



Європейсько-українське
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European-Ukrainian Energy Agency



APRIL 2023

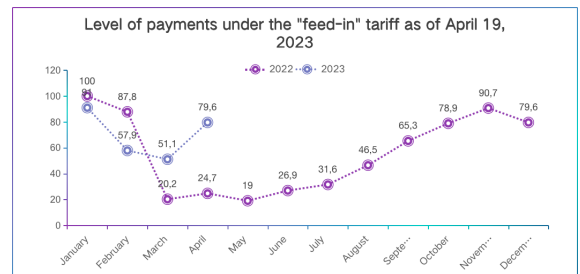
RES REVIEW

Level of payments under the "feed-in" tariff as of 19th April 2023

In the first 10 days of April, approximately 80% of the payments due under the "green" tariff was paid, and the total amount of purchased electric energy was 174.8 MWh, representing a payment increase of nearly 30% compared to the previous month. SE "Guaranteed Buyer" attributes this increase to two factors: a significant improvement in the indicators of electricity trade and partial implementation of advance payment by NPC "Ukrenergo".

As of now, the settlements percentage for the first three months of 2023 is **64.8%**, with UAH 6.1 billion already transferred under the tariff. However, it is important to note that NPC "Ukrenergo" has a **debt of UAH 16.0 billion** for 2021-2023.

Since the start of 2023, a total of **1,615 thousand MWh** of electricity has been purchased from renewable energy sources (RES), with solar energy accounting for 54%, wind energy - 25%, bioenergy - 16%, and hydro - 5%. [Details.](#)

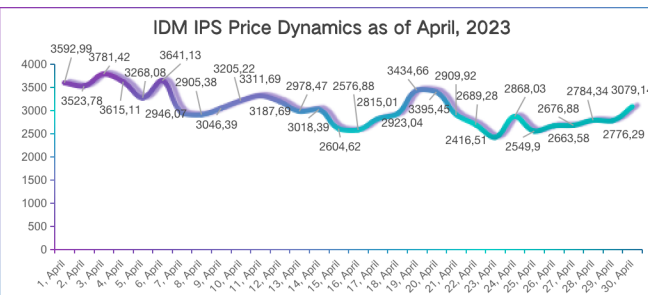
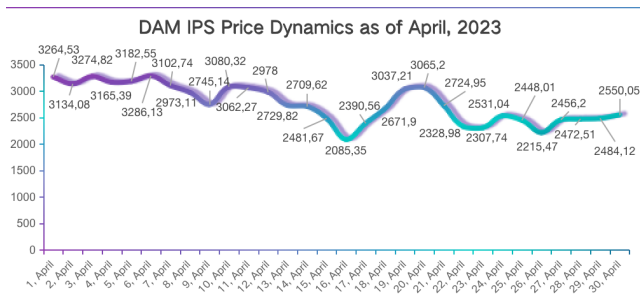


Source: [Guaranteed Buyer.](#)

Market DAM and IDM Price Dynamics

In April 2023, the average price of electricity in the Day-Ahead Market (DAM) of Ukraine's Integrated Power System (IPS) was **UAH 2,764 per MWh**, a **15.7%** increase from the same period in the previous year (April 2022), where the average price was UAH 3,226 per MWh.

The Intraday Market (IDM) of the Integrated Power System (IPS) of Ukraine experienced substantial price fluctuations between March and April 2023. In April 2023, the IDM recorded an average electricity price of **UAH 3,039 per MWh**, representing an **18.6%** increase compared to the same period in the previous year.

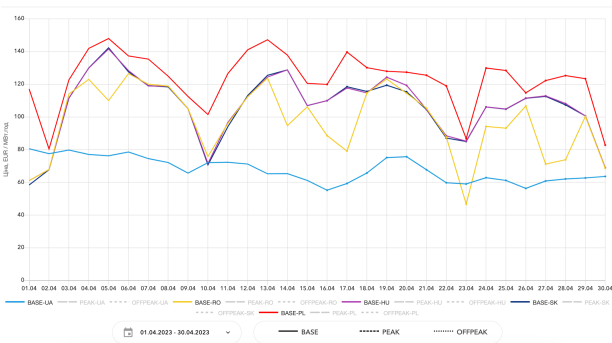


Source: [Ukrainian Market Operator.](#)

At the beginning of April, neighbouring countries experienced a surge in electricity prices for base load, which was also observed in Ukraine. The month recorded its highest prices on the following dates:

- Hungary (05.04) – EUR/MWh 141.6;
- Slovakia (05.04) – EUR/MWh 142.3;
- Romania (06.04) – EUR/MWh 126.5;
- Poland (05.04) – EUR/MWh 147.9;
- IPS of Ukraine (01.04) – EUR/MWh 80.6.

The average price in Ukraine as of April 2023 is EUR/MWh 67.9.

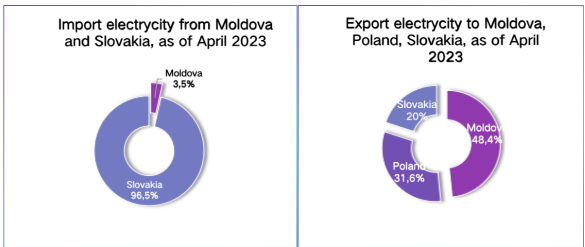


Source: [Ukrainian Market Operator](#).

In April 2023, Ukraine experienced a significant reduction in its **electricity imports**, with a **44% decrease** compared to the previous month, importing only 3,943 MWh. Slovakia was the primary source of these imports, accounting for **96.5%**, while the remaining **3.5%** came from Moldova.

It is worth noting that **Ukraine resumed its electricity exports** on April 11th, with **Moldova** being the first open destination. Over the period of April 11th to 30th, Ukraine exported almost **50%** of all its exports to Moldova. Additionally, from April 12th, Ukraine began exporting to **Poland** through the Dobrotvirska TPP-Zamość line, with this export representing approximately **30%**.

However, the export to Slovakia was temporarily suspended between April 17th and 21st due to inconsistencies in conducting auctions for the distribution of capacity of interstate crossings, which resulted in a reduction in exports to **Slovakia** for April **20%**.



Source: [ExPro Consulting](#).

TOP RES News

Ukraine's Parliament Registers Draft Law on energy security and green transformation of the energy system of Ukraine

On April 17th, Ukraine's Verkhovna Rada registered the Draft Law №9213 “On Amendments to Certain Laws of Ukraine on Restoring Energy Security and Green Transformation of the Energy System of Ukraine”. The proposed legislation seeks to encourage the development of renewable energy sources and promote the integration of "green" generation into the electricity market, with the ultimate goal of reducing Ukraine's dependence on energy imports. The Draft Law represents a significant step forward in Ukraine's efforts to improve its energy independence and combat climate change. [Details](#).

Also, on May 02, the Draft Law [№ 9011-д](#) “On Amendments to Certain Laws of Ukraine on the Restoration and Green Transformation of the Energy System of Ukraine” was adopted in the first reading by

Investor-Friendly Amendments to Ukraine's Law on State Support of Investment Projects with Significant Investments

The Verkhovna Rada of Ukraine has adopted as a basis a draft law that amends the Law of Ukraine "On State Support of Investment Projects with Significant Investments in Ukraine." The proposed changes include a reduction of the minimum required investment amount to €12 million and a reduction in the number of new jobs created during the implementation of the investment project from 80 to 50. Additionally, the investor will be permitted to begin project implementation 12 months before the conclusion of a special investment agreement and invest in pre-project works. Investors can also contribute more than 25% of the total investment amount. Finally, the areas eligible for investment projects have been expanded. [Details](#).

Verkhovna Rada of Ukraine, Housing and Utilities. At its meeting, the Committee voted to support the draft law and recommend that the Parliament approve it in the first reading.

VRU approved the creation of the State Fund for Decarbonization and Energy-Efficient Transformation

On April 11, 2023, the Verkhovna Rada of Ukraine approved Draft Law № 8433, which provides for the creation of the State Fund for Decarbonization and Energy-Efficient Transformation. The fund operates on the principle of "the polluter pays," which is used in 21 European Union countries, and targets environmental taxes towards energy efficiency and decarbonization. The funds collected by the State Fund will be solely used to finance energy efficiency programs and measures. This aligns with EU regulations on energy management and climate action. [Details.](#)

The Regulator approved the decision to encourage biomethane production in Ukraine

NEURC approved and published on its official website the [draft resolution](#) "On Approval of Amendments to some Resolutions of NEURC regarding promotion of the development of biomethane production" for the purpose of receiving comments and suggestions.

The resolution proposes to improve access conditions for biomethane producers to gas infrastructure facilities and remove technical restrictions on the transfer of biomethane to the gas distribution system. These changes are expected to encourage biomethane producers to increase their production volumes.

The mechanism of risk distribution will protect capital investment in Ukraine

According to the Deputy Minister of Economy of Ukraine, Oleksandr Hryban, negotiations are currently underway with international donors regarding the creation and funding of the target Trust Fund (the so-called insurance pool), which could act as a reinsurance potential in order to increase the interest of international financial institutions such as MIGA and DFC in the insurance of investment projects. Ukraine expects that this year the fund will accumulate \$510 million, which will double thanks to the multiplier effect and the attraction of private capital. Most of these funds will go to support long-term investments. [Details.](#)

The Regulator approved the changes to the resolution of the NEURC №641

On April 27, 2023, the NEURC Resolution №758 of April 25, 2023 "On Approval of Amendments to the Resolution of the NEURC dated April 26, 2019 № 641" was published on the official website of the NEURC. This Resolution regulates the issue of leaving/returning from/to the balancing group of the Guaranteed Buyer by suspending the contract for the purchase and sale of electricity at the "green" tariff. The Resolution enters into force today - April 28, 2023. [Resolution.](#)

It should be noted that the Resolution adopted by the Regulator does not regulate the issue of suspension of the contract for the purchase and sale of electricity at the "green" tariff in relation to individual facilities of the producer (by facility leaving/returning from/to the balancing group). This issue requires amendments to the Law of Ukraine "On the Electricity Market". Corresponding changes are provided for in the draft law registered in the Verkhovna Rada of Ukraine under [№ 9213](#)

Ways to restore electricity exports to Slovakia have been developed

Ukraine has resumed its electricity exports to Europe, prioritizing the supply to local consumers and surplus production. Recent auctions have allocated 51% of the available Moldova transmission capacity to four participants, enabling exports to Moldova and Poland up to 75 MW. However, Ukrenergo's main priority is to ensure power supply reliability. [Source.](#)

Starting from April 21, Ukraine has halted its electricity exports to Slovakia due to a lack of joint auctions for transmission capacity distribution. The capacity was previously allocated through the Joint Allocation Office (JAO) for Ukraine and EU countries. Going forward, Ukraine will only be able to export to Poland (up to 75 MW) and Moldova (up to 650 MW). [Source.](#)

In a joint meeting on April 26, the European Commission, Energy Community Secretariat, NEURC, Slovak Regulator, and transmission system operators (TSOs) of Ukraine and Slovakia participated. They [agreed](#) that the Ukrainian and Slovak TSOs would approve the export agreement developed by Ukrenergo and submit it to the Regulator for approval. According to NEURC, this will open up an opportunity to resume the export of Ukrainian electricity to Slovakia.

In an urgent meeting held on April 24, the Regulator emphasized the key role of electricity exports from Ukraine in ensuring the financial stability of the domestic energy sector. They agreed that any unjustified restriction of electricity trade should be considered a serious violation of the Treaty on the Establishment of the Energy Community. [Source.](#)

The first biomethane plant connected in Ukraine

The Hals Agro plant has successfully connected to the Ukrainian gas transportation system, injecting the first cubic meters of biomethane gas into the network. This marks a significant milestone for Ukraine, as it becomes the first country in the region to produce biomethane on a commercial scale. According to a statement from the RGK group, the Hals Agro plant will produce around 3 million cubic meters of biomethane per year. This renewable gas will be consumed by approximately 1,500 customers, including both the general population and industry. [Details.](#)

Ukraine has become a participant in the newly launched EU gas procurement platform

"Naftogaz of Ukraine" has registered on the new gas procurement platform launched by the EU, called AggregateEU. This first-of-its-kind mechanism allows European companies to register their gas purchase needs, creating a pool of natural gas buyers to avoid price spikes that impacted energy markets last year. Ukraine's participation provides additional insurance for the upcoming heating season and allows participants to store gas in Ukrainian underground storage facilities. [Details.](#)

Sparkling Energy Security: Highlights from the Ukrainian Energy Transition Forum

The recent Ukrainian Energy Transition Forum tackled critical issues related to energy security at both global and microgrid levels. Against the backdrop of Russia's ongoing genocidal war against Ukraine and the West, the global energy sector is undergoing a transformation towards sustainable and green energy sources, with a focus on reducing dependence and enhancing security. The forum provided a platform for the energy community to explore ways to support Ukraine's energy sector as well as their own. The discussions held at the event centered on the upcoming Ukraine Recovery Conference, which is scheduled to take place in London on June 21, 2023. [Details.](#)

Energatom and Holtec International signed a cooperation agreement on constructing in Ukraine of up to 20 SMR

On April 21, Energatom's President Petro Kotin and Holtec International's President and CEO Chris Singh signed an agreement to cooperate on the deployment of small modular reactors (SMRs) in Ukraine. The agreement includes the construction of up to 20 SMR-160 reactors, with the first pilot project implementation and connection to the grid by March 2029, and a plan to scale up to the minimum regulated power of the reactor. [Details.](#)

EU lawmakers reach agreement on a proposal to decarbonize the aviation sector

The European Union (EU) Council and the European Parliament have announced a preliminary political agreement on the European Commission's (EC) proposal to decarbonize the aviation sector, under the ReFuelEU Aviation initiative. The proposal aims to promote sustainable air transport and establish a level playing field in the EU market for aviation. It seeks to increase both the demand and supply of sustainable aviation fuel (SAF) to reduce carbon emissions. [Details.](#)

Ukraine is discussing the construction of a power transmission line between Rivne Nuclear Power Plant and Polish Chelm

This will make it possible to increase the throughput capacity of lines to the EU, Petro Kotin, president of Energatom, said in a [comment](#) to the media. According to Kotin, RNPP is one of our most powerful stations and has 4 power units - generating capacity of 2835 MW. Since it is located in the north-west of Ukraine, it is realistic to build a line with the EU there. An investor was found - the Polish company ORLEN, which offered to build such a line under certain conditions. But this issue is currently being discussed - noted the head of Energatom.

Moreover, the power transmission line between Khmelnytskyi NPP and Polish Rzeszów is set to start transmitting electricity on May 15, increasing export and import capacity by 1,000 MW. The tender was announced by Polish operator PSE, with Soyuz Corporation completing the reconstruction work for UAH 238.6 million. The line was originally planned for the end of 2022 but was completed in April. The integration of the Ukrainian energy system with the European one will deepen with the launch of this line. [Details.](#)

Latest EUEA publications

- [EUEA RES market review: market news and settlements review, March 2023.](#)
- [Summary of the EUEA expert discussion on cogeneration.](#)
- [The importance of introducing Guarantees of Origin of electricity from RES.](#)
- [2022 in RES Sector: the Year in Review.](#)

Other useful reports

- [Ukrainian Task Force completes the Ninth Ukrainian Energy Sector Damage Assessment Report](#) (Energy Charter).
- [Supporting Ukraine: A Study on Potential Recovery Strategies for Ukraine](#) (EIB).
- [Reconstruction, Reform and EU Accession for Ukraine](#) (Anders Aslund, Andrius Kubilius).
- [“Enabling Foreign Direct Investment in the Renewable Energy Sector Reducing Regulatory Risks and Preventing Investor-State Conflicts”](#) (Energy Charter).
- [Squaring the Circle: Policies from Europe’s Circular Economy Transition](#) (The World Bank).
- [World Energy Transitions Outlook 2023: 1.5°C Pathway; Preview](#) (IRENA).
- [The Evolution of Energy Efficiency Policy to Support Clean Energy Transitions](#) (IEA).



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