

## Collaboration Ukraine – DG-JRC re: further refinement of UA security of gas supply legislation



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# Gas Market Law

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- ✓ **Reflects all major requirements of Regulation 994/2010**
- ✓ Competent authority – Ministry of Energy and Coal Industry
- ✓ Definition of crisis situation
- ✓ Three levels of crisis situation
- ✓ Protected consumers:
  - Households;
  - Essential public services;
  - DHC servicing the above consumers and not capable of switching to other fuel
- ✓ Supply standards, infrastructure standard (N-1)
- ✓ Provision for secondary legislation
- ✓ Cooperation with the Energy Community Secretariat



# Project inception

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In 2016 the Ministry of Energy and Coal Industry of Ukraine requested technical assistance from the European Commission's DG - Joint Research Center (JRC) for further refinement of Ukrainian legislation on the security of natural gas supply

## DG - JRC

The mission of the JRC is to provide customer-driven scientific and technical support for the conception, development, implementation and monitoring of EU policies.

The JRC in energy is contributing with its research outcomes to a healthy and safe environment, secure energy supplies, sustainable mobility and consumer health and safety.

## Ministry of Energy and Coal Industry of Ukraine

The Ministry of Energy and Coal Industry of Ukraine is the main body in the system of central authorities responsible for determination and implementation of state policy in the electricity, nuclear, coal, peat and oil and gas industries

The Ministry is the Competent Authority for security of gas supply purposes

# Project factsheet

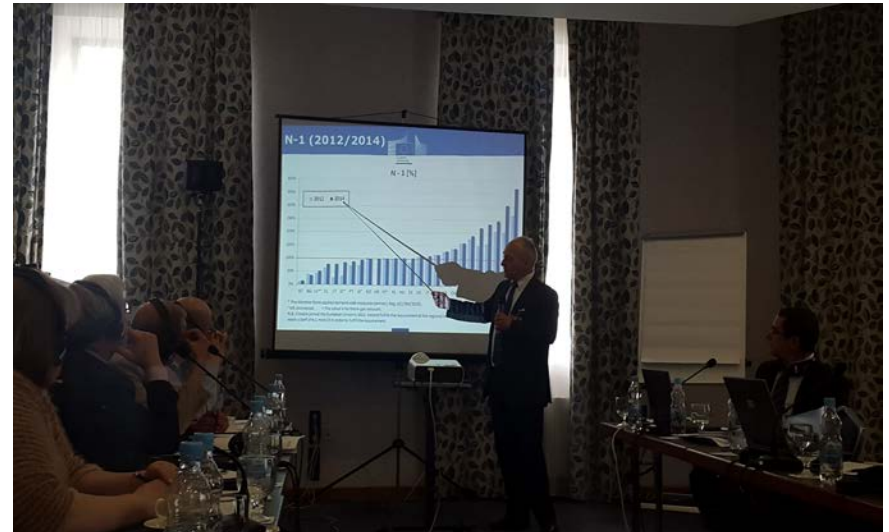
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Main purpose of the Project – *Refinement of Ukrainian legislation on the security of natural gas supply*

Endorsement by **ECS & DG-ENER**

Project duration – **3 years**

Participation: **DG-JRC** (EU experts – 3 prs); **MinEnergy** (policy-maker; 2-3 prs); **Naftogaz** (supply & market experts; 6 prs); **UKRTRANSGAZ** (infrastructure experts; 6 prs)



## Project activities

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- ✓ Training course to enhance the knowledge of Ukrainian experts of Regulation 994/2010 on security of gas supply
- ✓ Update and improvement of the existing Ukrainian legislation in the security of natural gas supply based on the best European experience
- ✓ Development of the Hydraulic model for the gas transmission system of Ukraine
- ✓ Development of the Risk Assessment for gas years 2016/2017
- ✓ Development of the Preventive Measures based on the Risk Assessment

## Pilot phase: May – August 2016

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Several meetings were held with JRC:

**18 – 20 May 2016**

**21 – 23 June 2016**

**03 – 05 July 2016**

**20 – 22 July 2016**

Results:

- Draft Hydraulic Model for Ukraine
- Pilot Risk Assessment and assessment of Standards of Conduct for gas years 2016/2017
- Improved Preventive Measures
- Improved SoS Rules and National Action Plan

# Issues identified

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- Definitions:

*protected consumers*: households (special cases); DHC (definition in the law)

*potential protected consumers*: SME (practical aspects); industrial consumers

*single largest infrastructure*

*preventive measures*

*compensation mechanism*

- N-1 as a viable standard
- Peak demand calculation (weather; structural changes in economy; energy efficiency; TOT)
- DHC fuel-switching (data; measures)
- Disconnection order
- Interface with electricity & heating markets

## Further steps of collaboration

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Pilot phase completed by 1 September 2016; Phase II set to start in 2017

### 2017 Work plan includes:

- Risk Assessment update, including broader spectrum of hazards and threats;
- update of Plans and Standards, including the consequences deriving from these hazards and threats and
- incorporation of the Regional dimension

The kick-off meeting in April 2017 aims at providing an update on the Ukrainian gas market and gas system since 2016 and at defining the content of the New Risk Assessment for the heating season 2017 – 2018 as the part of the rules on the Security Gas Supply (Law of Ukraine on the Natural Gas Market)