



Європейсько-українське
енергетичне агентство

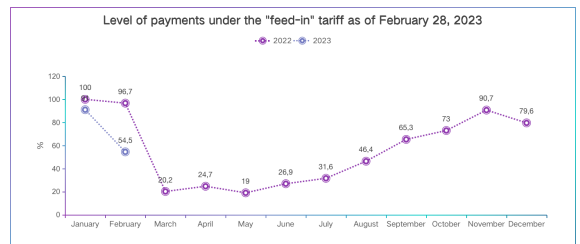
European-Ukrainian Energy Agency



Level of payments under the "feed-in" tariff as of 28th February 2023

In January, the SE "Guaranteed Buyer" (GB) made payments to RES producers at a level of 91% under the "feed-in" tariff. However, in February, this level decreased to **54.5%**. Since the start of 2023, UAH 3.3 billion has been transferred under the tariff.

As of February 28, 2023, the debt of NPC "Ukrenergo" to GB stands at **UAH 14.1 billion**. On the other hand, the debt of GB to RES producers for 2022 amounts to 53.3%.

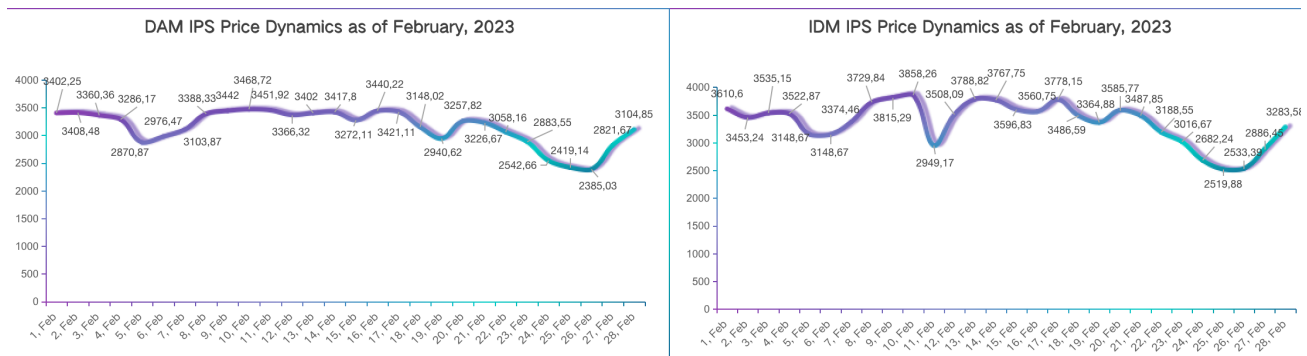


Source: [Guaranteed Buyer](#).

Market IDM and DAM Price Dynamics

In February 2023, the Day-Ahead Market (DAM) of IPS Ukraine recorded an average price of **UAH/MWh 3152.4** for electricity. This marks a significant increase of 48.2% in comparison to the same month in 2022, where the average price was UAH/MWh 2127.2.

In February 2023, the average price of electricity on the Intraday Market (IDM) of the Integrated Power System (IPS) of Ukraine was **UAH/MWh 3363.7**. This represents a significant increase of **52.4%** compared to January 2022.

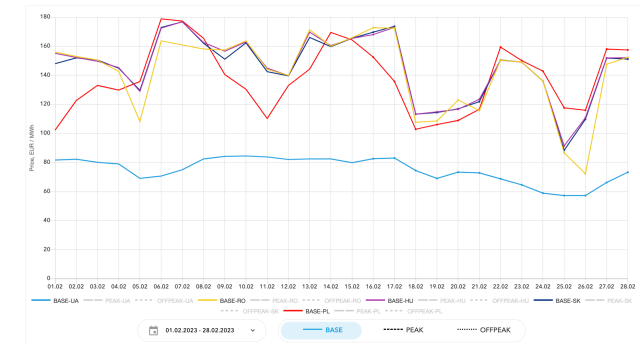


Source: [Ukrainian Market Operator](#).

The prices increase for electricity in neighbouring countries (for base load) began on February 06, therefore, the highest prices of the month were recorded as follows:

- Hungary (07.02) – EUR/MWh 176.8;
- Slovakia (07.02) – EUR/MWh 176.7;
- Romania (16.02) – EUR/MWh 172.7;
- Poland (06.02) – EUR/MWh 178.8;
- IPS of Ukraine (10.02) – EUR/MWh 84.5.

The average price in Ukraine as of February 2023 is EUR/MWh 75.

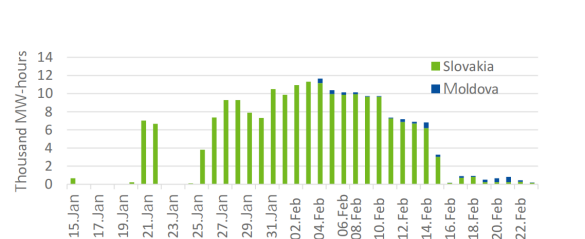


Source: [Ukrainian Market Operator](#).

In February 2023, the imports of electricity from Slovakia and Moldova helped balance the market.

In February 2023, Ukraine increased its imports of electricity from Slovakia by 118%, with almost 136.5 thousand MWh imported compared to the previous month. However, towards the end of February, imports from Slovakia decreased significantly due to a lack of energy system deficits.

Furthermore, starting from February 5, Ukraine began importing electricity from Moldova, with a total volume of 5334 MWh imported during the month.



Source: [Center for Economic Strategy/ Ukrenerg](#).

TOP RES News

Legislative news

Draft laws aimed at the RES sector have been registered by the Verkhovna Rada of Ukraine

On February 10, 2023, the Cabinet of Ministers of Ukraine approved:

- The Draft Law [№ 9012](#) on Amendments to Certain Laws of Ukraine on the Introduction of the Register of the Guarantee of Origin for Electricity Produced from Renewable Energy Sources. The Draft Law provides for establishing legal bases for issuing, using, and cancelling guarantees of origin for the electricity produced from renewable energy sources. *The authorized body for issuing the guarantee of origin of electricity produced from RES will become the NEURC, and the market operator will be responsible for the trading of the guarantees of origin of electricity produced from RES.*
- The Draft Law [№ 9011](#) on Amendments to Certain Laws of Ukraine on Improving Conditions for Supporting Electricity Production from Alternative Energy Sources by Consumer Generating Installations. *The Draft Law envisages the introduction of a net metering system to ensure the development of RES smaller distributed generation without additional financial support from the state and consumers. Also, the introduction of a new contract for the purchase and sale of electricity is previewed based on the mechanism of*

The Law of Ukraine "On Environmental Impact Assessment" has been registered

The Cabinet of Ministers of Ukraine registered in the Parliament [Draft Law №8410](#) on amendments to the Law "On Environmental Impact Assessment". The aim of the proposed legislation is to adopt digitalization principles for the permit process, streamline the timeline for environmental impact assessments, and minimize discretionary authority when making decisions during the environmental impact assessment procedure. [Details](#).

Resolution № 76 outlines a revised procedure for the reservation of conscripts

On January 27, the Cabinet of Ministers published Resolution №76 "Certain issues of implementing the provisions of the Law of Ukraine "On Mobilization Training and Mobilization" regarding the reservation of conscripts for the period of mobilization and wartime." The resolution puts forth a set of procedures and standards that aim to identify key enterprises, institutions, and organizations that play a critical role in maintaining the stability of the economy and ensuring the livelihood of the population during special periods. Resolution of the CMU dated 03.03.2022 № 194 "Certain issues of reservation of conscripts in the conditions of the legal regime

self-production and the definition of categories of consumers who have the right to use the mechanism of self-production. [Details.](#)

An insurance scheme is to be launched in Ukraine to cover war-related risks

The draft law № [9015](#) *on the insurance of investments in Ukraine against military risks* was registered in the Verkhovna Rada. The Ministry of Economy has announced that in the coming years, investors in Ukraine will have the option to safeguard their investments by purchasing a unique insurance policy, with support from MIGA. This policy will provide compensation of up to 90% for potential losses resulting from military operations. *A pilot project valued at \$30 million has already been agreed upon with MIGA*, with additional projects totaling \$1 billion planned for implementation in 2023.

EU announces its own 'Inflation Reduction Act' for renewables and energy storage

The European Union has unveiled its plans for its own Inflation Reduction Act-style support package, the Green Deal Industrial Plan, for clean energy technologies including energy storage. The plan is aimed at helping Europe achieve its increased renewable energy targets under its REPowerEU plans, formulated in response to Russia's invasion of Ukraine. The first pillar of the plan is to create a regulatory environment that allows the fast scale-up of sectors crucial to net zero, including wind, heat pumps, solar, clean hydrogen and "storage". The other three pillars of the Green Deal Industrial Plan are: boosting investment and financing of clean tech production; developing the skills needed to make the transition happen; facilitating open and fair trade for the benefit of all. [Details.](#)

A Resolution has been published by the Regulator outlining the possibility for e/e producers to exit the Guaranteed Buyer's balancing group

Amendments to the Resolution provide for the definition of provisions in the rules of operation of the Guaranteed Buyer balancing group, *which will regulate the entry and exit procedure of business entities, including electricity facilities that have a "green" tariff*, from the Guaranteed Buyer balancing group. [Details.](#)

of martial law" (with amendments) was also recognized as having lost its validity. [Resolution №76.](#)

Ukraine implements legislation to promote electric vehicle adoption and reduce carbon emissions

On February 24, 2022, the Ukrainian Government approved in the second reading the draft law №8172 aimed at *developing charging infrastructure for electric vehicles*. This law incentivizes the creation of a network of charging stations, which is expected to boost the number of electric cars and buses on the roads and reduce the usage of polluting vehicles. The bill also includes provisions that limit the purchase and operation of internal combustion engine (ICE) buses in public transportation. Starting from 2036, there will be a complete ban on the use of ICE buses, except for hydrogen and methane models. The local authorities are allowed to modify the timeline of these restrictions. With the implementation of this law, it is anticipated that electric, hydrogen, and methane buses will make up around 25% of regional public transport by 2030.

The owners of domestic SPPs will be reimbursed by "Ukrenergo" as ordered by NEURC

In an effort to address the electricity deficit in Ukraine, the Commission has *overruled a regulation that permitted wartime electricity suppliers to pay only a portion of the electricity costs to the owners of domestic SPPs*. The decision was made to ensure the optimal utilization of all power generation resources available in the system. Government officials have emphasized the need to foster a conducive environment for energy system expansion, beginning with the settlement of debts and the creation of conditions for private household formation. Starting in March, domestic SPP **owners will receive payment for the previous year's corresponding month on the 25th of each month.**

The Verkhovna Rada adopted the Law "On the corporatization of JSK NNEGC ENERGOATOM"

237 People's Deputies voted for the corresponding bill №8067. The law provides for the definition of the procedure for the creation of the joint-stock company NNEG Energoatom, 100% of whose shares belong to the state, the establishment of the procedure for the formation of the statutory capital of the company, *as well as its corporate governance* after its creation.

Ukraine will be ready to participate in the trading of CO2 emission quotas and can start it already in 2024-2025

According to Ukraine's Minister of Environmental Protection and Natural Resources, Ruslan Strilets, the country is poised to participate in CO2 emission quota trading, possibly as early as 2024-2025. Strilets noted that Ukraine has already signed an agreement with the Swiss Confederation and a corresponding memorandum with Japan in 2023, and is currently in negotiations

with several other countries regarding the trading of quotas under Article 6 of the Paris Agreement. The issue is not on hold, and Ukraine is actively working towards joining the quota trading market.

European-Ukrainian cooperation

The Energy Community has formed a commission dedicated to monitoring Ukraine's energy market

The Energy Community has established a commission to oversee the energy market in Ukraine. The purpose of this commission, known as the Ukraine Energy Market Observatory, is *to streamline and improve monitoring functions in compliance with the Energy Community Agreement*. The commission will keep a close eye on all developments related to the energy market and corporate governance within Ukraine. All evaluations will be published in accordance with confidentiality requirements and made available to both domestic and international stakeholders. This move is expected to further integrate the Ukrainian energy sector with Europe and promote greater trust in transparent management practices, aligned with European standards. [Details](#).

A new strategic partnership between Ukraine and the EU has been launched with a focus on renewable gases

During a joint meeting of the Government of Ukraine and the European Commission, Prime Minister Denys Shmyhal and President Ursula von der Leyen signed a memorandum outlining *a strategic partnership focused on the development of renewable gases, specifically hydrogen and biomethane*. The agreement will see Ukraine and the EU collaborate on various aspects of renewable gas production, trade, transportation, storage, and utilization. This partnership represents a shared commitment to advancing sustainable energy solutions and reducing greenhouse gas emissions.

The European Commission is in favor of expanding commercial electric power flows between Ukraine and Europe

During a joint meeting of the Ukrainian government and the European Commission in Kyiv on February 2, Deputy Chairman Marosh Sefovych expressed his support *for boosting import capacity from 700 MW and export capacity from 400 MW to 1,600 MW or even 2 GW in both directions*. He also pledged the EC's commitment to working with partners from the European Union, including the European Network of Transmission System Operators (ENTSO-E) and relevant member states, to achieve this goal. [Details](#).

ENTSO-E decided to increase the technical possibility of importing electricity to Ukraine to 700 MW at any time

The increase in trade capacities available for electricity import supports Ukraine and Moldova in ensuring the supply of electricity to end consumers, [reported](#) on the ENTSO-E website.

Post-war reconstruction of Ukraine

Commissioner Valdis Dombrovskis reports progress in funding Ukraine reconstruction efforts through Russian assets and donor coordination

A structure for financial aid in the reconstruction efforts of Ukraine has been established by the US, the EU, and Ukraine. The structure entails equal contributions from each party and will be politically led by the G7. Additionally, the structure will have secretariats in both Brussels and Kyiv. Commissioner Valdis Dombrovskis announced during the EU executive's visit to Kyiv that there has been progress in utilizing Russian assets to finance the reconstruction efforts in Ukraine. Furthermore, donor countries have established a framework to improve the coordination of financial aid.

Prime Minister of Italy announces conference on Ukraine reconstruction set for April 2023

Italy's Prime Minister Giorgia Meloni has announced plans for a conference on the reconstruction of Ukraine, scheduled for April 2023. Meloni highlighted the significance of rebuilding damaged structures as a symbol of hope and trust in Ukraine's future. She expressed confidence that Italy's expertise could enable the country to play a leading role in the reconstruction efforts.

World Bank sees growth potential in new State Agency for Restoration as a key partner for IFIs

The Eastern European Bank's regional director at World Bank, Arup Banerjee, is of the opinion that the newly established State Agency for Restoration and Infrastructure Development of Ukraine could emerge as a vital partner for many IFIs. This can be achieved by maintaining and improving its capacity to execute IFI-funded projects in adherence to high standards.

Ukraine's Prime Minister urges heads of Regional Military Administrations (RMA) to expedite the preparation of reconstruction projects

According to a statement from Shmyhal's press service, the government is in regular contact with local authorities, including weekly meetings with the RMA, *to prioritize reconstruction efforts*. The government has established a relevant agency and its head is currently preparing the necessary documents for immediate action after the adoption of the draft law. The Prime Minister also highlighted the allocation of UAH 17 billion from the state budget's fund for the recovery of Ukraine from the aftermath of Russian aggression, which includes funds confiscated from Russian banks.

Latest EUEA publications

- [Post-release of the EUEA round table – “The future of energy storage systems \(ESS\) in Ukraine”.](#)
- [January 2023, RES Review.](#)
- [IMEPOWER: Legislative initiatives for January 2023 impacting RES producers.](#)
- [2022 in RES Sector: the Year in Review.](#)

Other useful reports

- [February's Economic Review: Military Needs – Accomplishments from Last Year and Future Priorities.](#)

Upcoming notable conferences

- [Ukrainian Energy Transition Forum, April 20th, London.](#)



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