

National Energy and Utilities Regulatory Commission: the latest regulatory developments

41 ECRB Meeting

Olena Antonova

Commissioner
NEURC, Ukraine

Energy Sector Reforms in Ukraine

New Electricity Market: Secondary Legislation

Last documents adopted by NEURC according to the Electricity Market Law:

- Procedure on submission and publication of data to the ENTSO-E transparency platform (*Regulation (EU) 543/2013*) (entry into force – 10/10/2018);
- Decrees regarding quality of supply (reporting forms, requirements for call centers, guaranteed standards and compensation for non-compliance with them) (entry into force – 24/10/2018);
- Procedure of approving direct line construction and operation (entry into force – 01/11/2018).

New Electricity Market: Secondary Legislation (in process of public consultations) (1)

- Reporting forms for electricity market participants;
- Procedure for purchasing electricity at the green tariff, including rules on operation of balancing group of green tariff producers;
- Procedure for publishing information about the shares of energy sources used for electricity production and its impact on the environment;
- Standard contract for rendering service of increasing the efficiency of CHP (*PSO*).

New Electricity Market: Secondary Legislation (in process of public consultations) (2)

- Methodology for calculation of connections fees (*second endorsement – 16/10/2018*);
- Methodology for calculating state regulated price for purchase of electricity produced at CHP (*PSO*) (*second endorsement – 24/10/2018*);
- Rules of dispute settlement between licensees (*second endorsement – 14/11/2018*);
- Methodology for calculating ancillary services prices (*planned for second endorsement*).

DSO Unbundling Process

Activity	Responsible party	Progress
Establishment of Suppliers (Universal service suppliers)	VIU	DONE
New licenses for supply (for new suppliers providing universal service)	Supplier/Regulator	DONE
Tariff methodologies for Universal service suppliers	Regulator	DONE
Tariff methodology for DSOs	Regulator	DONE
New licenses for electricity distribution (for unbundled DSO)	DSO/Regulator	IN PROGRESS
Submission of compliance program and proposal for compliance officer	DSO	EXPECTED (deadline - 09/01/2019)

New Electricity Market: Secondary Legislation (tariffs and prices)

- Methodology for calculating universal service supply tariff (final approval – 05/10/2018, entry into force – 19/10/2018);
- Pricing procedure for universal services supply (final approval – 05/10/2018, entry into force – 03/11/2018);
- Methodology of calculating last resort supply tariff (final approval – 05/10/2018, entry into force – 19/10/2018);
- Pricing procedure for last resort supply (final approval – 05/10/2018, entry into force – 19/10/2018);
- Procedure for setting electricity distribution tariff (final approval – 05/10/2018, entry into force – 21/10/2018).

Retail Electricity Market Opening: practical issues

- New licenses issued by NEURC according to the Law (as of 30/11/2018):
 - 224 - for supply;
 - 29 - for distribution;
- Recommendations regarding public procurements of electricity developed by NEURC;
- New contracts conclusion campaign have been started;
- Improvement of regulations regarding settlements for DSOs and suppliers on the wholesale market in transition period (until 01/07/2019).

Natural Gas Market

- Implementation of daily balancing of gas transmission system:
 - Switching to daily balancing regime from monthly one was postponed until the 1st of March 2019;
 - NEURC with the cooperation of gas market stakeholders continues improving legislation to overcome difficulties in daily balancing system for system users.
- Entry-exit tariffs for 2019 were approved for public consultation:
 - IP tariffs are proposed to be in average twice lower compared to the IP tariffs being applied during 2016-2018;
 - The draft regulation is also aimed to set capacity based entry/exit tariff for non-IP points. The transmission tariffs for these kind of points applied during 2016-2018 were calculated based on “Postage stamp” methodology.

Technical Assistance in Energy Markets Reform

Projects of Technical Assistance supporting NEURC in energy markets reform:

- EU4Energy Governance Project: on-going short-term projects of technical assistance (NTC calculation methodology, ancillary services prices calculation methodology, improvement of methodology for gas distribution grid tariffs, transposition of Regulation 347/2013);
- USAID Project “Ukraine Energy Security through Competitive Energy Markets”.

Thank you for your attention!