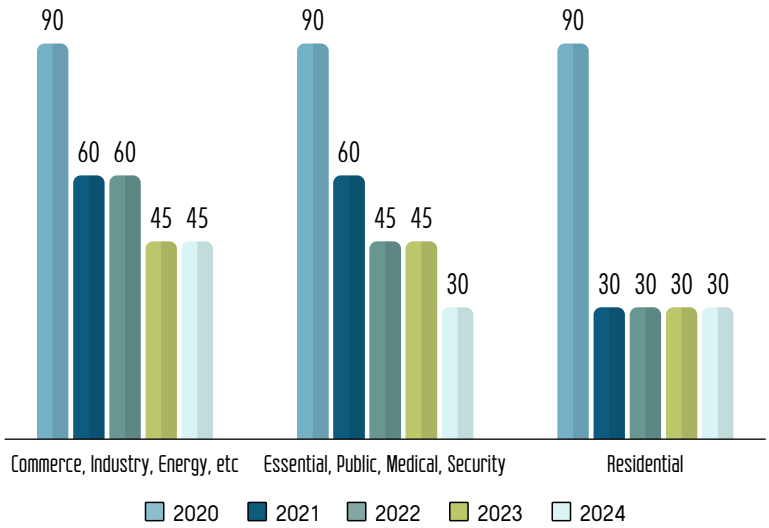


* The structure shown refers to the new Authority structure following the organizational restructuring set in 2025

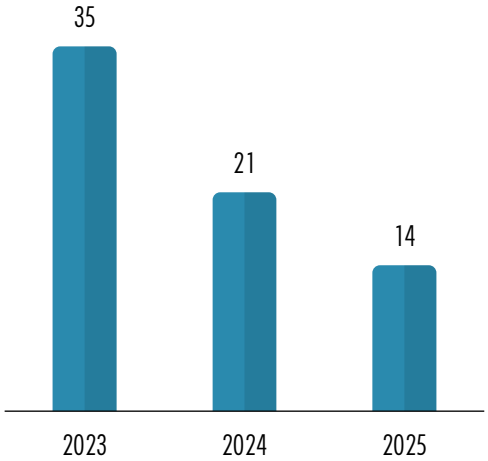
Sources: The Electricity Authority

The Electricity Manager at the Electricity Authority is responsible for issuing permits for generators and authorizing electrical plans needed for electricity transmission, distribution, and supply.
In 2024, the processing time to provide answers for these subjects was significantly shortened. Moreover, an expedited procedure was approved for issuing permits for residential generators within just 14 days.

Maximum Time (in Days) for Granting a Generator Permit



Average Time (in Days) for Authorizing Electrical Plans Required for Electricity Transmission, Distribution or Supply*



* Under Section 45 of the Electricity Sector Law.

The Electricity Authority's Core Operations

- **Determining tariffs and supervising essential service providers** – supervising and controlling essential service providers' activities and determining tariffs and recognized costs for their activities across all areas of operation in the electricity sector.
- **Regulating the activities of players in the electricity sector** – setting rules and tariffs for producers and private suppliers in the electricity sector.
- **Designing a competitive market structure** – promoting competition in the production and supply segments and developing a market model, as part implementing the electricity sector reform (as defined in Government Resolution No. 3859 dated June 3, 2018).
- **Planning and developing the electricity grid** – planning and developing the grid in accordance with demand increases and the integration of new technologies, including tracking and supervising the implementation of the development plan for the transmission system and promoting the development plan for the distribution system.
- **Establishing electrical engineering regulation and engineering oversight** – publishing engineering rules for performing work in the electricity sector related to the safety, reliability and quality of electricity supply.
- **Promoting production using renewable energies in the electricity sector** – promoting compliance with renewable energy goals in accordance with related government resolutions, as well as promoting and developing electricity storage.
- **Strengthening consumer status in the electricity sector** – ensuring an adequate level of service for electricity consumers, promoting self-production capabilities, and expanding consumer choice in the electricity sector.
- **Management information on the electricity sector and making it accessible** – promoting information transparency for the public in the electricity sector and strengthening the capacity for data-driven policy planning.

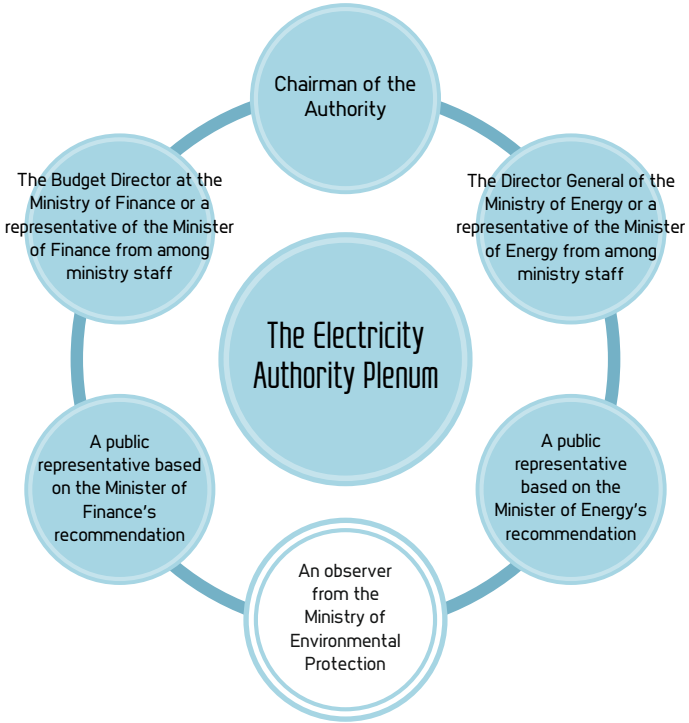
The Electricity Authority Plenum

The Electricity Authority Plenum is the body that exercises the Electricity Authority's authority. The Plenum convenes every few weeks and publishes public hearings and decisions regarding regulations, standards, tariffs, rules, licenses, and more. The minutes of Plenum meetings and their agendas are published for the public on the Electricity Authority's website.

Pursuant to the Electricity Sector Law, the Authority's Plenum is composed of five members:

- The Chairman of the Electricity Authority, who also serves as Chairman of the Plenum.
- The Director General of the Ministry of Energy, serving ex officio, or a representative of the Minister of Energy appointed by the government from among his ministry staff.
- The Budget Director at the Ministry of Finance, serving ex officio, or a representative of the Minister of Finance that the government appoints from among his ministry staff.
- A public representative appointed by the government upon the recommendation of the Minister of Energy.
- A public representative appointed by the government upon the recommendation of the Minister of Finance.

An observer from among the staff of the Ministry of Environmental Protection, who the government appoints upon the recommendation of the Minister of Environmental Protection, is also invited to the Authority's plenary meetings.



Amir Shavit

Chairman of the Electricity Authority.
Currently serves as Chairman of the Electricity Authority Plenum since September 2022.
Holds a Bachelor's degree in Economics and International Relations.

Noam Cherlow Briga

Energy Coordinator in the Budget Department at the Ministry of Finance.
Currently serves as a Plenum member on behalf of the Ministry of Finance since August 2025.
Holds a Bachelor's degree in Economics and an MBA with a specialization in Finance from the Hebrew University of Jerusalem.

Ron Eifer

Head of the Sustainable Energy Division at the Ministry of Energy and Infrastructure.
Currently serves as a Plenum member on behalf of the Ministry of Energy and Infrastructure since May 2025.
Holds a Bachelor's degree with honors in Political Science, Philosophy, Economics (PPE) and a Master's degree in Development Economics.

Efrat Minuchin

Executive advisor and company consultant, specializing in business growth.
Currently serves as a public representative on behalf of the Minister of Energy since October 2023.
Holds Bachelor's and Master's degrees in Agricultural Economics and Management.

Yossi Dayan

Director General of the Ministry of Energy and Infrastructure.
Served as a Plenum member on behalf of the Minister of Energy and Infrastructure from February 2024 to March 2025.
Holds a Bachelor's degree in Law, an MBA, and another Master's degree in Law.

Kobi Blitstein

Former Director General of the Ministry of Energy and Infrastructure.
Served as a Plenum member on behalf of the Minister of Energy and Infrastructure from January 2023 to January 2024.
Holds a Bachelor's degree in Law, another Bachelor's degree in Economics, Sociology, and Political Science, and an MBA.

Jonathan Florsheim

Energy Coordinator in the Budget Department at the Ministry of Finance.
Served as a Plenum member on behalf of the Minister of Finance from May 2022 to October 2024.
Holds a Bachelor's degree in Economics and Law.

Yogev Gradus

The Budget Director at the Ministry of Finance.
Served as a Plenum member on behalf of the Ministry of Finance from December 2024 to July 2025.
Holds a Bachelor's degree with highest honors in Economics and Accounting and an MBA in Finance and Banking.

Throughout 2024, Dr. Gil Proaktor – an observer on behalf of the Ministry of Environmental Protection – participated in Authority meetings (on behalf of Shuli Nazer). In early January 2025, Ms. Reut Rabi was appointed as an observer.

Amendment to Standard 35 to remove barriers and accelerate connections despite grid challenges (Decision No. 69307)

The Authority approved amendments to the standard that enables a fast track for connecting photovoltaic production facilities and storage facilities to the grid. The amendments are intended to remove barriers, simplify the connection process, and accelerate the construction of these facilities in the distribution grid.

Deadline extensions due to the war

Following the "Swords of Iron" war, the Authority made a series of decisions allowing entrepreneurs to extend deadlines for advancing production and storage projects. The decisions are intended to help the sector deal with delays caused by the security situation and ensure its continued future development, while also examining all considerations and creating balances that will prevent unnecessary delays in developing the electricity sector.

Licenses for virtual providers (Decision No. 69301)

The decision sets out the terms and conditions for granting supply licenses to companies that do not own their own means of production ("virtual suppliers"). This move opens the supply market to new and diverse players, and encourages competition for the hearts and pockets of consumers

Integration of basic meters into supply competition (Decision No. 68807)

The decision allows consumers with "regular" (non-smart) meters to switch between different electricity suppliers. This move significantly expands competition in the supply market and allows hundreds of thousands of additional households to benefit from discounted rates offered by private suppliers.

Recommendations for the distribution grid development plan 2024-2030 (Decision No. 69605)

Under the framework of the Minister of Energy's mandated consultations, the Authority formulated its professional recommendations for the multi-year development plan for the distribution grid. The recommendations focus on the investments required to integrate renewable energies, improve grid reliability and prepare it for increased demand.

Cancellation of electricity production licenses for capacities lower than 16 megawatts that are connected to the distribution grid (Decision No. 69001, 68801, 68401, 67805)

In order to reduce the excess regulatory burden, the Authority canceled renewable energy production licenses connected to the distribution grid, without affecting commercial terms, after they submitted a request to cancel their license.

Privatization of the Eshkol Power Plant (Decision No. 68303, 69003)

After the sale was completed for approximately 9 billion NIS, the Authority granted production licenses to the "Eskhol Energies Generation Ltd." company to operate the power plant. The Authority also decided that the excess proceeds from the sale of the Eshkol Power Plant would be used to cover the unusual costs incurred in the sector.

Regulation for construction new conventional production units (Decision No. 69407, 70804)

The Authority worked to set regulations for the construction and operation of up to four production stations using H-Class technology by the end of the decade, based on the production unit tariff set at the Sorek site. The decisions incentivize stations to be constructed in the northern Gush Dan region, and further incentive the stations to be constructed by July 2027, as per the sector's needs.

Regulation of the production unit's activity at the Sorek site (Decision No. 68413)

The Authority published a regulation governing the activity of the new production unit built at the Sorek site, which was constructed as part of a State tender. The decision determines the tariffs, license terms, and operational mechanisms that will apply to the unit as part of its integration into the electricity market.

Changing the tariff structure

The Authority is acting to change the tariff structure, such that it will support competition and be based on marginal costs in the sector.

The Authority is also working to have the tariff determined on a periodic and automatic basis, with a high level of transparency regarding price indices and linkages. The move is intended to add certainty and stability to the sector and reduce tariff volatility between years

Promoting international electricity connections

The Authority is examining and promoting the feasibility of cross-border electricity interconnections with neighboring countries and Europe. These projects may improve supply reliability, enable electricity trade, and contribute to the energy security of the State of Israel.

Updating the regulations related to concentration in the electricity sector

In light of the expiration of previous regulations related to market concentration, the Authority is working to set new rules to prevent concentration in the electricity market. The goal is to ensure fair competition, prevent abuse of market power by dominant parties, and protect the public interest and the price of electricity for consumers.

Setting a cap for additional payments for IPPs in the transmission grid

Following a hearing on the subject published in 2024, the Authority set a cap for additional payments for independent power producers. This was in light of the fact that the impact of the Authority's actions to increase sectoral redundancy and enhance competition will not provide a sufficient response in the short term, and the results of these actions require time to mature. This decision will prevent excess payments to producers in light of the fact that the market has not yet matured into a full competition.

Establishing a bilateral market model for production and storage facilities in the transmission grid

Publicizing market regulation for the transmission grid that enables large producers to sell electricity to consumers via virtual suppliers, using a bilateral contract model, with the aim of increasing the available supply for suppliers, enhancing competition, and promoting the solar and storage sectors.

Increasing supply to private providers

As part of establishing the new market model, the Authority is promoting regulation to increase the supply available to suppliers. This move ensures equal competitive conditions for all producers in the transmission grid and maximizes market efficiency

Update to the System Marginal Price (SMP) Methodology

The Authority will examine and update the methodology for calculating the system marginal price (SMP) and will work in coordination with the system manager to update the methodology and transition to the new model (MCP). The update is intended to ensure that energy prices more accurately reflect changing production costs, thereby incentivizing efficient production and appropriate investments in the sector.

Deadline extensions due to the war

Recognizing the difficulties and challenges that the security situation poses to the electricity sector, and in order to ensure its continued development, the Authority has examined the constraints arising from the emergency situations due to the war and has extended deadlines for production facilities under construction as needed, while maintaining responsibility and commitment to promoting the needs of the electricity sector.

"What's good for Europe is good for Israel" – Adopting international standards

The Authority will work to adopt and adapt advanced European regulations and standards for grid management, the electricity market, and the integration of renewable energies. The move is intended to promote innovation, streamline the electricity sector, and adapt it to global trends.

Electricity Authority

Report on the State of the Electricity Sector

September

2025

2024 Summary and 2025 Trends