



Європейсько-українське енергетичне агентство

European-Ukrainian Energy Agency



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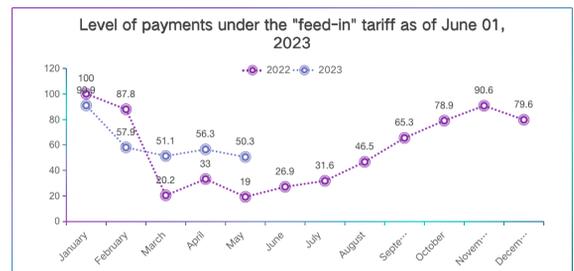
# RES REVIEW

## Level of payments under the "feed-in" tariff as of 1st June 2023

According to the SE "Guaranteed Buyer," the payments made for electricity purchased in 2022 amounted to UAH 0.46 billion. For the first five months of 2023, the payments reached **UAH 10 billion**.

As of June 01, the company had paid 99% of the total amount owed for electricity purchased in 2021, 53.9% for 2022, and **57.6%** for electricity purchased in 2023. Specifically, the payments for April 2023 accounted for 56.3%, while for **May, it was 50.3%**. The debt of the NPC "Ukrenergo" to the "Guaranteed Buyer" is **UAH 18.56 billion**.

From January 1 to June 01, 2023, the "Guaranteed Buyer" purchased a total of **2,923 thousand MWh** from producers of "green" energy. Among these, solar energy accounted for 64%, wind energy for 18%, bioenergy for 14%, and hydropower for 5%.

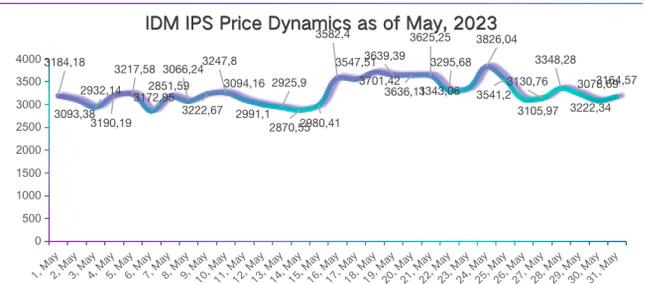
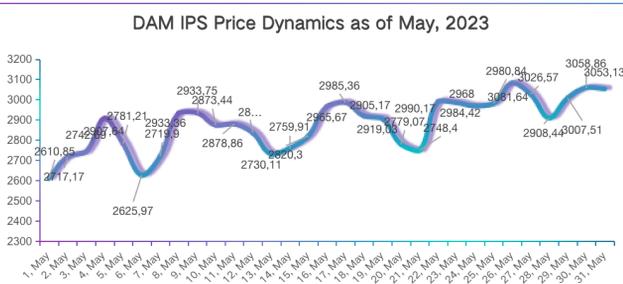


Source: [Guaranteed Buyer](#).

## Market DAM and IDM Price Dynamics

In May 2023, the average price of electricity in the Day-Ahead Market (DAM) of Ukraine's Integrated Power System (IPS) was **UAH 2,872 per MWh**. This represents a significant **20.8%** increase from the same period in the previous year (May 2022), where the average price was UAH 2,275 per MWh.

In May 2023, the Intraday Market (IDM) of Ukraine's Integrated Power System (IPS) witnessed an average electricity price of **UAH 3,255 per MWh**. This signifies a notable **17.5%** increase compared to the corresponding period in the previous year.



Source: [Ukrainian Market Operator](#).

In mid-April, neighbouring countries experienced a significant increase in electricity prices for base load. However, there were subsequent **price drops** observed on May 21 and 28 in these countries, with average prices of 45.7 EUR/MWh and 52.5 EUR/MWh, respectively. During the month, the highest prices were recorded on the following dates:

- Hungary (May 11) at 123.9 EUR/MWh,
- Slovakia (May 11) at 120.3 EUR/MWh,
- Romania (May 11) at 124.3 EUR/MWh,
- Poland (May 24) at 134.8 EUR/MWh,
- the Integrated Power System (IPS) of Ukraine (May 16) at 75.2 EUR/MWh.

As of May 2023, the average price in Ukraine stands at **71.4 EUR/MWh**.



Source: [Ukrainian Market Operator](https://www.ukrainskymarket.com/).

In May 2023, Ukraine observed a substantial **increase in electricity imports**, reaching 23.6 thousand MWh, representing a 5.9-fold rise compared to the previous period. Ukraine imported almost 18 thousand MWh from Slovakia and 5.6 thousand MWh from Moldova.

Conversely, electricity **exports** during the same period experienced a significant **decline of 57%**, amounting to 41.3 thousand MWh. In May, Ukraine conducted electricity **exports** to two primary destinations. The majority of exports, accounting for 57.5%, went to Moldova, while Poland received 42.5% of the exported electricity. Unfortunately, due to inconsistencies in conducting auctions for bandwidth allocation, Ukraine was unable to export electricity to Slovakia during this period.

However, in April 2023, Ukraine experienced a significant reduction in electricity imports, with a decline of 44% compared to the previous month.

The fluctuations in electricity imports and exports highlight the dynamic nature of energy markets, influenced by factors such as supply-demand dynamics, interconnection capacity, regulatory frameworks, and bilateral agreements.

Import electricity from Moldova and Slovakia, as of May 2023



Export electricity to Moldova, Poland, as of May 2023



Source: [ExPro Consulting](https://www.exproconsulting.com/).

TOP RES News

**Importance of Draft Law №9011-d on the Restoration and Green Transformation of the Energy System of Ukraine**

On May 2, 2023, the Verkhovna Rada of Ukraine adopted in the first reading the draft law 9011-d “On Amendments to Certain Laws of Ukraine Regarding the Restoration and Green Transformation of the Energy System of Ukraine”. This draft law, which combines revisions from several previous draft laws (9011, 9011-1, 9011-2, 9012, 9012-1 and 9213), aims to introduce measures that promote the development of renewable energy and address key issues within the sector. The proposed amendments encompass various laws, including the Law on Alternative Energy Sources and the Law on the Electricity Energy Market. They primarily focus on introducing measures related to guarantees of origin, self-consumption, and support schemes for electricity generated from renewable sources.

One significant proposal in the draft law is the establishment of guarantees of origin for "green" electricity. This measure is designed to prevent additional taxation on goods imported into EU countries. Furthermore, it grants producers of "green" electricity the right to independently sell their energy on the market, with an additional payment from the Guaranteed Buyer. Consumers will also have the opportunity to install their own electricity generating plants and sell excess energy to the grid at market prices. Additionally, a Net Billing option will be introduced for households. The draft law also includes provisions allowing renewable energy facilities to sell electricity to neighboring enterprises

at contractual prices during emergencies or scheduled restrictions in the power system. Moreover, the "Guaranteed Buyer" will be able to export Ukrainian "green" electricity under general market terms. The costs associated with the "green" tariff will be partly covered by the proceeds from exports.

The draft law was analyzed by experts from the European-Ukrainian Energy Agency (EUEA), together with the UWEA, UARE, and ASEU. Based on our analysis, we jointly prepared a letter outlining proposals and amendments to address RES sector issues. The letter was sent to the VRU Committee on Energy. This letter covered topics such as the balancing group of the Guaranteed Buyer, guarantees of origin for electricity from renewable energy sources (RES), entry/exit procedures for producers at the "green" tariff within the Guaranteed Buyer's Balancing Group, transitioning to a new incentive system (feed-in premium), and the reconstruction of RES facilities.

On Wednesday, May 24, the Committee held a public discussion of the draft law in preparation for its second reading. This event provided an opportunity for stakeholders and industry experts to engage in a constructive dialogue regarding the proposed legislation. Taking into account the outcomes of this discussion, a more detailed letter was prepared by industry associations, providing recommended amendments to be approved or modified. [Discussion record](#). [Comparison table](#).

The Energy Community Secretariat acknowledges that the draft Law partially aligns with the Renewable Energy Directive (REDII) and certain elements of the Clean Energy Package. However, full transposition is not ensured. Despite this, the Secretariat recognizes the draft law as an important step towards complying with the Energy Community acquis and resolving crucial issues that have hindered the Ukrainian renewable energy sector from reaching its full potential since the settlement of the dispute with renewable energy producers in 2020. The Secretariat supports the draft law, subject to several recommendations. [Source](#).

Currently, the draft law is undergoing preparations for its second reading.

### **Implementation of Guarantees of Origin in Ukraine: EUEA Interview with Naida Taso from Energy Community Secretariat**

The implementation of the Guarantees of Origin (GO) in Ukraine has been a hot topic for the RES sector for a couple of years already and became a pressing need on the eve of transitioning to the new market model and in the current situation of the shortage of funds to cover green tariff obligations. EUEA team sat down with Naida Taso, an expert of the Energy Community Secretariat, to discuss the Secretariat's work on the Guarantees of Origin and address the questions on the options for the implementation of the mechanism of GOs for Ukraine. [The interview](#).

### **The Cabinet of Ministers raised the electricity tariff for households to UAH 2.64/kWh**

The Government approved a decision to increase the electricity tariff for households to UAH 2.64 per kWh. According to the Minister of Energy of Ukraine, German Galushchenko, this decision is extremely difficult but necessary for large-scale preparation of the power system for the next heating season, which is underway at the country's energy facilities. [Details](#). [Resolution](#).

It should also be noted, that the Energy Community Secretariat praises the Ukrainian Government for its recent measures to bring electricity prices for the population closer to cost-reflective levels. "By moving towards cost-reflective pricing, this initiative will help alleviate the negative impact of the current PSO Act on the electricity market and its participants. It will also contribute to reducing cross-subsidization, enhancing

### **The Cabinet of Ministers approved the Energy Strategy of Ukraine until 2050**

The document reflects the goals of the Green Deal and is based on the principles of an integrated approach to the formation and implementation of energy policy, creating conditions for the sustainable development of Ukraine's economy, the Ministry of Energy [notes](#). The Strategy includes:

- the consequences of the war of Russia against Ukraine, strengthening the role of energy security and strengthening the stability of the energy system;
- joining the IPS of Ukraine to the ENTSO-E and deepening the integration of Ukraine's energy system into the European one;
- availability of the latest technologies (hydrogen production, SMRs, energy storage facilities, etc.), technical changes in the energy sector, global trends and innovative solutions, environmental safety requirements in accordance with EU regulations and international obligations of Ukraine;
- decentralization of electricity generation throughout the country to increase the stability and reliability of energy supply.

The strategy envisages Ukraine achieving **carbon neutrality** in the energy sector by 2050.

### **Energy Community Parliamentary Plenum discusses progress and green energy**

The meeting of the Parliamentary Plenum of the Energy Community, held on May 23, was an important gathering of delegates from various countries, including Ukraine. The main topic of the meeting is the implementation of

market transparency, and promoting energy efficiency" - noted on the website of the Secretariat. [Source](#).

### **NEURC expanded the rights of consumers to sell their own electricity**

The decision to grant all consumers of electricity (both household and non-household) the right to sell the energy produced by the generating plant and/or storage plant of such consumer of electricity to any supplier under a free contract and at a contractual price was adopted by the NEURC at a meeting on Tuesday. As [reported](#) on the regulator's website, such a decision will contribute to the expansion of competition in the retail market of electricity and is aimed at the development of distributed generation and ensuring the "green" transformation of the energy industry.

### **The Export Credit Agency will insure investments in Ukraine against war risk**

The Ukrainian parliament adopted a draft law № [9015](#) regarding insurance of investments in Ukraine against war risks. The document is intended to create conditions for scaling up investment in Ukraine during military operations and post-war reconstruction. The document enables the Export Credit Agency (ECA) to insure domestic investments. However, this is only under the condition that they are directed to creating facilities and infrastructure necessary for developing the processing industry and exporting work product (goods, services) of Ukrainian origin. [Details](#).

### **The Cabinet of Ministers can provide loans to energy companies for reconstruction before winter**

The government offered all energy companies loans to restore damaged equipment. Several TPP and CHP operator companies have already agreed to this program. This was [reported](#) by ExPro. According to the publication, "Lending under the "5-7-9" program was offered to all companies, but so far only a few have agreed.

### **Ukraine has adopted a state standard for injecting biomethane into distribution and main gas networks**

This is the basic technical standard of the EU, which is used to determine the requirements for the quality of biomethane and the content of chemical compounds in it. Now DSTU EN 16723-1:2023 "Natural gas and biomethane in transport and biomethane for injection into the natural gas network" has become part of Ukrainian legislation, the "Regional Gas Company"

the goals until 2030 and the discussion of the European Green Deal and the Fit for 55 Package. Attention was focused on the development of green energy in Ukraine and the creation of a single European energy market. Cooperation and dialogue between the participants have contributed to the energy development of the region. [Details](#).

### **NEURC cancels price restrictions on the electricity market from June 30**

The Regulator has decided to cancel the price restrictions on electricity, the so-called price caps, established by Resolution No.332 of February 25, 2022. The decision of the NEURC will enter into force on June 30. In this way, the regulator canceled the lower and upper price limits on the day-ahead and intraday market segments of the electricity market. We are talking about the points that set the maximum prices on the electricity market at the level of UAH 2,000 per MWh for hours of minimum load and UAH 4,000 per MWh for hours of maximum load. [Source](#).

### **Investment company BlackRock will support the Development Fund of Ukraine**

President Volodymyr Zelenskyy held a meeting with the management of the world's largest asset management company BlackRock. In particular, the parties discussed the details of the creation of an investment fund for the recovery of the economy of Ukraine with the attraction of capital. As reported by the press service of the President's Office, as a result of the meeting, the Ministry of Economy signed an agreement with BlackRock Financial Market Advisory on the provision of support services to the Development Fund of Ukraine. It is noted that the main purpose of creating the fund is to attract private and public capital for the implementation of large-scale business projects in Ukraine. [Details](#).

### **Joint committee hearings were held on the topic "Development of production of alternative energy sources, namely biomethane, hydrogen, other synthetic gases and bioethanol"**

The GTS Operator of Ukraine is already ready to provide biomethane transportation services. Currently, more than 10 companies have applied to GTSOU, which are considering the construction of the 31st biomethane plant with a capacity of 225 million cubic meters per year, GTSOU [noted](#) during committee hearings. In addition, SAEE head Hanna Zamazeyeva expressed the agency's support for strengthening the development of bioenergy and emphasized the importance of unblocking the export of biomethane. [Video recording](#).

[reports](#). Based on the standard, technical conditions will be issued for connecting biomethane plants to gas distribution networks. The document will enter into force on November 1, 2023.

### **State Agency on Energy Efficiency and Energy Saving (SAEE) is launching a large national leasing platform**

The SAEE is developing a number of tools that will help local communities, residents and businesses get quick access to both financing and modern energy-efficient technologies. In particular such as: assistance to the population in the implementation of energy-efficient measures; support for private households in installing solid fuel boilers, solar collectors, etc.; support of municipalities, critical infrastructure facilities, businesses in the transition to alternative energy sources; cheaper loans for ESCO companies to accelerate the reconstruction of hospitals, schools and other social facilities; transition to electric transport and other programs. [Source](#).

### **Ukraine and Denmark will deepen cooperation for the development of wind energy - the ministers signed the Agreement**

The Ministry of Energy of Ukraine and the Ministry of Climate, Energy and Public Utilities of Denmark signed an Agreement expanding energy partnership in the field of wind generation. The parties undertook to promote the further development of the energy partnership. The partner countries will work on creating new capacities and attracting investments in joint wind energy projects. As Deputy Minister of Energy Yaroslav Demchenkov noted, offshore generation in the future in the context of hydrogen production is already being studied. Odesa region may have great potential in this area. [Details](#).

### **The EU recommends its members to stop supporting energy prices**

The European Commission recommended on Wednesday that all EU governments end support measures for energy prices by the end of this year to keep public finances in check and stay in line with proposed new fiscal rules in 2024."We recommend that our member states move towards more prudent fiscal policies," Commission Vice President Valdis Dombrovskis told a news conference. [Resource](#).

### **From October 1, 2023, Ukrainian importers in the EU will report on CO2 emissions**

On April 18, 2023, the European Parliament approved the [text](#) of the Regulation on carbon border adjustment mechanism (CBAM). The implementation will look like this: the manufacturer of a product subject to the ETS, when importing it into the EU, must pay for the CO2 emissions released as a result of its production, buying ETS certificates at a price that will be formed by the EU ETS trading market. In case of non-compliance - a fine with a subsequent ban on trade in the EU. From October 1, 2023 to December 31, 2025, there will be a transition period during which the importer only reports CO2 emissions and does not pay for them. [Details](#).

### **Ukraine and Germany launch a joint project to equip critical infrastructure facilities with renewable energy sources**

Within the framework of the [project](#) "Renewable energy sources for a sustainable Ukraine - R2U" worth about 2 million euros, up to 20 communities will be selected, in which they will conduct an energy audit of buildings of critical infrastructure for further equipping them with RES. This is the first stage of the implementation of the agreements signed in Kyiv by the Minister of Energy of Ukraine Herman Halushchenko and the Vice-Chancellor of the Federal Republic of Germany Robert Habeck to deepen the German-Ukrainian energy partnership with an emphasis on the "green" recovery and reconstruction of Ukraine's energy industry. [Details](#).

### **The development of green energy during the war: the new DTEK WPP in the south of Ukraine is already operational**

The DTEK company, which is a member of the European-Ukrainian Energy Agency (EUEA), announced the launch of a new wind power plant (WPP) in the south of Ukraine. The first phase of the Tyligul wind farm, located 100 km from the territory of the Mykolayiv region occupied by the Russian army, has already started producing clean electricity. 19 turbines with an installed capacity of 114 MW of WPP generate to 390 thousand kWh of electricity per year. [Details](#).

## Latest EUEA publications

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- [EUEA RES market review: market news and settlements review, April 2023.](#)
- [Implementation of Guarantees of Origin in Ukraine: EUEA Interview with Naida Taso from Energy Community Secretariat.](#)
- [Summary of the EUEA expert discussion on cogeneration.](#)
- [2022 in RES Sector: the Year in Review.](#)

## Other useful reports

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- [KSE Institute: first issue of Ukrainian Recovery Digest](#)
- [Ukraine Recovery Cookbook](#) (CES together with #RRR4U consortium)
- [Renewable Energy Market Update - June 2023](#) (IEA)
- [Regional Economic Prospects](#) (EBRD)
- [The cost of financing for renewable power](#) (IRENA)
- [World Energy Investment 2023](#) (IEA)



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