



Європейсько-українське
енергетичне агентство

European-Ukrainian Energy Agency

Business Centre Eurasia

75, Zhylyanska st., 5th floor,

01032, Kyiv, Ukraine

tel: +38 044 390 55 33;

fax: +38 044 390 55 40

office@euea-energyagency.org

www.euea-energyagency.org

Published: April 19, 2012

Position Paper

Ideas to Stimulate Waste to Energy Development in Ukraine

Presented by: Mats Lundin, EcoEnergy Scandinavia AB

Introduction

Issues concerning the use of municipal solid waste-to-energy are pressing and urgent due to a high replacement potential of traditional energy by waste energy. Today almost all municipal wastes are stored on landfills, about 160 thousand ha of the territory of Ukraine is covered by waste. It is estimated by the Environmental Ministry that the overall volume of solid municipal waste on landfills accounts for about 311 bln tn.

Waste-to-energy development is seen as a high priority for Ukraine due to the necessity to increase its energy security in relation to direct dependence of national measures on the price for imported gaseous and liquid hydrocarbon fuels from Russia. Resources of the most of materials on the planet are scarce. Entering the environment, materials are usually becoming pollutants so as waste and wares that ended their life-cycle are very often cheaper source of materials or alternative energy source.

Therefore it is necessary to look for the technologies for effective waste utilization for provision of the environmental safety and receiving secondary material or energy resources.

However, at present the development of the waste to energy sector in Ukraine is confronted with: different bottlenecks, gaps in the existing legislation regarding waste-to-energy, lack of experience, access to necessary information, infrastructures, absence of effective mechanisms for the engagement of overseas investments into renewable energy sector. Tackling these barriers requires implementation of a certain number of tools and mechanisms. This paper gives our view of the list of these high priority measures.

1. **The green tariff for generation of electricity from waste would be a positive step forward** for the enabling schemes to be developed. The tariff should be retained, as should the existing waiver on VAT (through 2019) and custom duties (no set term) on imported equipment and zero profit tax for sold electricity through 2020. The process for utilizing these benefits should be open and transparent to ensure that all market players have access and equal chance to benefit and investors are confident that these benefits will be realized for all qualified renewable energy schemes. This will be the crucial step to promote the quick introduction of European waste to energy technologies in Ukrainian energy market. Green tariff for waste energy will ensure the growth of the renewables share in the energy balance of Ukraine (up to 10% by 2020).

2. **Land issues.** Currently the legislation surrounding land use, and the acquisition of land needs to be made far simpler and achievable. Lifting the ban on the moratorium of land auctions (the law on the land market is in the parliament right now: no ownership for companies, no ownership for foreigners, limitations on areas owned by physical persons) would help the general development of land issues in relation to renewable energy scheme.
3. **Grid connections.** A fair and equal policy when considering granting grid connections needs to be developed and brought into practice. Developers need to know at early stages, what are the definite costs and implications for grid connections and that they will be able to achieve a connection within a timely process and be able to be reimbursed for any recoverable costs incurred within that same process without excessive delays or doubts on how mechanisms might work.
4. **District heating connections.** With respect to waste-to-energy technology the government should provide the administrative and legislative support (land acquisition, construction permits etc.) to enable WtE facilities connect to district heating networks. This will help to achieve higher attractiveness for investors in the WTE sector so as to implement modern energy efficient technologies into the heating networks of the Ukrainian cities.
5. **Governmental support in the implementation of renewable energy projects within the framework of JI-mechanisms of Kyoto Protocol** (it is agreed on that new post-Kyoto Protocol will be negotiated by 2015:
 - a) Partial financing of the preparation and approval of JI-projects from the target funds.