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Note: the author of the title photo, a participant in the EUEA photo contest - Ksenia Kerdan.

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RES Generation Statistics

Installed capacity of the power system of Ukraine as of October 2020:

- **Installed capacity of the IPS of Ukraine**
  - Total installed capacity: 54303.40 MW
  - Breakdown:
    - Solar power plants: 25.48%
    - Hydroelectric pumped-storage power plants: 8.86%
    - Hydroelectric power plants: 17.11%
    - Combined heat and power plants: 11.18%
    - Generating companies thermal power plants: 2.74%
    - Nuclear power plants: 40.22%

Compared to September, the installed capacity of the IPS of Ukraine increased by 103.4 MW, in particular due to the increase in the installed capacity of solar power plants, as of September it was 9.11%, and in October - 9.22%.

- **Capacity of RE equipment**
  - Total capacity: 6256.60 MW
  - Breakdown:
    - Solar power plants: 80.01%
    - Wind power plants: 17.11%
    - Biofuel plants: 2.88%

The capacity of RE equipment increased by 70.4 MW compared to the previous month, mainly due to solar power plants - from 79.83% in September to 80.01% in October.

1 https://ua.energy/vstanovlena-potuzhnist-energosystemy-ukrayiny/
The total installed capacity of renewable energy facilities as of 01.10.2020 is 7485 MW.

In September, the installed capacity of renewable energy facilities was 7,352 MW, and in October, 133 MW more - 7,485 MW. This was due to an increase in the installed capacity of solar power plants - from 5,795 MW in September to 5,928 MW in October.

If we consider the installed capacity of RES facilities in the regions of Ukraine, the largest capacity is in Dnepropetrovsk region - 1,115 MW of solar power plants, Mykolayiv region - 755 MW of solar power plants and Kherson region - 498 MW of solar power plants. In terms of installed capacity of wind power plants, the Zaporizhia region leads with 498 MW, followed by Kherson region with 377 MW of installed capacity of wind power plants.

https://www.nerc.gov.ua/?id=50471
The largest installed capacity is for terrestrial solar power plants - 960,695 MW, wind power plants - 81,800 MW, facade solar power plants - 42,757 MW. For comparison, in September, the installed
capacity of terrestrial solar power plants was 828,467 MW, facade solar power plants - 42,324 MW, the installed capacity of wind power plants remained unchanged.

**By the end of 2020, it is forecasted that 1.5 GW of wind energy, 5.5 GW of solar energy and 800 MW of small household SPPs will be built in the energy system.**

The total electricity generation since the beginning of the year as of 01.10.2020 is 8252 million kWh per hour\(^3\) according to the NEURC.

![Electricity generation by RES objects (2014 - 2020), mln. KWh/hour](image)

In September, the total electricity generation since the beginning of the year amounted to 7253 million kWh/hour, in October by 999 million kWh/hour more - 8252 million kWh/hour. This was mainly due to an increase in electricity generation by solar power plants - from 4611 million kWh/hour as of September to 5297 million kWh/hour in October and an increase in electricity generation by wind power plants - from 2036 million kWh/hour as of September to 2276 million kWh/hour in October.

**Monitoring of the Memorandum Implementation and Law of Ukraine No. 810-IX**

As of December 3, 2020, 6 months from the signing of the Memorandum of Understanding between the Government of Ukraine and RES industry associations and 4 months from the entry into force of the Law of Ukraine №810-IX, on reducing "feed-in" tariffs for producers of electricity from renewable energy sources (RES).

The following is a list of commitments made by the state of Ukraine, in addition to reducing the "feed-in" tariff.

<table>
<thead>
<tr>
<th>Registration and support of the Government Bill and its support during the hearings in the relevant committee of the Verkhovna Rada.</th>
<th>Law of Ukraine 810-IX was adopted by the majority of people's deputies in the Verkhovna Rada on July 21, 2020. (^4)</th>
</tr>
</thead>
</table>

\(^3\) [https://www.nerc.gov.ua/?id=50471](https://www.nerc.gov.ua/?id=50471)

\(^4\) [https://euea-energyagency.org](https://euea-energyagency.org)
<table>
<thead>
<tr>
<th><strong>Grants the right to SE &quot;Guaranteed Buyer&quot; to sell electricity produced from RES at auctions under bilateral agreements</strong></th>
<th>Since October 2020, the SE &quot;Guaranteed Buyer&quot; has received such a right and carries out the relevant sales transactions.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Improving the procedure for organizing and conducting auctions for the distribution of support quotas</strong></td>
<td>Adopted in the Law of Ukraine 810-IX.</td>
</tr>
<tr>
<td><strong>Stabilization clause</strong></td>
<td>The Law of Ukraine № 810-IX includes, however, the Law of Ukraine “On the Foreign Investment Mode” has a note, that there may be changes in tax legislation.</td>
</tr>
<tr>
<td><strong>100% payment to RES producers, which were to occur from August 1, 2020.</strong></td>
<td>100% payments for August, 100% for September, 56% for October, 12.8% for November.</td>
</tr>
<tr>
<td><strong>Repayment of existing debt of UAH 22.4 billion accumulated for the period up to August 1, 2020 to RES producers. 40% in the 4th quarter of 2020; 15% percent on a quarterly basis during 2021.</strong></td>
<td>Law of Ukraine № 1006-IX provides the possibility of providing state guarantees to Ukrenergo to obtain a loan from banking institutions adopted by the Verkhovna Rada and signed by the President on November 17, 2020. The issue of domestic government bonds has not yet been agreed, in addition, in the Draft Law №4000 on the State Budget of Ukraine 2021, the rule on the issuance of domestic government bonds has been suspended for 2021. As a result, there is uncertainty about the sources of debt repayment.</td>
</tr>
<tr>
<td><strong>Development and implementation of a mechanism to compensate producers for unproduced electricity from RES.</strong></td>
<td>The Regulator has adopted the relevant Amendments to the Market Rules regarding such compensation, which came into force on November 17, 2020.</td>
</tr>
<tr>
<td><strong>Increasing the tariff for the services of electricity transmission of PJSC NPC Ukrenergo to a sufficient level.</strong></td>
<td>From December 2020, a new tariff for electricity transmission services in the amount of UAH 312,76 / MWh came into force, which was approved by the NEURC.</td>
</tr>
<tr>
<td><strong>Compensation of 20% of the &quot;feed-in&quot; tariff from the State Budget</strong></td>
<td>Neither the State Budget 2020 nor State Budget 2021 provides for appropriate compensation. In addition, in the Draft Law №4000 on the</td>
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</tbody>
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1 [https://zakon.rada.gov.ua/laws/show/810-20#Text](https://zakon.rada.gov.ua/laws/show/810-20#Text)
3 [https://zakon.rada.gov.ua/laws/show/1006-IX#Text](https://zakon.rada.gov.ua/laws/show/1006-IX#Text)

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https://euea-energyagency.org
<table>
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<tr>
<th>Monitoring prepared by</th>
<th>European-Ukrainian Energy Agency</th>
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<tbody>
<tr>
<td><strong>The right of RES producers to leave the balancing group</strong> of the Guaranteed Buyer</td>
<td>Proposals for the Bill were sent by EUEA to the Ministry of Energy of Ukraine in October this year. News on the consideration of proposals and the Bill itself has not yet been made public.</td>
</tr>
<tr>
<td><strong>Stimulation of balancing and energy storage systems</strong></td>
<td>Resolution of the Cabinet of Ministers of Ukraine dated 10.07.2019 № 677 on approval of the Procedure for conducting a tender for the construction of generating capacity and implementation of demand management measures. It is planned to finalize the conditions of such a tender and make changes to the current tender procedure. NPC Ukrenergo submitted to the Ministry of Energy for processing a proposal for a tender for the required generating capacity of 500 MW. The Bill №3657 dated 15.06.2020 was registered, which improves the procedure of the tender.</td>
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10 [http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=69938](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=69938)
12 [https://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=69137](https://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=69137)
Information on Payments for Electricity at the “Feed-in” Tariff as of 01.12.2020

Last month, RES producers received full payment in September, compared to 92.9% at the beginning of November, and now RES producers received 100% payment for electricity produced in September. Payment was also received in the amount of UAH 2.17 billion, which is 56% for October, and for 20 days in November the payment amounted to UAH 0.2 billion i.e. 12.8%. Currently, the payment since the beginning of the year is about UAH 20 billion.

Constitutional Court Proceedings against RES

On July 17, 2020, 47 people's deputies of Ukraine appealed to the Constitutional Court to declare unconstitutional the legislative provisions of the Law of Ukraine № 555-IV “On Alternative Energy Sources” of February 20, 2003 and the Law of Ukraine № 2019-VIII “On the Electricity Market” of April 13, 2017 year. According to people's deputies, when adopting the law "On Alternative Energy Sources", the Verkhovna Rada went beyond its powers, interfering in the sphere of constitutional powers of the executive branch, without alternatively establishing coefficients and mechanisms for calculating the "feed-in" tariff, which deprived the executive branch of its discretion and authority to change it. Accordingly, there is a threat of declaring the "feed-in" tariff in Ukraine unconstitutional.

The chronologic review and the role of industry associations, including EUEA, is highlighted in the previous Monthly Monitoring of the Renewable Energy Sector (RES) in Ukraine of 5 October 2020.
On November 2, an expert discussion was held on the topic: "Constitutional proceedings against RES: the Ukrainian phenomenon." The results of the key theses of the experts are described in the Monthly Monitoring of the RES sector dated November 9, 2020. There is no decision of the CCU yet.

Review of legislation and regulations impacting RES

The review of legislation and regulatory initiatives was prepared by the EUEA Energy Adviser – IMEPOWER, and includes tax initiatives, initiatives to establish the State Decarbonisation Fund, environmental taxes, changes in market rules, the mechanism of compensation for limiting electricity production from RES, draft amendments to the Procedure for establishing a "feed-in" tariff, etc. The review can be found at the link on the EUEA website.

Energy Community Secretariat notes progress in implementing European acquis communautaire in Ukraine’s energy sector

The Energy Community Secretariat has published on its website the Annual Report 2020 on the Implementation of Reforms by the Energy Community Contracting Parties. The Report states that the Energy Community Contracting Parties have made progress in implementing market reforms in the energy sectors, despite the Covid-19 crisis. At the same time, Ukraine is one of the leaders in the pace of reforms in 2020, making it second in the overall ranking of countries – members of the Energy Community in terms of implementation of European legislation and an overall score of 61%, second only to Montenegro (69%).

Among the main achievements in the field of electricity is the successful introduction in 2020 of the market of ancillary services, which complemented the previous launch of bilateral, day-ahead, intraday and balancing markets. However, the market still remains largely distorted by a range of regulatory measures, including price caps and public service obligations, which channel nuclear and hydropower electricity from state-owned generators to the universal service suppliers at prices that are detrimental to competition and safe operation of power plants alike.
In terms of environment and climate, Ukraine’s biggest challenge remains the reduction of emissions from its outdated coal plants within the thresholds and timelines set by the Large Combustion Plants Directive. Ukraine has adopted a National Emission Reduction Plan (instead of complying with the emission limit values on an individual basis). It also opted out a total of 80 combustion plants. A modest carbon price is applied, and an emission trading scheme is under preparation. The country paid direct subsides worth some EUR 476 million to support coal-fired power generation in 2019.

Energy efficiency suffers from the lack of a legal basis.

“Renewable energy production has boomed recently, mainly because of a generous feed-in tariff system which expired at the end of 2019. The boom critically affects the liquidity of the state-owned offtaker (the Guaranteed Buyer). The mediation process between the renewable energy investors and the Ministry in charge of energy under the auspices of the Secretariat resulted in a memorandum and a law restructuring the existing power purchase agreements. Auctions still remain to be launched. Work on the National Energy and Climate Plan is likely to be postponed,” – stated in the Report.

In general, the Secretariat welcomes the results of energy sector reforms in Ukraine, as evidenced by the above assessments of the level of implementation of the European acquis communautaire.