



Russian War Against Ukraine: Energy Dimension

DiXi Group alert

(status as of 12:00, June 14)

#StopRussianAggression

#StandWithUkraine

Summary

- **App. 655,500 consumers all over Ukraine did not have electricity supply, and 182,000 consumers remained without gas supply.**
- **GTSOU restored two main pipelines in the Kharkiv region**, which will strengthen the security of local gas supply. Before the repair, the supply was conducted under an alternative scheme developed by GTSOU and local DSOs.
- According to preliminary estimates of Ukrenergo's CEO Volodymyr Kudrytskyi, in the short term (up to a year) **Ukraine can potentially reach over 800 MW electricity exports to the EU** and yield revenues at equivalent to 2-3% of annual GDP growth.
- The government set **zero quotas for 2022 exports of fuel oil, certain types of coal (except coking ones) and solid fuels made of coal, as well as natural gas** of Ukrainian origin. We assume the decision was made due to the need to accumulate energy resources for the 2022/2023 heating season. Zero export quotas apply only to gas produced in Ukraine and do not apply to gas in storage under "customs warehouse" mode, as well as to the imported resource.
- Naftogaz signed **a memorandum with the Canadian company Symbio Infrastructure on the supply of LNG and "green" liquid hydrogen (LH2) starting from 2027.**
- According to the First Vice PM - Minister of Economy Yulia Svyrydenko, in June, **Ukraine plans to increase imports of petroleum and diesel fuel 1.6 times** as compared to May - up to 600,000 tons.

Electricity Sector:

Power system operation

Ukraine [continued](#) commercial exports of electricity to Poland via the Dobrotvirsk TPP - Zamosc transmission line at the stable schedule of 210 MW hourly. At the same time, on an equal schedule Energoatom [continues](#) to book 150 MW of capacity to Moldova at daily auctions. In addition, technical [cross-border](#) flows continued between the energy systems of Ukraine and Eastern Europe countries (Slovakia, Hungary, Poland, Romania, and Moldova).

The CEO of Ukrenergo Volodymyr Kudrytskyi [stated](#) that Ukraine and the EU have reached agreements on the possibility of increasing electricity exports to the EU countries. At the same time, the current price creates favorable economic conditions for such exports. According to Kudrytskyi's preliminary estimates, in the short term (up to a year) Ukraine can potentially export over 800 MW and yield revenues at equivalent to 2-3% of annual GDP growth.

Ukrenergo also [continued](#) restoring the damaged network infrastructure. Particularly, in the central region, at a 750 kV substation and overhead line, works on restoring proper operation of the line were completed; two connection cells and a field switch were repaired. In the northern region, works on the restoration of protection equipment at a 330 kV substation continued. In the eastern region, two crews worked to restore the reliability of two 330 kV power lines. At one of the substations, 330 kV equipment and part of the equipment of lower voltage class were repaired.

Electricity market performance

Day-ahead market (DAM): On June 14, the weighted average settlement [price did not change](#) and amounted to 2,274.53 UAH/MWh (+0.4%). At the same time, the Base DAM indices of Romania, Slovakia and Hungary have [synchronously increased](#) to 2.8-2.9 times over the DAM Base index of Ukraine. Instead, the price spread with the Polish market decreased to 1.9 times.

The total volume of trading continued to [increase](#) to 15,853.1 MWh (+12.2% vs the previous day); at the same time, supply continued to show a declining trend to 95,215.7 MWh (-6.8%). The combination of these factors contributed to the reduction of DAM surplus: the gap with the volume of purchase bids decreased from 7.2 to 6 times. [The structure of purchase](#) did not change: the dominant part was occupied by suppliers (57.9%) and system operators (41.8%), the remaining 0.3% by producers and traders.

Intraday market (IDM): On June 13, the weighted average price of electricity on IDM [increased](#) to 2,490.53 UAH/MWh (+2% vs the previous day). The total volume of trading continued dropping to 130.1 MWh (-38.9% vs the previous day). At the same time, the slower decrease in supply up to 45,312.1 MWh (-8.3%) with other factors could not have compensated the rapid growth of market surplus - the gap with the volume of purchase bids increased from 232 to 348 times. [The structure of purchase](#) on IDM was occupied by suppliers only.

Disruption and resumption of supply

[According](#) to the Ministry of Energy, as of June 13, due to hostilities, a total of 655,500 consumers in 770 settlements were disconnected from electricity supply. During the day, electricity supply was resumed to app. 44,000 consumers.

Large-scale power supply disruptions and, consequently, active recovery works were taking place:

- in the **Donetsk region**, [according](#) to the local DSO, specialists restored electricity supply to 22,000 households in 22 settlements of the Pokrovsk, Bakhmut and Kramatorsk districts during the day. As total of 341 settlements in the region were left without electricity ([according](#) to the Ministry of Energy - more than 373,800 consumers);
- in the **Luhansk region**, [according](#) to the Ministry of Energy, more than 128,200 consumers were left without electricity;

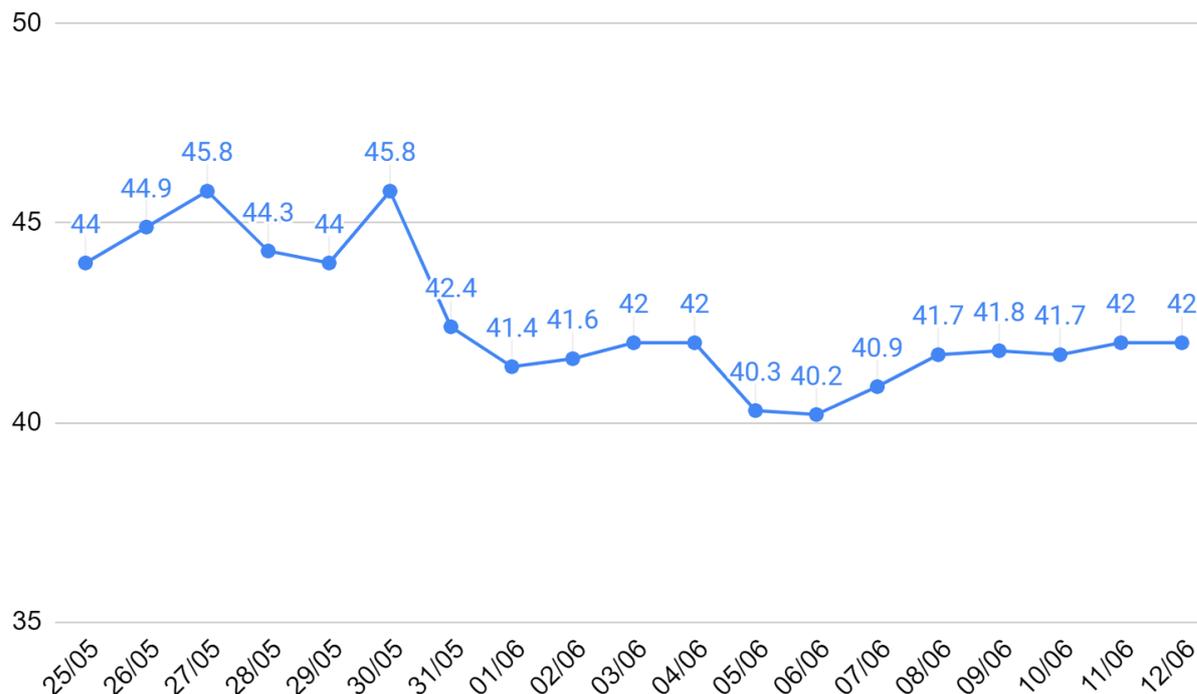
- in the **Kharkiv region**, [according](#) to the Ministry of Energy, app. 64,500 consumers remained without electricity and supplies were resumed to 3,800 consumers during the day;
- in the **Zaporizhzhia region**, [according](#) to the local DSO, as of 07:00 on June 14, 21,997 consumers in 78 settlements remained without electricity supply. During the day, the DSO specialists restored supplies to over 14,000 consumers in 32 settlements (6,200 consumers in Zaporizhzhia, 6,000 in the temporarily occupied city of Berdyansk, 1,825 in the Orikhiv, 360 in the Vilnyansk and 8 in the Tokmak districts);
- in the **Mykolaiv region**, [according](#) to the Regional Military Administration, as of June 14, 401 power supply facilities were partially or completely damaged, 4 of them during the last day. 95 settlements of the Bashtanka and Mykolaiv districts remained without electricity supply. [According](#) to the Ministry of Energy, electricity supply to 1,400 consumers was restored during the day;
- in the **Kherson region**, [according](#) to the Regional Military Administration, as of 11:00 on June 13, among the communities with communication established, electricity supply to Novovorontsovka, Velyka Oleksandrivka, Novooleksandrivka and Muzykivka communities was partially provided, at least 15 settlements were offline. There was no electricity supply in all 22 settlements of the Vysokopillia community. [According](#) to the Ministry of Energy, electricity supply to 10,500 consumers were restored during the day;
- in the **Dnipropetrovsk region**, [according](#) to the local DSO, due the night fire at one of the settlements of the Kryvyi Rih district, 706 consumers were left without electricity. [According](#) to the Ministry of Energy, electricity supply to 5,500 consumers was restored during the day;
- in the **Chernihiv region**, [according](#) to the Regional Military Administration, as of 06:00 on June 14, electricity supply to all settlements of the region has been restored, due the various reasons power supply to 326 consumers was not provided;
- in the **Ternopil region**, [according](#) to the Ministry of Energy, electricity supply to 5,000 consumers in the region was restored during the day;
- there was no up-to-date consolidated information on power supply in the **Sumy and Odesa regions** at the time of the review preparation.

Gas Sector:

As of June 12, the gas transit through the territory of Ukraine didn't change as compared to the previous day and amounted to 42 mcm. These volumes were only 39% of the capacity contracted by Gazprom (109 mcm per day). There were no transit flows via the Sokhranivka interconnection point.

Physical imports of gas from the EU were reported from the Hermanowice interconnection point (virtual interconnection point "Ukraine-Poland") at 2.5 mcm. At the same time, part of these volumes may be a transit from Poland to Hungary via Ukraine, as on June 12, on Ukraine's gas system exit via the Berehove interconnection point (virtual interconnection point "Bereg") 2.3 mcm of gas was shipped.

Gas transit through Ukraine (at Sokhranivka and Sudzha interconnection points), mcm



Source: [GTSOU](#)

Disruption and resumption of supply

The **Donetsk, Luhansk, Zaporizhzhia, Kherson, Mykolaiv, Chernihiv and Kharkiv regions** had the most challenging situation in gas supply. [According](#) to the Cabinet of Ministers, as of June 13, 182,000 consumers were left with no gas supply.

In the **Donetsk region**, as of June 13, the situation didn't change: almost the whole region remained without gas supply due to the main gas pipeline damage. Only 1,900 consumers in 2 settlements [had](#) supply.

In the **Luhansk region**, there were no changes in gas supply: it was completely suspended due to hostilities which were deeply destroying the region's critical infrastructure. In addition, the Regional Military Administration Head Serhii Haidai [stated](#) that, even with the rapid liberation of Severodonetsk, it would be impossible to restore communications in the city (gas, electricity, water supply) by next winter.

In the **Kherson region**, [as of 11:00 on June 13](#), there was no information regarding any significant change as compared to the previous day: 1 community (Vysokopillia) has completely remained without gas supply and 3 communities (Velyka Oleksandrivka, Novovorontsovka, Stanislav) partially. However, there is no mobile connection in some of these communities, so there is no up-to-date information on gas supply. LPG reserves were running out in 4 communities (Tyahynka, Hornostaivka, Velyka Lepetykha and Rubanivka); in the Novoraysk community, LPG supply had run out.

In the **Kharkiv region**, GTSOU [announced](#) the restoration of two main pipelines, which will strengthen the security of gas supply in the region. Before the repair, the supply was conducted under an alternative scheme developed by GTSOU and local DSOs. The DSOs also continued repairs on distribution networks: for instance, Kharkivgaz [resumed gas supply repeatedly](#) to 2,800 consumers in Mala Danylivka and 3 other settlements. Kharkivmiskgaz specialists were [resuming gas distribution](#) for industrial consumers in the regional center. Working for one of these consumers, the DSO replaced about 100 meters of 260 mm pipelines damaged by shell fragments. At the same

time, some settlements in the Izyum and Kupiansk districts were disconnected due to enemy shelling.

In the **Zaporizhzhia region**, as of the morning of June 14, 81,112 consumers in 107 settlements [remained](#) without gas supply. On June 13, medium- and low-pressure gas pipelines were damaged by shelling in the village of Novoandriyivka and the city of Orikhiv. At the same time, in Orikhiv, damage to the low-pressure gas pipeline caused by shelling on the same day was eliminated.

In the **Mykolaiv region**, as of June 14, the situation with gas supply [has not changed](#) - 631 gas infrastructure facilities were destroyed or damaged for the whole period of war, and 6,578 consumers were left without gas supply.

[According](#) to the **Chernihiv** Regional Military Administration, as of the morning on June 14, about 900 consumers in 23 settlements have not received gas supply service.

Operational information on gas supply in the **Sumy region** was not available at the time of the review preparation.

Countermeasures of Ukrainian Companies and Public Authorities

The Cabinet of Ministers [adopted](#) the Resolution No. 666 of June 10, 2022, which set zero quotas for 2022 exports of fuel oil, certain types of coal (except coking ones) and solid fuels manufactured from coal, as well as natural gas of Ukrainian origin. The ban on exports of these goods comes into force on the day of publication. According to [NadraMonitor](#), the decision to restrict exports of these goods is due to the need to accumulate energy resources for the 2022/2023 heating season. The experts also noted that zero export quotas apply only to gas produced in Ukraine and do not apply to gas in storage under "customs warehouse" mode, as well as to the imported resource. The storage operator Ukrtransgaz [confirmed](#) the possibility of re-exporting gas stored under "customs warehouse", including volumes which have been imported for storage since April 2022.

Naftogaz [signed](#) a memorandum with the Canadian company Symbio Infrastructure on the supply of LNG and "green" liquid hydrogen (LH2) starting from 2027. As reported, on June 5 in Washington DC, the parties signed a Memorandum of Understanding, which provides for the supply of LNG and LH2 to an import terminal in the transit country of Europe, which will be agreed by the parties. Through its subsidiary GNL Québec, Symbio is developing a carbon-neutral project in Quebec with export capacity of 10.5 million tonnes of LNG per year (14.5 billion cubic meters in regasified form). The project is awaiting permission from regulators and should be completed in 2027.

The First Vice Prime Minister - Minister of Economy Yulia Svyrydenko [stated](#) that in June, Ukraine plans to increase imports of petroleum and diesel fuel 1.6 times as compared to May - up to 600,000 tons. According to her, the shortage of fuel at retail stations and the rush of demand will subside when traders will be able to provide stocks of petroleum and diesel fuel for two weeks. Now, according to Svyrydenko, stocks are formed for 7-8 days.

Sources:

The alerts are developed based on collected, verified, and analyzed information reports of over 100 official sources: ministries, state agencies, network operators, and energy companies. Information was collected only from official websites and official social media accounts.

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