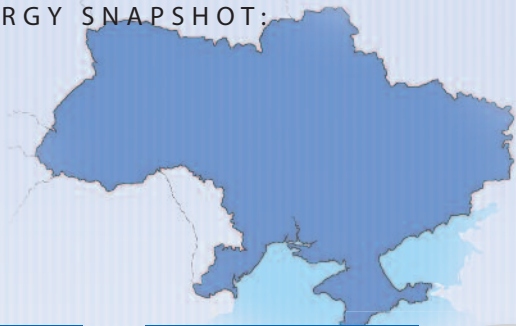


RENEWABLE ENERGY SNAPSHOT:



Ukraine

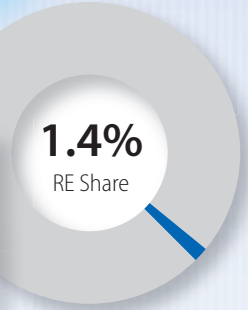
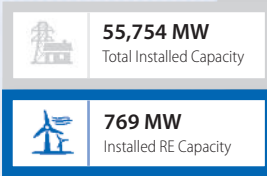


Empowered lives.
Resilient nations.

General Country Information

Population: 45,593,300
 Surface Area: 603,550 km²
 Capital City: Kiev
 GDP (2012): \$ 176.3 billion
 GDP Per Capita (2012): \$ 3,867
 WB Ease of Doing Business: 112

Electricity Generating Capacity 2012



- 
Biomass
- 
Solar PV
- 
Wind
- 
Small Hydro

Installed Renewable Electricity Capacity 2012 in MW

Technical Potential for Installed Renewable Electricity Capacity in MW

8	373	276	112
24,500	807,500	26,800	2,000

Sources: SAEEU(2013); Institute for Renewable Energy at NAS of Ukraine (2013); Trypolska (2012); WWEA (2013); EPIA (2013); World Bank (2014); EIA (2010); EIA (2013); SRS NET & EEE (2008); Hoogwijk and Graus (2008); Hoogwijk (2004); JRC (2011); and UNDP calculations.

Key information about renewable energy in Ukraine

Ukraine has excellent technical renewable energy potential, supportive government policies and a legislative framework. In particular, the green feed-in-tariff supports renewable energies from solar, small hydro, biomass, wind power and biogas. The feed-in tariff payments are constructed to 1 January 2030, ensuring the security of long-term investment. In addition, the 'green tariff' is amended each month by the current exchange rate (hryvnia/€), but contains a guaranteed minimum floor. The World Bank's Ease of Doing Business index ranks Ukraine in 112th position. From 2013 to 2014, the Dealing with Construction Permits indicator has seen the country's ranking rise by an impressive 145 places to 41st, while its position in the Registering Property indicator has also risen by 61 places to 97th spot (IFC & World Bank, 2014). It is likely that the previous lack of transparency and complex permission granting process for renewable energy power plants is to be improved in the coming years.

RENEWABLE ENERGY SNAPSHOT:

Feed-in tariff in Ukraine

Eligible technologies	Installed capacity	Green Tariffs in € / MW-h				
		Until 31 March 2013	1 April 2013 to 31 Dec 2014	01 Jan 2015 to 31 Dec 2019	01 Jan 2020 to 31 Dec 2024	01 Jan 2025 to 31 Dec 2029
Wind	<600 kW	64.6	64.6	58.2	51.7	45.2
	>600 kW <2 MW	75.4	75.4	67.9	60.3	52.8
	>2 MW	113.1	113.1	101.8	90.5	79.2
Biomass		123.9	123.9	111.5	99.1	86.7
Biogas		-	123.9	111.5	99.1	86.7
Solar (Ground Mounted)		465.3	339.3	305.3	271.4	237.5
Solar (on roofs or facades of buildings)	<10 kW	-	358.6	322.8	286.9	251
	<100 kW	426.5	358.6	322.8	286.9	251
	>100 kW	445.9	348.9	314.1	279.2	244.3
Hydro	Micro	116.3	193.9	174.5	155.1	135.7
	Mini	116.3	155.1	139.6	124.1	108.6
	Small	116.3	116.1	104.7	93.1	81.4

Source: Imepower (2013)

Legislation and policy

In its 2006 and 2009 Energy Strategies, the Ministry of Energy and Coal Industry declared that, by 2030, 19 percent of total energy consumption and 10 percent of existing electricity capacity should come from renewable and unconventional energy (OECD, 2012). Ukraine's Draft Updated Energy Strategy to 2030 (7 June 2012) provides for a comprehensive programme of energy efficiency with a reduction in energy consumption in the economy by 30 percent to 35 percent by 2030 (ECS, 2013). Ukraine has also committed itself to implement EU Directive 2009/28/EC and amendments to Article 20 of the Energy Community Treaty. Ukraine's share of energy derived from renewable sources was set at 11 percent for 2020 (EC, 2012). The Cabinet of Ministers is responsible for policy coordination and oversight of state energy companies. The Ministry of Energy and Coal Industry is responsible for the country's overall energy policy and grid management. In addition to the feed-in tariff, there are several tax incentives on renewable energy projects. For instance, VAT is exempted from imported equipment and materials for construction of renewable energy plants. Taxes on land used for installed renewable energy production are reduced by 25 percent. Equipment that consumes renewable energy is also exempt from VAT. After the feed-in tariff support scheme was adjusted in December 2012, Local Content Requirements were implemented. For power plants commissioned after 1 January 2013, the feed-in tariff is only available if the total construction costs include 30 percent of Ukrainian raw materials, fixed assets and services. That share has been increased to 50 percent for power plants commissioned after 1 January 2014. Additionally, solar power plants commissioned after 1 January 2013 (1 January 2014) are only eligible for the green tariff, if the installed photovoltaic modules contain 30 percent (50 percent) of Ukrainian raw and other materials in their production costs (Imepower, 2013).

Institutions

Organization	Responsibility	Website
Ministry of Energy and Coal Industry	- Defines the overall energy policy and legislation	http://mpe.kmu.gov.ua/
Ministry of Ecology and Natural Resources	- Responsible for licencing and agreements for sharing production, hydrocarbon development and for climate change policy	www.menr.gov.ua/
Ministry of Finance	- Responsible for energy sector taxation	www.minfin.gov.ua/
National Electricity Regulatory Committee (NERC)	- Grants business licences to investors - Grants the 'green tariff' - Grants grid access	www.nerc.gov.ua/
State Agency on Energy Efficiency and Energy Savings of Ukraine (SAEEU)	- Develops investments policies on energy efficiency and renewable energies	www.saeu.gov.ua/en/
State Environmental Investment Agency of Ukraine (SEIA)	- Fulfils UNFCCC and Kyoto Protocol requirements - Establishes and operates national circulation and trade of carbon credits - Implements the joint implementation projects	www.seia.gov.ua/nature/control/en.index
NPC Ukrenergo	- National grid operator, provides grid access	www.ukrenergo.energy.gov.ua
Invest Ukraine	- State agency responsible for consulting and attracting foreign investors	www.investukraine.com/

Opportunities to finance renewable energy projects in Ukraine

Financing organization	Details	Website
Ukraine Energy Efficiency Programme (UKEEP)	Provides loans up to \$3 million from EBRD and free technical advice for privately owned companies seeking to invest in renewable energy projects.	www.ukeep.org/
Ukraine Sustainable Energy Lending Facility (USELF)	Provides European Bank for Reconstruction and Development loans from €1 million and free technical advice for small and medium renewable energy projects.	www.uself.com.ua/
Nordic Environment Finance Corporation (NEFCO)	Complements financing from other parties and/or financial institutions for eligible projects that have a Nordic company or institution as business partner.	www.nefco.org/
Green Growth Fund	Provides direct and indirect (through financial intermediaries) financing for small scale renewable energy projects usually not larger than EUR 50 million.	www.ggf.lu/
European Bank for Reconstruction and Development (EBRD)	Provides renewable energy developers with equity, loans and loan guarantees for projects with good commercial prospects of up to 15 years' duration.	www.ebrd.com/pages/workingwithus/projects.shtml

Ukraine

Financing organization	Details	Website
International Finance Corporation (IFC)	Through the Sustainable Energy Finance Program, IFC helps product developers to build relationships with potential financial institutions. Selected Ukrainian financial institutions are provided with credit lines and assistance.	www.ifc.org/

Recent projects

Company	Project	Status
Ekotechnik Czech (Czech Republic)	A 5 MW solar power plant was put into operation in Yasenovka.	Commissioned
Activ Solar (Austria)	Completed the 43.1 MW Dunayskaya solar power plant in the Odessa region.	Commissioned
Guris (Turkey) and Greenworb (Belgium)	A 126 MW Western Crimean Wind Power Plant being considered by IFC and the Ukraine Sustainable Energy Lending Facility.	Under development

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