



# *Implementing the Electricity Market Law in Ukraine*

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# Current Status



- ❑ On April 13 2017, the new Electricity Market Law, Law No 2019-VIII, was finally adopted
- ❑ Since then a series of secondary legislative acts have been approved or are under preparation
- ❑ <https://www.energy-community.org/implementation/Ukraine/secondary.html>

# EnC info on Secondary Legislation

## Secondary legislation status: electricity (last update 19.04.2018)

### Law on the Electricity Market of Ukraine No. 2019-VIII, 13.04.2017

Legal act	Primary legal basis	Bodies in charge		Adoption / validity status	Comments / compliance status
		adoption / approval	drafting		
<b>Decision on creating the Coordination Centre on Reform Implementation</b>	TITLE XVII (7)	Cabinet of Ministers of Ukraine	Cabinet of Ministers of Ukraine	Adopted / <b>CMU Resolution No 559</b> , 09.08.2017	➤ No relevance to Acquis compliance
<b>Energy Strategy of Ukraine</b>	Article 5(3)(1)	Cabinet of Ministers of Ukraine	Ministry of Energy and Coal Industry of Ukraine	Adopted / <b>CMU Resolution No 605-p</b> , 18.08.2017	➤ No relevance to Acquis compliance
<b>Procedure for holding tenders for SoLR and USS</b>	Articles 5(3)(5), 63(2), 64(2), TITLE XVII (16)	Cabinet of Ministers of Ukraine	Ministry of Energy and Coal Industry of Ukraine	Not adopted, Deadline: 11.06.2018	➤ Adoption procedure yet to be initiated
<b>Procedure for granting exemption for new cross-border transmission lines</b>	Articles 5(3)(6), 24(10), TITLE XVII (16)	Cabinet of Ministers of Ukraine	Ministry of Energy and Coal Industry of Ukraine	<b>Not adopted</b> , Deadline: 11.06.2018	➤ Adoption procedure yet to be initiated

# *TSO unbundling*



- ❑ Decision and procedure regarding certification of the TSO, approved by NEURC last August
- ❑ Still though the TSO is not unbundled in a way to allow certification under the OU regime
- ❑ Recently, amendments on the Electricity Market Law, were proposed in view of introducing the concept of the “financial management rights” over the assets
- ❑ Though this should be seen only as a transitional measure to be replaced in due time by clear ownership rights

# *DSOs unbundling*



- ❑ Methodology (procedures) on setting the electricity distribution tariffs was approved last summer by NEURC (RAB methodology)
- ❑ Such methodology is aimed to apply both for as long as the bundled regime exists but also later under when Oblenergos will be unbundled
- ❑ EnC has been thoroughly reviewing this methodology and there are serious compliance concerns
- ❑ Our assessment and proposals have been recently submitted to the Ukrainian authorities
- ❑ Roadmap for state-owned Oblenergos unbundling and privatization



# New Wholesale Market Model and Rules



- ❑ Day Ahead and Intra-day Market rules approved by NEURC on March
- ❑ The same day the Rules regarding reserves, real time balancing and imbalances settlement were approved
- ❑ EnCS has provided technical assistance to NEURC, Energorynok and Ukrenergro in drafting, preparing and analysing the consequences of different options
- ❑ The Rules adopted carry compliance concerns
- ❑ EnCS was commented on them and is closely following the details of their implementation
- ❑ Main concern: Imports/exports trade in the IDM seems to be constrained by a technical quantity called “allowed volume”
- ❑ DAM imports/exports bidding is not linked with the appropriate PTRs assigned under the appropriate Cross Border Capacity allocation Process
- ❑ Penalties are missing possibly giving room for distortion

# Retail Sector



- ❑ Retail Market Rules, including procedures for universal supply, SoLR services, supply of vulnerable customers, supplier switching, and standard contract on electricity supply were approved by NEURC on mid March
- ❑ EnCS with the help of the Slovenian Regulator provided technical assistance to NEURC in terms of assessing and modifying corresponding Rules







*Thank you  
for your attention!*

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