

## Daily Alert

# Russian War Against Ukraine: Energy Dimension

(status as of 12:00, February 22)

**#StopRussianAggression**  
**#StandWithUkraine**

## Summary

- On February 21, the Russian military attacked the city of Kherson 4 times with multiple launch rocket systems, and the buildings of local DSO and district heating company were damaged. On the morning of February 22, impact was recorded in the city of Kharkiv, infrastructure facilities were targets of the occupiers.
- The Ukrainian power system has been operating for 10 days without a deficit, it is not forecasted given no new attacks - so the Prime Minister Denys Shmyhal.
- According to the Minister of Energy Herman Halushchenko, as restoration works on several TPP units have been completed, the power system will have sufficient capacity reserves to meet the growing demand of industry.
- According to Ukrenergo, due to damage to distribution networks and bad weather conditions, 137 settlements in the Kyiv, Zhytomyr, Volyn, Chernivtsi, Khmelnytskyi and Ternopil regions were left without electricity supply.
- The Ministry of Foreign Affairs reacted to Russia's decision to suspend its participation in the Strategic Arms Reduction Treaty (New START). The Ministry noted Russia continues to deliberately destroy the existing nuclear disarmament and non-proliferation architecture, and called on the international community to take urgent joint measures to prevent and counteract any form of nuclear blackmail by the terrorist state.
- The Minister of Finance Serhii Marchenko once again emphasized the need to remove Russia from the FATF and include it to the "black list" (High-Risk Jurisdictions subject to a Call for Action).

- At the February 21 meeting, the Cabinet of Ministers approved the procedure for holding electronic auctions for the sale of assets subject to 'large privatization'. The government also approved draft laws that provide for easier loan repayment conditions for citizens who live in or have left the territories of hostilities or the temporarily occupied territories.
- The NEURC removed from the agenda the issue of revising the price caps on the day-ahead market, the intraday market and the balancing market in electricity.
- Following unscheduled on-site inspections, the Regulator imposed a 85,000 UAH fine on Poltavaoblenergo for violations in the preparation and application of power outage schedules, while Volynoblenergo received a warning.

## Attacks

On February 21, the Russian military attacked the city of Kherson 4 times with multiple launch rocket systems, and the buildings of the local DSO ([Khersonoblenergo](#)) and the district heating company ([Khersonteploenergo](#)) were damaged, as the Regional Military Administration reported. On the morning of February 22, impact was recorded in the Kyivskiyi district of Kharkiv, infrastructure facilities were targets of the occupiers, [said](#) the Regional Military Administration Head Oleh Syniehubov.

[According to](#) the General Prosecutor's Office, a boiler-turbine repair engineer of one of the Kharkiv CHPs was convicted. He corrected the Russian strikes on the city of Kharkiv, as well as put on online maps and informed the enemy of exact locations of impacts.

## Electricity Sector

### *Power system operation*

[According](#) to the Prime Minister Denys Shmyhal, the Ukrainian power system has been operating for 10 days without a deficit. In the absence of new attacks, no deficit is forecasted.

[According](#) to the Minister of Energy Herman Halushchenko, on February 22, despite the increase in consumption, the generation fully meets the needs of electricity consumers. Restoration works on several power units of TPPs have been completed, so the power system will have sufficient capacity reserves to meet the growing demand of industry. During the day, restoration works should be completed on the weather-damaged power grids in some districts of the Khmelnytskyi, Zhytomyr and Kyiv regions.

[According](#) to Ukrenergo, on February 22, the volume of electricity consumption is at the level of a normal working day, there is no capacity deficit in the power system and it is not currently forecasted. All types of power plants are in operation, the imports of electricity are insignificant due to the stabilization of supply. Due to the absence of deficit, consumption limits were not applied in the regions. . As a result of bad weather conditions, there is damage to distribution networks and disruption of electricity supply to consumers in a number of regions. In the city of Odesa and the Odesa district, due to damaged equipment at substations of Ukrenergo, which necessitates the use of hourly outage schedules, network restrictions still apply.

[According](#) to ENTSO-E, on February 22, Ukraine imported insignificant volumes of electricity from Slovakia (9-16 MW) and Moldova (2-25 MW) (for different hours during the

day). Capacity on the Slovakia->Ukraine direction (600 MW) [was booked by four companies](#) for a total volume of 369-371 MW: D.Trading (350 MW), ECU (9 MW), Avgusta (10 MW), Artlex Group (2 MW). In the absence of significant competition, the marginal price of access was "zero". D.Trading (120 MW) also booked capacity in the Moldova->Ukraine direction on a flat schedule; the marginal price was "zero". Capacity in other directions was not offered. At the same time, the Base DAM price indices of Eastern European countries (Poland, Slovakia, Romania and Hungary) [exceeded](#) the similar index of Ukraine by 2.2-2.3 times.

## ***Disruption and resumption of supply***

[According](#) to the President Volodymyr Zelenskiy, Ukraine achieved good results in ensuring the power system operation, and the needs of households and industry are met in most of the territory.

[According](#) to Ukrenergo, due to damage to distribution networks and bad weather conditions, 137 settlements in the Kyiv, Zhytomyr, Volyn, Chernivtsi, Khmelnytskyi and Ternopil regions were left without electricity supply.

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

- in the **Kharkiv region**, [according](#) to the Regional Military Administration, about 15 tons of equipment from international partners for the energy infrastructure recovery, including generators, transformers and other equipment, were delivered;
- in the **Dnipropetrovsk region**, [according](#) to the local DSO, on February 22, no consumption restrictions were applied. However, Ukrenergo networks are damaged due to shelling, so [power supply restrictions](#) are possible to prevent overload in some nodes. During the day, emergency crews restored electricity supply to 3,800 households that had been offline due to enemy's shelling;
- in the **Zaporizhzhia region**, [according](#) to the local DSO, as of 07:00 on February 22, 24,195 consumers in 72 settlements remained offline (excluding the temporarily uncontrolled territory). During the day, specialists restored supply to 8,205 households and legal entities in the city of Zaporizhzhia and 940 - in the Vilniansk district, which were disconnected due to technological violations and enemy's shelling. In the morning, there were 3 single outages in the city of Zaporizhzhia;
- in the **Kherson region**, [according](#) to the Regional Military Administration, as of February 20, 34 crews (149 specialists and 56 units of equipment) were working to restore electricity supply. Specialists performed work on the damaged lines supplying the city of Kherson, the towns and villages of Kostyrka, Arkhangelske, Bilousove, Bila Krynytsia, Myroliubivka, Borozenske and Pravdyne. [On February 21](#), specialists repaired high-voltage lines damaged by recent shelling and reconnected 804 consumers network in the village of Kizomys, the villages of Veletenske and Honcharne (Bilozerka community), as well as 538 consumer metering points in the town of Zymivnyk (Kherson community);
- in the **Odesa region**, [according](#) to the local DSO, as of 18:00 on February 21, 17,000 consumers in 24 settlements were offline due to bad weather, most of them in the Izmail, Podilsk and Central areas. To restore power supply, specialists need to repair 98 transformer substations and 7 overhead lines, so 44 crews (106 specialists and 44 pieces of equipment) are deployed;
- in the **Mykolaiv region**, [according](#) to the Regional Military Administration, as of February 22, 1,013 electricity supply facilities were partially or completely damaged (+6 during the day), while 7 settlements of the Bashtanka and Mykolaiv districts remained offline. [On February 21](#), in the Snihurivka district, a team of engineers blew up on a landmine, but no one was injured;
- in the **Donetsk region**, [according](#) to the local DSO, on February 20, specialists repaired equipment damaged by shelling and restored power supply to 7,460 households in 11 settlements. Due to constant shelling, 110 settlements remained offline, as specialists did not have access to works there;

- in the **Kyiv region** and the **city of Kyiv**, [according](#) to the local DSOs [\[1,2\]](#), on February 22, no consumption limits were applied, yet in the event of network overload, outages were possible in some areas. [On February 21](#), due to bad weather conditions, emergency power outages were applied, most notably in the Vasylkiv and Kyiv-Sviatoshynskiy power nodes. As of 18:00 of the same day, specialists repaired 29 overhead lines of 6-10 kV and 561 transformer substations, fully restored power supply to 30 settlements and partially - to 34 settlements (in total, more than 21,000 households were reconnected). 42 settlements remained without electricity supply, liquidation of the consequences of bad weather continued;
- in the **Chernihiv region**, [according](#) to the Regional Military Administration, on February 21, due to worsening weather conditions, 12 power lines with a voltage of 10 kV were damaged and disconnected, and 15 settlements in the Chernihiv district and 14 in the Nizhyn district remained offline. Power supply was restored at midnight;
- in the **Khmelnyskyi region**, [according](#) to the Regional Military Administration, on February 22, due to bad weather conditions, 3,757 consumers remained without electricity supply. At the same time, no limit for electricity consumption was set for the region;
- in the **Lviv region**, [according](#) to the Regional Military Administration, on February 21, due to strong winds, 17 power lines and 57 settlements were disconnected, most of them in the Yavoriv, Brody, Peremyshlyany and Zhovkva directions. 94 specialists and 33 pieces of equipment were deployed for the restoration of power supply;
- in the **Chernivtsi region**, [according](#) to the local DSO, on the morning of February 22, due to bad weather, four 10 kV transmission lines remained offline, so there is a partial lack of power supply in 5 settlements of the Khotyn, Novoselytsia, Hertsa, Putyla districts and in the city of Chernivtsi;
- there was no up-to-date consolidated information on power supply in the **Luhansk region** at the time of the review preparation.

#### Other

On February 21, the National Energy and Utilities Regulatory Commission (NEURC), based on the results of unscheduled on-site inspections of DSOs in the Poltava and Volyn regions, decided [to impose a 85,000 UAH fine](#) on Poltavaoblenergo for numerous violations in the preparation and application of power outage schedules. Volynoblenergo was warned against further non-compliance with the requirements of regulatory acts in the electricity market.

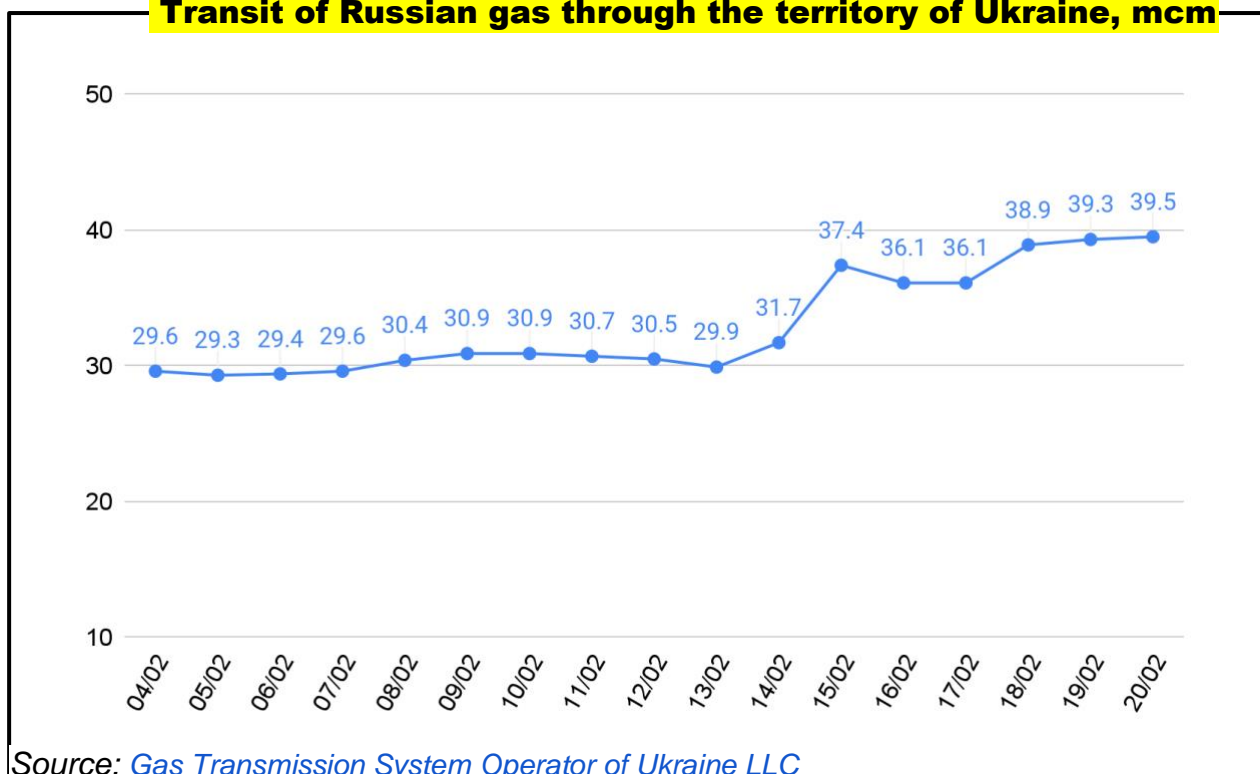
## Oil & Gas Sector

### *Gas system performance*

On February 20, the volume of gas transit through the territory of Ukraine amounted to 39.5 mcm (+0.2 mcm as compared to the previous day), i.e. only 36% of the capacity contracted by Gazprom (109 mcm per day). There were no transit flows via the Sokhranivka interconnection point. The media also [reporeyb](#) a further increase in transit volumes to 42.1 mcm per day on February 22.

The physical imports of gas from the EU countries were reported at 10 mcm: via the Beregdaroc interconnection point (VIP Bereg) at 3.7 mcm, via the Hermanowice interconnection point (VIP Ukraine-Poland) at 1.7 mcm, and via the Budince interconnection point at 4.6 mcm. On February 20, on Ukraine's gas system exit, except for transit flows, no gas was transmitted.

## Transit of Russian gas through the territory of Ukraine, mcm



## Functioning of the natural gas market

The United States Agency for International Development (USAID) is [handing](#) over 6,000 tons of methanol to Ukgazvydobuvannya to support uninterrupted production until the end of the heating season. Since the beginning of the full-scale invasion, Ukgazvydobuvannya has completely switched to purchasing methanol from European suppliers. Methanol is a critical commodity for natural gas production, preparation, and transmission.

## Disruption and resumption of supply

As of February 21, the Ministry of Energy did not update information on the supply restoration and the number of consumers without gas supply.

The **Dnipropetrovsk, Donetsk, Luhansk, Zaporizhzhia, Kherson, Mykolaiv, and Kharkiv regions** had the most challenging situation.

In the **Kherson region**, the local DSO [restored](#) centralized gas supply in the village of Mykilske (Daryivka community). Earlier, the Russian artillery damaged a gas pipeline, which made it impossible to supply gas to the settlement. On February 21, specialists resumed gas distribution and supply to the village.

In the **Mykolaiv region**, according to the Regional Military Administration, as of February 22, 1,147 gas infrastructure facilities (no change as compared to February 21) were damaged during the war, as a result, 5,322 consumers (-6) [remained](#) with no gas supply.

In the **Kharkiv region**, the local DSO [replaced](#) the damaged section of gas pipeline in the Pivnichna Saltivka neighborhood (Kharkiv city).

Operational information on gas supply in other affected regions was not available at the time of the review preparation.

# Countermeasures of Ukrainian Companies and Public Authorities

The President of Ukraine Volodymyr Zelenskyi and the Prime Minister of Italy Giorgia Meloni [signed](#) a joint declaration of support and cooperation. In the declaration, the signatories reaffirmed their intention to strengthen joint efforts to ensure further progress towards Ukraine's integration into the EU and NATO. In addition, Italy expressed its readiness to play a key role in Ukraine's reconstruction. In particular, Meloni [announced](#) at a joint press conference with Zelenskyi that Italy will host a conference on Ukraine's reconstruction in April.

The Ministry of Foreign Affairs of Ukraine [reacted](#) to Russia's decision to suspend its participation in the Strategic Arms Reduction Treaty (New START). The Ministry notes that Russia continues to deliberately destroy the existing nuclear disarmament and non-proliferation architecture, confirming its criminal nature and further aggressive intentions to destroy international peace and security. The MFA [considers](#) Moscow's rhetoric about the possibility of using nuclear weapons unacceptable and endangering the security of the entire world. The ministry called on the international community to provide a decisive response to Russia's aggressive behavior, to take urgent joint measures to prevent and counteract any form of nuclear blackmail by the terrorist state. In the context of Russia's nuclear threats, the President Volodymyr Zelenskyi also [noted](#) that the Russian leadership is already communicating like terrorists, not hiding their identities behind masks.

The Minister of Finance Serhii Marchenko has once again [emphasized](#) the need to remove Russia from the list of the Financial Action Task Force (FATF) members. He also [expressed](#) hope that at the meeting taking place this week in Paris, the FATF will include Russia to the "black list" (High-Risk Jurisdictions subject to a Call for Action). The reason is that Russia, inter alia, cooperates with numerous terrorist organizations, including the Wagner Group, which the United States recently added to the list of transnational criminal organizations and the EU imposed sanctions on.

The Minister of Foreign Affairs Dmytro Kuleba will participate in events at the UN to mark the anniversary of Russia's full-scale invasion, planning to speak about President Zelenskyi's Peace Formula and support for Ukraine. "We will have three key topics: we will promote the issue of bringing Russians to justice for their crimes, including the creation of a tribunal for aggression and the payment of compensations", Kuleba [said](#).

The International Monetary Fund is ready to provide significant economic support to Ukraine as part of a new full-fledged loan program, the IMF Managing Director Kristalina Georgieva [said](#). To facilitate the agreement, Ukraine and the IMF are already cooperating under the Program Monitoring with Board Involvement (PMB), which is seen as a precondition for a multi-billion loan program. Corporate governance and anti-corruption will be a major part of the program, Georgieva said, adding that bolstering of institutions needed to improve further.

The Prime Minister of Ukraine Denys Shmyhal [said](#) the government expects to receive the first tranche of almost 10 billion USD in direct budget assistance from the United States as soon as possible. According to the PM, Ukraine needs another 17 billion USD to quickly rebuild energy, critical and housing infrastructure, as well as to restore the economy. He reminded that Japan has already announced 5.5 billion USD of financial assistance to Ukraine for infrastructure reconstruction, and the Norwegian government has announced a 7.5 billion EUR multiannual support program, which will be used for military, economic and humanitarian needs.

Shmyhal also [noted](#) that the three key elements of the government's anti-corruption strategy are digitalization, deregulation, and reducing the role of the state in the economy.

The last point implies that the private sector should be the driver for recovery and growth. According to the Prime Minister, the government intends to continue corporate governance reform and privatization.

At its meeting on February 21, the Cabinet of Ministers approved the procedure for holding electronic auctions for the sale of assets subject to 'large privatization'. [According](#) to the CMU Representative in the Verkhovna Rada Taras Melnychuk, the procedure defines the mechanism of electronic auctions, determination of the winner, the amount and procedure of payment for participation in the electronic auction.

The government also [approved](#) draft laws that provide for easier loan repayment conditions for citizens who live in or have left the territories of hostilities or the temporarily occupied territories (TOT). In particular, for the period of martial law, it is proposed to introduce mandatory restructuring of consumer loan agreements for citizens who:

- are registered as internally displaced persons,
- permanently reside in or have left the territory where hostilities are (were) conducted or the TOT.

The Cabinet of Ministers also supported draft amendments to the Tax Code, which provide for the income received as a result of such restructuring being not taxed. In addition, it is proposed to establish that, for the period of martial law and 30 days after its termination, the creditor and collection company are prohibited from taking measures to settle overdue debts related to consumers.

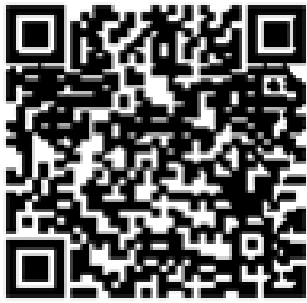
At its meeting on February 21, the NEURC [decided](#), in particular, to:

- publish for comments draft [amendments](#) to the Procedure for Setting Tariffs for Centralized Water Supply and Sewerage, in particular, regarding the possibility of using the savings under network development plans to fulfill loan obligations;
- publish for comments draft [amendments](#) to the Rules of Retail Electricity Market, which allow the sale of electricity produced by private households to suppliers at a negotiated contractual price (not under feed-in tariff);
- remove from [consideration](#) the issue of revising the price caps on the day-ahead market, the intraday market and the balancing market in electricity.

The Zakarpattia region is the leader in the number of approved and issued loans to businesses for energy supply from Oshchadbank, as [reported](#) by the Regional State Administration Head Viktor Mykyta. 12 local and one relocated company received financial support in the amount of 7.5 million UAH under the 5-7-9 Affordable Loans program for the purchase of alternative energy sources, including two companies implementing projects to purchase solar equipment.

For subscriptions, comments and other questions, please email to: [author@dixigroup.org](mailto:author@dixigroup.org)

## **SUPPORT UKRAINIAN ENERGY SECTOR**



*Ukraine urgently needs emergency energy equipment to restore energy supply in the regions affected by war. More than 12,000 items are on the list of requested emergency energy equipment. If your company, association or country is ready to help, please [contact the Energy Community Secretariat's Ukraine Support Task Force](#).*

*[Energy Community Homepage \(energy-community.org\)](http://energy-community.org)*

## **SUPPORT UKRAINIAN ARMY**

*To financially support the Armed Forces of Ukraine, please follow the [link](#) (the National Bank of Ukraine special account).*