

Main differences of the draft laws alternative to the draft law “On Amendments to Certain Laws of Ukraine on the Development of Competitive Electricity Production from Alternative Energy Sources” (reg. No. 8449).

Issue	Alternative draft law	Main draft law (No. 8449)
Draft law, reg. No. 8449-1 (Yefimov M.V. and others)		
NSS introduction date	From 01 January 2025	From 01 January 2020
Green tariff rate	Solar – reduced by 20% Wind – reduced by 20% from 01.01.2020	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020
Stimulation of electricity production from the RES by small commercial enterprises	To keep as in the current version of the Law (green tariff only for private households with up to 30 kW facilities)	Green tariff for small generating facilities up to 500 kW (solar, wind)
Surcharge for use of Ukrainian-made equipment	10% - if the local component is from 30% to 50% 15% - if the local component is from 50% to 70% 20% - if the local component exceeds 70%	5% - if the local component is from 30% to 50% 10% - if the local component is from 50% to 70% 15% - if the local component exceeds 70%
Draft law, reg. No. 8449-2 (Shakhov S.V. and others)		
NSS introduction date	From 01 January 2025	From 01 January 2020
Entities obliged to participate in the auctions	SPP, WPP - irrespective of the installed capacity	SPP – if capacity exceeds 10 MW WPP – if capacity exceeds 20 MW
Green tariff rate	To keep as in the current version of the Law (Solar – reduced by 10% Wind – reduced by 10% from 01.01.2020)	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020
Stimulation of electricity production from the RES by small commercial enterprises	To keep as in the current version of the Law (green tariff only for private households with up to 30 kW facilities)	Green tariff for small generating facilities up to 500 kW (solar, wind)
Draft law, reg. No. 8449-3 (Pysarenko V.V.)		
Application of the green tariff	Entities with pre-PPA signed before 01 January 2020	Entities with pre-PPA signed before 01 July 2019
NSS outline	Obligatory off-take of the total electricity output by the Guaranteed buyer at the auction price	1) Obligatory off-take of the total electricity output by the Guaranteed buyer at the price of the “day-ahead” market. 2) Compensation to the producer from RES for the electricity price difference estimated as the difference between the auction price and electricity sale price on the “day-ahead” market.

Issue	Alternative draft law	Main draft law (No. 8449)
Surcharge for use of Ukrainian-made equipment	To keep as in the current version of the Law (5% - if the local component is from 30% to 50% 10% - if the local component is from 50% to 70%)	5% - if the local component is from 30% to 50% 10% - if the local component is from 50% to 70% 15% - if the local component exceeds 70%
Term of support under the NSS	15 years	20 years
Entities obliged to participate in the auctions	SPP – exceeding 0.5 MW WPP – exceeding 3 MW Biomass – exceeding 3 MW	SPP – exceeding 10 MW WPP – exceeding 20 MW
Entities not obliged but permitted to participate in the auctions	Other entities are not entitled to participate in the auction	Other entities regardless of RES and installed capacity of the power plant
Green tariff rate	To keep as in the current version of the Law (Solar – reduced by 10% Wind – reduced by 10% from 01.01.2020)	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020
Auction platform	Electronic auction platform (other)	Electronic auction platform (ProZorro)
Quota characteristic	National quota. No special quotas are provided.	National quota. It may include special quotas (by the territory, type of generation, capacity of the facility)
Quota splitting for the auction organization and conduction	Lots – minimum size from 0.5 MW	Lots up to 1 MW
Ways to guarantee the participation in the auction	Irrevocable bank guarantee - EUR 5,000 per 1 MW	Irrevocable bank guarantee - USD 50,000 per 1 MW
Type of the auction	Dutch auction	Dutch reverse auction
Conditions to ensure competition in the auction	There is excluded the provision about limitation of the size of lots to be acquired by one bidder solely or together with other related bidders.	Limitation of the size of lots to be acquired by one bidder solely or together with other related bidders – not more than 25% of the total quota size.
Contracts and agreements to be concluded by the auction winner and the Guaranteed buyer	Power purchase and sale agreement	Power purchase and sale agreement Contract for Difference in respect to electricity price
Type of guarantee for the fulfillment of particular contractual conditions	Irrevocable bank guarantee - EUR 10,000 per 1 MW	Irrevocable bank guarantee - USD 50,000 per 1 MW

Issue	Alternative draft law	Main draft law (No. 8449)
Grid connection guarantees for the auction winner in respect to the RES facility	Transmission/distribution system operator is not entitled to amend the material terms of the grid connection agreement (if there is available the executed grid connection agreement). Transmission/distribution system operator is not entitled to reject grid connection of the auction winner's facility (if there is no executed grid connection agreement)	
Selling of electricity by the producer from RES	To the Guaranteed buyer at the auction price (excluding electricity for own needs)	To the Guaranteed buyer at the price on the "day-ahead" market (excluding electricity for own needs)
Settlement term and procedure for sold electricity	On the next day after the receipt of funds from the respective markets	According to the Procedure approved by the Regulator concerning the purchase of electricity from RES by the Guaranteed buyer
Compensation term and procedure	Not later than the 10th day of next month	Not later than the 5th day of next month
Compensation for price difference to the producer from RES	Amount is the difference between the auction price (including the surcharge for the local component) and electricity price on the "day-ahead" market, intra-day market, and balancing market	Amount is the difference between the auction price (including the surcharge for the local component) and electricity price on the "day-ahead" market
Responsibility of the producers from RES for imbalances	Partial responsibility for all RES producers (according to the current version of the Law)	For the winners of auctions: <ul style="list-style-type: none"> • full responsibility – after the recognition of the intra-day market to be liquid • partial responsibility - before the recognition of the intra-day market to be liquid (according to the applicable Law) For green tariff producers: <ul style="list-style-type: none"> • partial responsibility (according to the current version of the Law)
Draft law, reg. No. 8449-4 (Parasiuk V.Z. and others)		
Green tariff rate	Wind – reduced by 30% for WPP with a turbine with the capacity exceeding 100 MW retrospectively, from 01.04.2013 Solar – reduced by 50% for SPP with capacity exceeding 100 MW from 01.10.2018	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020

Issue	Alternative draft law	Main draft law (No. 8449)
Draft law, reg. No. 8449-5 (Voitsitska V.M. and others)		
Application of the green tariff	Entities with pre-PPA signed before 01 January 2019	Entities with pre-PPA signed before 01 July 2019
Stimulation of electricity production from the RES by small commercial enterprises	Green tariff for small generating facilities up to 100 kW (solar, wind)	Green tariff for small generating facilities up to 500 kW (solar, wind)
Green tariff rate	Wind – reduction: 15% for WPP with turbines up to 600 kW 25% for WPP with turbines exceeding 600 kW Solar – reduced tariff for SPP less than 3 MW : Zone 1 ~ 34.0% Zone 2 ~ 38.5% Zone 3 ~ 43.0 % Zone 4 ~ 46.0 % Solar – reduced tariff for SPP from 3 MW and more – 46.0 % from 01.04.2019	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020
Surcharge for use of Ukrainian-made equipment	To keep as in the current version of the Law (5% - if the local component is from 30% to 50% 10% - if the local component is from 50% to 70%)	5% - if the local component is from 30% to 50% 10% - if the local component is from 50% to 70% 15% - if the local component exceeds 70%
NSS introduction date	From 01 January 2019	From 01 January 2020
Entities obliged to participate in the auctions	SPP – exceeding 3 MW WPP – exceeding 3 MW	SPP – exceeding 10 MW WPP – exceeding 20 MW
Expected schedule of the first auctions	A pilot auction to allocate a special quota (the exclusion zone) shall be held in the 2nd half of 2018	A pilot auction to allocate a special quota (the exclusion zone) shall be held in the 2nd half of 2019
Responsibility of the producers from RES for imbalances	Full responsibility is envisaged for the winners of auctions. Partial responsibility is envisaged for green tariff producers (solar, wind, hydro) at more than 5% deviation from schedule	For the winners of auctions: <ul style="list-style-type: none"> • full responsibility – after the recognition of the intra-day market to be liquid • partial responsibility - before the recognition of the intra-day market to be liquid (according to the applicable Law) For green tariff producers (solar, wind, and hydro):

Issue	Alternative draft law	Main draft law (No. 8449)
		<ul style="list-style-type: none"> partial responsibility (according to the current version of the Law)
Draft law, reg. No. 8449-6 (Chyzhmar Yu.V.)		
Stimulation of electricity production from the RES by small commercial enterprises	Green tariff for small generating facilities up to 1 MW (solar, wind)	Green tariff for small generating facilities up to 500 kW (solar, wind)
Green tariff rate	Solar – reduced by 30% Wind – reduced by 10% from 01.07.2019	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020
Green tariff term	Term of green tariff for small generating facilities up to 1 MW commissioned after 01 January 2020 is 20 years from the date when the tariff was set	
	Term of green tariff for biomass, biogas, geothermal, and small hydro plants with the capacity from 1 MW to 10 MW commissioned after 01 January 2020 is 15 years from the date when the tariff was set	
Quota characteristic	National quota. The share of biomass, biogas, geothermal, and hydro projects shall not be less than 20% in the total national quota. It may provide special quotas (by the territory, type of generation, capacity of the facility)	National quota. It may provide special quotas (by the territory, type of generation, capacity of the facility)
Expected schedule of the first auctions	Pilot projects during 2019 : <ul style="list-style-type: none"> solar – 2 auctions by 50 MW wind – 2 auctions by 50 MW special quota (the exclusion zone) – 1 auction 	A pilot auction to allocate a special quota (the exclusion zone) shall be held in the 2nd half of 2019
Draft law, reg. No. 8449-7 (Riabchyn O.M.)		
Green tariff rate	Solar – reduced by 30% Wind – reduced by 20% from 01.01.2020	Solar – reduced by 30% Wind – reduced by 10% from 01.01.2020
Expected schedule of the first auctions	Within 6 months from the date of entry into force of the Law , to conduct a pilot auction for: <ul style="list-style-type: none"> allocation of quota of government support to SPP projects in the exclusion zone 	A pilot auction to allocate a special quota (the exclusion zone) shall be held in the 2nd half of 2019

Issue	Alternative draft law	Main draft law (No. 8449)
	<ul style="list-style-type: none"> • allocation of quota of government support to WPP projects <p>Based on the analysis of the results of the pilot auction, conducted within 6 months from the date of entry into force of the Law, the CMU shall ensure drafting and submission to the VRU of draft laws on:</p> <ul style="list-style-type: none"> • arrangement of competitive conditions of power production from RES (through auctions, in particular) • energy cooperatives and functioning mechanisms of small-scale generating facilities from RES 	