



European-Ukrainian Energy Agency (EUEA) for Energy Week Black Sea 2023

Despite a challenging year of the battle for survival, Ukraine has been progressing in implementation of EU-oriented legal framework and integration regulations. The major breakthrough was a successful connection to ENTSO-E in March, which later in the summer together with launch of energy exports played a critical role in financing RES producers. This was followed by obtaining EU candidate status, which opens up a new perspective, sets standards for energy sector regulations and creates shorter timeline for their implementation. In its annual Implementation report Energy Community supported the efforts of Ukraine to keep up with the timeline for implementation of renewable energy regulations and pointed out a number of key regulations, that should be considered.

A critical point, raised in the report, which also is a priority for the RES producers, is the financial stabilization of the guaranteed buyer and implementation of functional market-based support scheme. While NEURC tries to balance between preservation the industry from higher tariffs and overseeing fulfillment of FIT obligations, such strategy results in systematic underfunding of the guaranteed buyer. It is timely to think about proper mechanisms for provision of funds to support FIT and fulfill arrears obligations to RES producers, assuming that there will be no extra funds from exports of electricity next year. Preserving existing investors' interests will be critical for new investments in the post-war economy.

Several important regulations moved forward in 2022. Passing of a law allowing for virtual PPA contracts is a big step forward for the development of the new market model. The law will allow producers to sell directly to business consumers and enter into long-term agreements. A draft law on the guarantees of origin was prepared by the Ministry of Energy and submitted to the Parliament for review in September. Guarantees of origins could provide a fast track for additional income for RES producers under a new market model, which would be possible via the launch of domestic GO market. According to Energy Community Implementation report 2022, the registry of GOs for Ukraine has been already created and the agreement provided to the respective officials for signing. Pending the passing of the proper legislation, Ukraine could promptly launch its GO registry. Notably, in December 2022 Georgia became the first county to start using the GO registry, provided by Energy Community, hence launching a market for Energy Community

participating countries. We sincerely hope that the topic of GO will be on top of the priorities list of lawmakers in 2023.

Summing up, I want to support the efforts of Ministry of Energy of Ukraine in keeping up the timeline for submission the renewable sector related law drafts. I strongly hope that the lawmakers will put these law drafts in priority order, and the regulator will address the critical issue of underfunding of the guaranteed buyer. Next step would be creation of a clear strategy for the development of the renewable energy in Ukraine. Currently there are only some high-level targets, presented in the National Recovery Plan by the government in Lugano conference in July. These targets for the growth of renewables do not address concrete actions for the transition from the existing market model to a new one, while preserving trust of the existing investors.

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Full EUEA report available [here](#).